

CAPITAL EXPENDITURES COMMITTEE

TOWN OF LEXINGTON



REPORT TO THE SPECIAL TOWN MEETING (STM) 2024-1

Released November 06, 2024

Submitted by:
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ARTICLE 3 ESTABLISH, AMEND, DISSOLVE AND APPROPRIATE TO AND FROM SPECIFIED STABILIZATION FUNDS	<i>Funds Requested</i>	<i>Funding Source</i>	<i>Committee Recommends</i>
	\$4,362,799	General Fund	6-0

To see if the Town will vote to create, amend, dissolve, rename and appropriate sums of money to and from Stabilization Funds in accordance with Massachusetts General Laws, Section 5B of Chapter 40 for the purposes of: (a) Section 135: Zoning By-Law; (b) Traffic Mitigation; (c) Transportation Demand Management/Public Transportation; (d) Special Education; (e) Center Improvement District; (f) Transportation Management Overlay District; (g) Capital; (h) Payment in Lieu of Parking; (i) Visitors Center Capital Stabilization Fund; (j) Affordable Housing Capital Stabilization Fund; (k) Water System Capital Stabilization Fund; and (l) Ambulance Stabilization Fund; determine whether such sums shall be provided by the tax levy, by transfer from available funds, from fees, charges or gifts or by any combination of these methods; or act in any other manner in relation thereto.

(Inserted by the Select Board)

DESCRIPTION: This is an annual article to establish, dissolve, and/or fund Stabilization Funds for specific purposes and to appropriate funds therefrom. Money in those funds may be invested and the interest may then become a part of the particular fund. These funds may later be appropriated for the specific designated purpose by a two-thirds vote of an Annual or Special Town Meeting, for any lawful purpose.

The entire appropriation will be added to the Capital Stabilization Fund.

The Capital Expenditures Committee unanimously recommends approval of this Article.

ARTICLE 5 APPROPRIATE FOR AUTHORIZED CAPITAL IMPROVEMENTS	<i>Funds Requested</i>	<i>Funding Source</i>	<i>Committee Recommends</i>
	\$1,240,000	Tax Levy Debt	6-0

To see if the Town will vote to make supplementary appropriations to be used in conjunction with sums appropriated in prior years for the installation or construction of water mains, sewers and sewerage systems, drains, streets, buildings, recreational facilities or other capital improvements and equipment; determine whether the sums shall be provided by the tax levy, by transfer from the balances in other articles, by transfer from available funds, including enterprise funds and the Community Preservation Fund, by borrowing, or by any combination of these methods; or act in any other manner in relation thereto.

(Inserted by the Select Board)

DESCRIPTION: This is an annual article to request funds to supplement existing appropriations for certain capital projects in light of revised cost estimates that exceed such appropriations.

The Police Station Solar Project requires supplemental funding based on expected project costs. The Town has applied for Federal funds to cover this expense. This appropriation is a hedge in case those Federal funds are not granted.

No matter which funding source ultimately pays for the project, the Capital Expenditures Committee unanimously recommends approval of this Article.

ARTICLE 7 APPROPRIATE DESIGN FUNDS- HARRINGTON ATHLETIC FIELDS	<i>Funds Requested</i>	<i>Funding Source</i>	<i>Committee Recommends</i>
	\$100,000	General Fund	6-0

To see if the Town will vote to appropriate a sum of money for survey, design, and engineering services for construction of Athletic fields at the Harrington School, and all costs incidental or related thereto; and determine whether the money shall be provided by the tax levy, by transfer from available funds, including enterprise funds 2 and the Community Preservation Fund, or by any combination of these methods; or act in any other manner in relation thereto.

(Inserted by the Select Board)

DESCRIPTION: This is funding request is for schematic design services for future construction of the Harrington fields which is anticipated to be a FY2026 Capital Request.

The Town has long been short of athletic fields (see page 23 of the Comprehensive-Study-of-Athletic-and-Outdoor-Recreation-Facilities-2021-2022 Final-Report, found on the STM website <https://www.lexingtonma.gov/2102/Special-Town-Meeting-2024-1A>, Article 7).

The construction of the new High School, whether on the existing fields or phased-in-place, will take some of the athletic fields at the Center Complex out of use for several years. The construction of new additional athletic fields at the old Harrington Elementary School site, while not part of the Lexington High School (LHS) replacement/renovation project, is an integral part of the total plan to complete the replacement/renovation of the LHS with as little disruption as possible. The fields will help alleviate the shortage of athletic fields long term, even after the High School project is complete.

The Capital Expenditures Committee unanimously recommends approval of this Article.

ARTICLE 8 DELAY MASSACHUSETTS SCHOOL BUILDING AUTHORITY (MSBA) FILING RESOLUTION (Citizen Petition)	<i>Funds Requested</i>	<i>Funding Source</i>	<i>Committee Recommends</i>
	None	None	0-6

To see if the town will vote a non-binding resolution to delay the MSBA filing and request a two part funding for Lexington's High School building project due to uncertain future enrollment from new housing as result of the recent MBTA multifamily rezoning.

(Inserted by Peter Kelley and 99 other registered voters)

DESCRIPTION: This resolution seeks Town Meeting support to delay the filing to Massachusetts School Building Authority (MSBA) for the Lexington High School construction project from its current schedule.

The proponents cite a concern regarding the number of students that may result from recently planned new housing in Lexington. We share that concern, but we feel the current approach of designing to 85% occupancy (vs the existing overcrowded 95-100% utilization) plus the proposed Central Office space which can be transformed into space for an additional 244 students if/when needed for increasing enrollment is a more cost-effective method of addressing that concern. Further, the current massing studies allow for future new construction to create additional space for up to 256 students. Therefore, the current School Building Committee (SBC) plan is to have a move-in capacity for 2,395 students, with the possibility of 244 more in the planned Central Office (CO) space, plus the possibility of additions onto the proposed building which would accommodate yet another 256 students, adjustments to utilization and students per classroom could yield another 343 students (25 students per classroom at 90% utilization), and hence total potential for 3,238 students. Lastly, the current project proposal by the SBC has the additional benefit of freeing up land at the old Harrington Elementary School site for needed athletic fields and will reduce the ongoing operational costs of running the Central Office. We remind the Town Meeting that keeping the F-grade Old Harrington plant operational will require some \$20 million in Capital costs.

The proponents also claim their approach will save on construction costs. Their proposal was not one that was studied in the same level of detail as the SBC approved option. However, Dore+Whittier (the Owner's Project Manager), SMMA (the selected designer), and the Director of DPF have examined the proponents' proposed two-phase approach. The first proposed phase is to construct a 172,000 square foot (sq. ft.) building followed by a "2 to 5" year pause while the Town examines school enrollment, and finally a second phase to renovate the remaining 200,000 sq. ft., also supposedly at least partially funded by MSBA, where we would need to build an additional 88,000 sq. ft. (to match the currently agreed upon building of 460,000 sq. ft. to meet the then-enrollment numbers. This plan has several serious flaws. First, a more realistic construction cost for a 172,000 sq. ft. building, based on our own retained estimators' square footage figures, is \$243 million. Second, the SBC's own retained experts believe it would be impossible to build a 172,000 sq. ft. building in one year with Massachusetts public construction

bidding law requirements and material delivery schedules. Remember, these are experts who live, breath, and sleep MSBA-funded school construction for a living and have a deep understanding of school construction costs and timelines. Third, the proponents' \$200 million figure does not consider:

1. The value of the proposed new building exceeds 30% of the current assessed value of the HS which would trigger required accessibility and structural code upgrades to the existing building that will cost approximately \$100 million,
2. The construction inflation associated with a multi-year delay for the remaining portion of the project,
3. The ongoing substandard program in the remaining existing LHS space that would stay substandard for during that multi-year pause between phases,
4. The ongoing high-operating cost of the current physical plant which would remain online during that pause,
5. The need for modular classroom swing space which is estimated to be 40 classrooms at \$400,000 per modular, or \$16 million additional unaccounted for dollars,
6. The necessarily higher 4-season operating costs for the Heating, Ventilation, and Air Conditioning (HVAC) in those lower-insulation modulares,
7. The need to pass another debt exclusion for the second phase some 2-5 years down the road,
8. The need to spend \$7 million to keep the current Field House operational while we kick the can down the road, and the need to include the Field House in the 2nd phase Debt Exclusion at inflated prices,
9. The necessary capital to maintain the current and remaining physical plant during the gap between phases which is at least a few millions of dollars, and significantly more if there are catastrophic failures to the systems which are already well past the end of their normal life,
10. Inherent design issues of the renovation portion, like (a) too low floor-to-floor elevations (also known as "Deck Heights") to allow for modern mechanical system installation; (b) inefficient classroom configurations due to existing structural bay dimensions; (c) failure to address and correct any overcrowding issues with common spaces like the cafeteria and gym, and (d) awkward connectivity between new construction and old construction requiring ramps to match floor heights and channeling students through old, narrower paths at the ground level to get from upper levels of disconnected new structures,
11. The construction costs to build the additional 88,000 sq. ft. needed to achieve the required square footage, and
12. The loss of any MSBA monies which would result from that solution.

The MSBA is a grant provider, and to be eligible for their grants, the proposed project must first and foremost meet the Educational Plan established for it. Building just 172,000 sq. ft. now to accommodate classrooms will not meet the Educational Plan. Focusing on that last point, the proponents' plan assumes that MSBA would *actually fund a first phase with just the 172,00 sq. ft. building*. They wouldn't, because any MSBA funding agreement is contingent in part on Massachusetts Department of Elementary and Secondary Education (DESE), specifically related to the Special Education spaces required and inclusion throughout the building, for approval of the proposed projects. The proposed new 172,000 sq. ft. building will not meet the required program needs for MSBA approval and hence there will simply be no MSBA funding in the first phase.

Conclusion: \$200 million is too low for the first phase, and the number is probably closer to \$300 million for just the first phase alone under this resolution. Then, adding in the construction costs for the remaining second phase in maybe as-late-as FY2033, with construction inflation of 4% or even optimistically 3% and a back-of-the-envelope total project total is \$700 million to \$750 million which is a significantly higher taxpayer impact, and probably won't even get the program we all want. In addition, there's the negative impact on the current student cohort while they continue to endure the current overcrowded conditions for at least two to five years longer while we think about, design, fund, and build the second phase—not to mention that lack of equity for Special Education (SPED) programming and structures that are not Americans with Disabilities Act (ADA) compliant.

Consider more of the proponents' bullet points:

“Since Lexington was first to adopt new state-required housing districts and we did it at four times the requirement, MSBA should, with the backing of our schools and Select Board, allow us to get half our allotted funding now and the balance in 2-5 years when new enrollments are better understood.”

Speaking with professionals who have dealt with the MSBA on several projects, the answers were, paraphrasing, “it would be unprecedented”. Stepping back for a moment, why would the MSBA even entertain an unprecedented approach when they could take their current \$100 million offer and award it to some other school district in the Commonwealth of Massachusetts that is ready to proceed. We want to reassure you that the SBC has engaged the MSBA on this topic, Dr. Hackett, Superintendent, Lexington Public Schools, has had conversations with them, and they have said, in effect, “We'll think about it” with no timeline given. Therefore, the most likely scenario with the proponents' two-phase approach is that the MSBA thinks about it and declines. After all, they don't really have a good reason to say ‘Yes’ and they've never done a two-phase funding approach so why should they now? At best, this is a huge gamble that puts \$100 million at risk.

“Political powers and MSBA must cooperate to adjust to this new world [that] communities are facing.”

There is no reason they “must” adjust their approach, much less adjust to our timeline. Again, this is a high-risk gamble.

Would the MSBA consider reevaluating our enrollment projections based on the MBTA Communities Act projections that we have? Maybe, but frankly, if they do reevaluate, then it's gravy. It's not necessary for the Town to delay the project while we try to convince MSBA to reevaluate. An increase can happen early on during schematic design and still not change a lot of the design. Any delay in our advancing with the MSBA process by waiting for them to increase the design enrollment is likely to be \$20m per year and likely to bump the anticipated move-in date from September 2030 to some later date during (at best) that same school year, which could cost additional non-reimbursed dollars to the town.

Looking at the other arguments that the proponents make about the SBC's current plan: *“The fields don't belong to the schools, they belong to Recreation.”*

All land, whether it is used for municipal, recreation, or school purposes is deeded to the Town, not a specific department. And while some of the fields that the proponents speak of are indeed Article 97 recreation land, they are nevertheless *deeded to the Town* and will by any Article 97 action necessarily be replaced with equal amounts of Article 97 recreation land once the project is completed. This kind of proposed swap is allowable under the state Constitution, and again, has been achieved routinely by other municipalities in similar projects. In the same breath the proponents have suggested that Article 97 relief is “*not likely to happen*”. This Committee disagrees: Article 97 swaps have been successfully accomplished many times before by other municipalities. It is a relatively well-understood and routine process, albeit lengthy.

“The site has many complicated wetland and storm water management issues. Both costly in time and money.”

Assuming the proponents are referring to the wetlands between the football field and the practice field, the SBC’s selected “on-field” massing plan has been located such that only a minimal amount of those wetlands need to be mitigated. Nevertheless, the wetlands have been surveyed and their presence and mitigation has been considered in the current costing estimates. As a footnote, the Lexington Conservation Commission just recently accepted the delineation of the wetlands submitted on behalf of the project.

“The site is a 50 foot deep peat bog.”

The site, including the area under the existing high-school footprint, was once part of the Vine Brook. There is bedrock beneath the fill that was added over time to create the playing fields and the depth to that bedrock varies all over the site. The geotechnical investigations performed confirmed this, and all costs related to foundation improvements required under either the ‘New Build on fields’ or the ‘phased in place’ approaches has been accounted for in the current massing and cost estimates, not to mention that it is a fact regardless of whichever building approach is taken.

In addition, the current high school HVAC system is well past its expected life span. DPF has reported for some time that the HVAC system is increasingly hard to maintain, and catastrophic failure is a real possibility. Any plan to keep the current high school in operation for some years while we watch enrollment trends, will require replacement of the HVAC system. This will trigger additional wholesale code upgrades, with an estimated cost of \$250 million–\$300 million. If we need to make these changes to the existing plant, rather than build a new High School, we will need to stay in the current high school for the long term. This will result in a building that is sound but will have significantly smaller classrooms than are the current standard, the lower ceilings will not accommodate fully modern HVAC systems, and the building may not fully meet our desired program needs. And, staying in the current, albeit renovated, buildings would still require an immediate additional building, or even worse, more modulars, to mitigate the current extreme overcrowding. It is not clear this can even be accomplished in the long-term phased approach the proponents envision.

For all these reasons, the Capital Expenditures Committee is unanimously opposed to this Article.