

Town of Lexington



Lexington High School Building Project

Debt Service & Taxpayer Impact Projections

September 8, 2025



Town of Lexington – LHS Project Budget Assumptions

Schematic Design Pricing

Description	PSR	SD	Delta
Construction Cost	\$529.7M	\$534.1M	+\$4.4M
Soft Cost	\$105.9M	\$94.5M	-\$11.4M
Owner Contingency (Construction and Soft Cost)	\$26.5M	\$31.1M	+\$4.6M
Total Project Budget	\$662.1M	\$659.7M	-\$2.4M
Anticipated MSBA Grant	\$100M	\$111M	+\$11M
Mass Save	\$9M	\$4.5M	-\$4.5M
LABBB Contribution	\$0M	\$1M	+\$1M
Anticipated District share	\$553.1M	\$543.2M	-\$9.9M

Total amount assumed to be bonded is modeled at \$547M – Total project budget less MSBA grant and LABBB Contribution.

Mass Save rebate will likely not be received until after all debt has been issued. This rebate may be used to further mitigate debt in later years, or may be applied to other capital projects.

The Town will continue to pursue additional federal energy rebates for ground source heat pumps and energy storage systems. If received these rebates may also be applied to further mitigate debt service, or for future capital projects.



Town of Lexington – LHS Project Debt Service Projections

	Bond Anticipation Note (June-Feb)	Bond Amount (Gross)	Bond Amount (Net of Grant Funding)	
Feb-26		\$24,107,156	\$20,004,668	Level Payment - 30
Jun-26	\$45,795,583			
Feb-27		\$121,088,892	\$100,482,322	Level Payment - 30
Jun-27	\$78,229,156			
Feb-28		\$200,552,987	\$166,423,438	Level Payment - 30
Jun-28	\$135,212,081			
Feb-29		\$246,783,439	\$204,786,520	Level Payment - 30
Jun-29	\$25,511,223			
Feb-30		\$67,214,359	\$55,776,006	Level Principal -15
Total		\$659,746,834	\$547,472,954	

- Debt will be issued over a 4-5 year period that aligns with project cash flows (FY2026-FY2031).
- Assumes the majority of the project will be bonded for 30 years, as level payment debt. The last phase will be issued for a shorter term 10-20 years, as level principal debt.
- A 4% interest rate is assumed as a True Interest Cost (TIC) for all issuances (actual coupon rate and premiums will vary by issue).

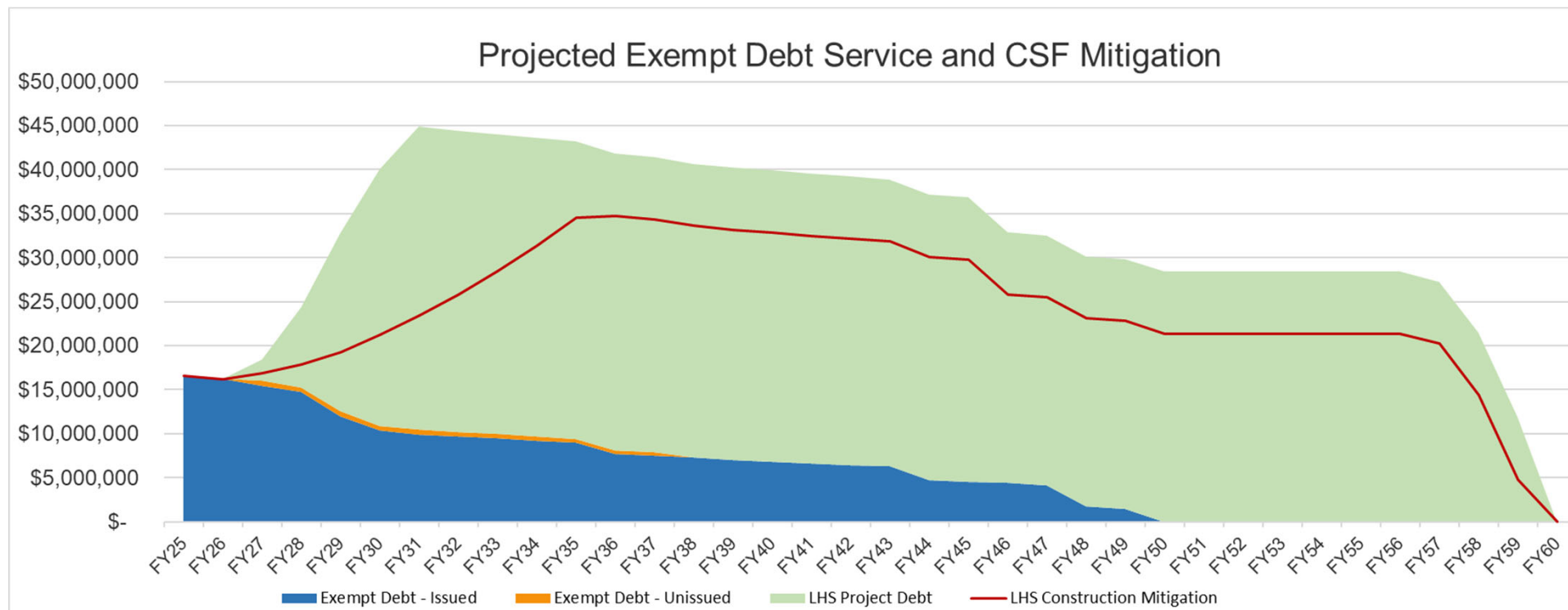


Town of Lexington – LHS Project Debt Service Projections

TOTAL PROJECT COST - NO Mitigation			
	Principal	Interest	Total Annual Payment
FY2027	\$356,685	\$2,021,402	\$2,378,087
FY2028	\$2,162,562	\$6,891,323	\$9,053,885
FY2029	\$5,216,411	\$14,981,303	\$20,197,714
FY2030	\$9,076,432	\$20,038,751	\$29,115,183
FY2031	\$13,157,889	\$21,226,435	\$34,384,324
FY2032	\$13,535,469	\$20,700,119	\$34,235,588
FY2033	\$13,928,152	\$20,158,700	\$34,086,852
FY2034	\$14,336,542	\$19,601,574	\$33,938,116
FY2035	\$14,761,267	\$19,028,112	\$33,789,380
FY2036	\$15,202,982	\$18,437,662	\$33,640,644
FY2037	\$15,662,365	\$17,829,542	\$33,491,908
FY2038	\$16,140,124	\$17,203,048	\$33,343,172
FY2039	\$16,636,993	\$16,557,443	\$33,194,436
FY2040	\$17,153,737	\$15,891,963	\$33,045,700
FY2041	\$17,691,150	\$15,205,814	\$32,896,964
FY2042	\$18,250,060	\$14,498,168	\$32,748,228
FY2043	\$18,831,326	\$13,768,165	\$32,599,492
FY2044	\$19,435,843	\$13,014,912	\$32,450,756
FY2045	\$20,064,541	\$12,237,479	\$32,302,020
FY2046	\$16,999,986	\$11,434,897	\$28,434,883
FY2047	\$17,679,986	\$10,754,897	\$28,434,883
FY2048	\$18,387,185	\$10,047,698	\$28,434,883
FY2049	\$19,122,673	\$9,312,211	\$28,434,883
FY2050	\$19,887,580	\$8,547,304	\$28,434,883
FY2051	\$20,683,083	\$7,751,801	\$28,434,883
FY2052	\$21,510,406	\$6,924,477	\$28,434,883
FY2053	\$22,370,822	\$6,064,061	\$28,434,883
FY2054	\$23,265,655	\$5,169,228	\$28,434,883
FY2055	\$24,196,281	\$4,238,602	\$28,434,883
FY2056	\$25,164,133	\$3,270,751	\$28,434,883
FY2057	\$25,013,826	\$2,264,185	\$27,278,011
FY2058	\$20,203,476	\$1,263,632	\$21,467,109
FY2059	\$11,387,332	\$455,493	\$11,842,825
	<u>\$547,472,954</u>	<u>\$386,791,152</u>	<u>\$934,264,106</u>



Town of Lexington – LHS Project Debt Service Projections



- Designated commercial new growth (~\$7.1M) will be applied to pay a portion of the LHS project within the tax levy annually.
- The Capital Stabilization Fund (CSF) will be applied to further moderate the annual increase in property taxes due to excluded debt service.

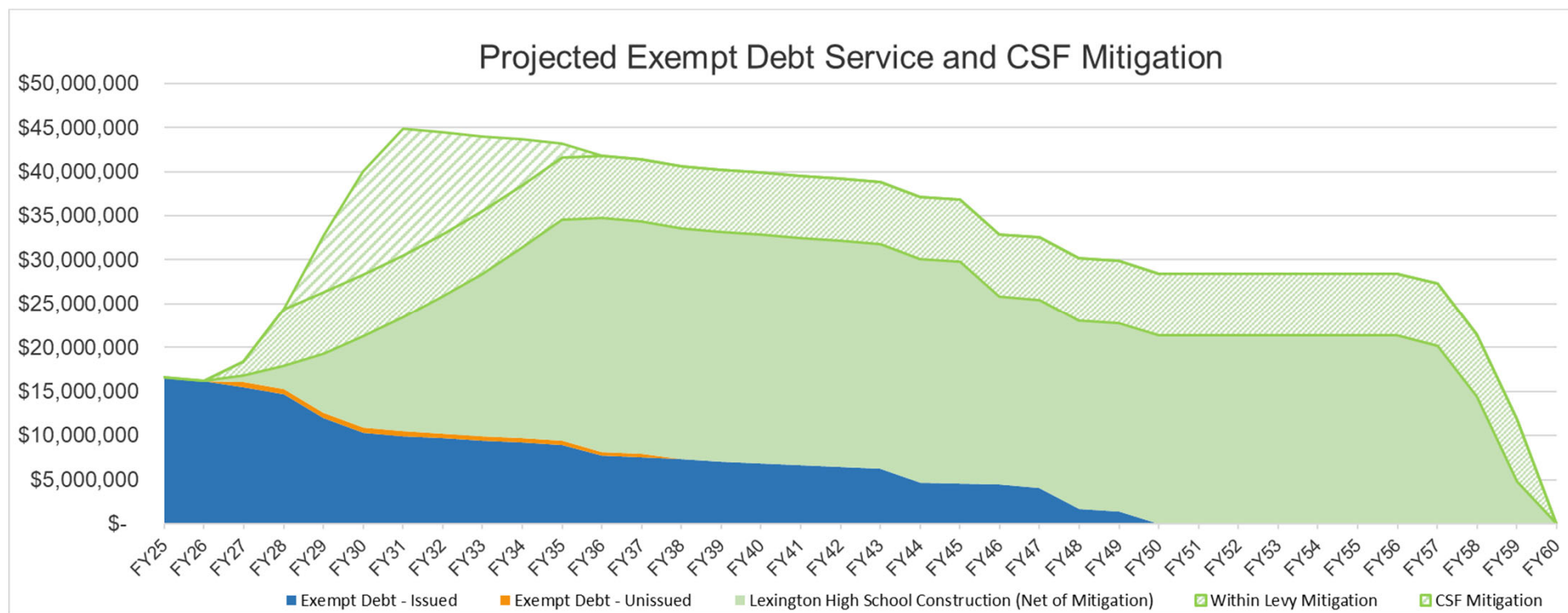


Town of Lexington – Capital Stabilization Fund Projections

Capital Stabilization Fund						
	Interest into the Capital Stabilization Fund	Appropriations into the Capital Stabilization Fund	Appropriations into the Capital Stabilization Fund from Dedicated New Levy Growth*	Use of Capital Stabilization Fund for Within Levy Debt	Use of Capital Stabilization Fund for Excluded Debt*	Ending Balance
FY2013	\$0	\$1,601,835	\$0	\$0	\$0	\$1,601,835
FY2014	\$5,628	\$3,983,240	\$0	\$0	(\$1,600,000)	\$3,990,703
FY2015	\$16,036	\$5,910,726	\$0	(\$919,000)	(\$950,000)	\$8,048,465
FY2016	\$65,216	\$9,447,832	\$0	(\$215,000)	(\$620,567)	\$16,725,946
FY2017	\$196,058	\$6,991,205	\$0	\$0	(\$710,000)	\$23,203,209
FY2018	\$428,826	\$7,690,398	\$0	(\$324,500)	(\$2,400,000)	\$28,597,933
FY2019	\$642,944	\$3,560,336	\$0	(\$573,500)	(\$4,500,000)	\$27,727,713
FY2020	\$432,085	\$2,269,456	\$0	\$0	(\$5,200,000)	\$25,229,254
FY2021	\$44,804	\$0	\$0	\$0	(\$4,600,000)	\$20,674,058
FY2022	\$68,929	\$3,730,836	\$57,138	\$0	(\$2,800,000)	\$21,730,961
FY2023	\$882,099	\$3,784,689	\$1,733,137	\$0	(\$800,000)	\$27,330,886
FY2024	\$1,506,133	\$396,145	\$4,036,373	\$0	(\$500,000)	\$32,769,537
FY2025 (est.)	\$1,502,042	\$1,836,122	\$6,563,050	\$0	\$0	\$42,670,750
FY2026 (proj.)	\$1,000,000	\$0	\$7,063,050	\$0	\$0	\$50,733,800
FY2027 (proj.)	\$1,000,000	\$0	\$7,063,050	\$0	(1,588,000)	\$57,208,850
FY2028 (proj.)	\$750,000	\$0	\$7,063,050	\$0	(6,475,000)	\$58,546,900
FY2029 (proj.)	\$500,000	\$0	\$7,063,050	\$0	(13,484,050)	\$52,625,900
FY2030 (proj.)	\$250,000	\$0	\$7,063,050	\$0	(18,752,050)	\$41,186,900
FY2031 (proj.)	\$50,000	\$0	\$7,063,050	\$0	(21,415,050)	\$26,884,900
FY2032 (proj.)	\$0	\$0	\$7,063,050	\$0	(18,616,050)	\$15,331,900
FY2033 (proj.)	\$0	\$0	\$7,063,050	\$0	(15,571,050)	\$6,823,900
FY2034 (proj.)	\$0	\$0	\$7,063,050	\$0	(12,279,050)	\$1,607,900
FY2035 (proj.)	\$0	\$0	\$7,063,050	\$0	(8,652,050)	\$18,900
FY2036 (proj.)	\$0	\$0	\$7,063,050	\$0	(7,063,050)	\$18,900
FY2037 (proj.)	\$0	\$0	\$7,063,050	\$0	(7,063,050)	\$18,900
FY2038 (proj.)	\$0	\$0	\$7,063,050	\$0	(7,063,050)	\$18,900
*Appropriations into Capital Stabilization Fund dedicated from new levy growth are projected for FY2026 and forward. Use of Capital Stabilization Fund for High School Construction project is estimated to begin in FY2027.						



Town of Lexington – LHS Debt Service Projections

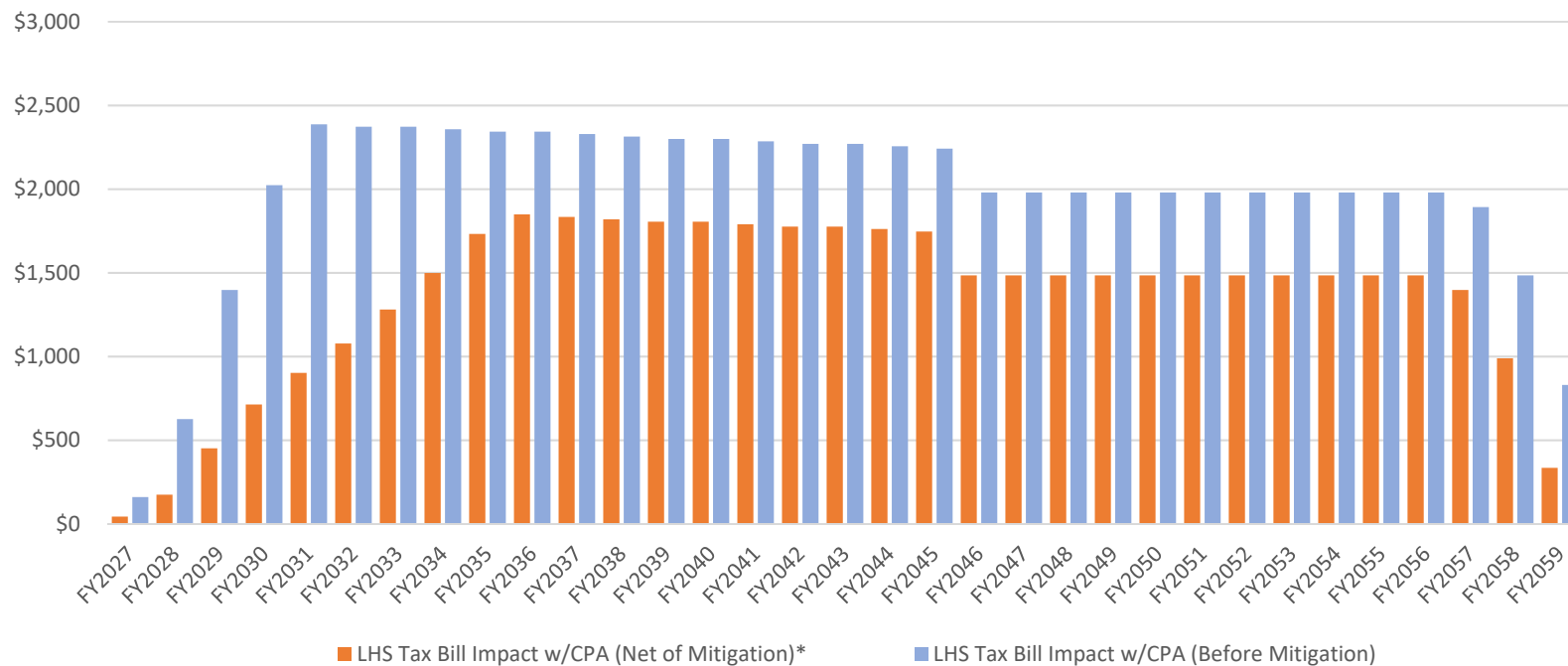


Early years of the project will have more mitigation applied to slow the increase in taxes. This will create a smoothing effect for taxpayers in the early years as debt service comes online.



Town of Lexington – LHS Taxpayer Impact

Tax Impact of LHS Project for Home of Median Value (\$1,416,000)

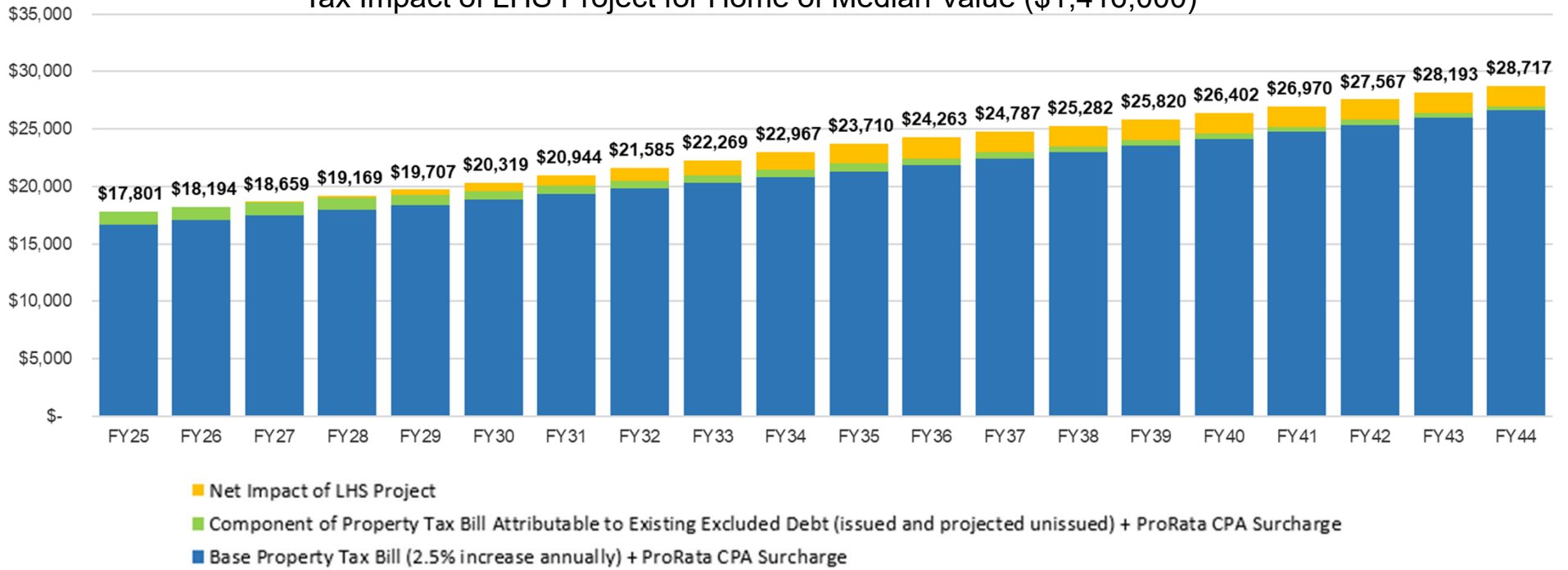


	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	FY43	FY44
Tax Impact of LHS Project (pre-mitigation)	\$160	\$626	\$1,397	\$2,023	\$2,387	\$2,372	\$2,372	\$2,358	\$2,343	\$2,343	\$2,329	\$2,314	\$2,300	\$2,300	\$2,285	\$2,271	\$2,271	\$2,256
Mitigation Amount	(\$116)	(\$451)	(\$946)	(\$1,310)	(\$1,485)	(\$1,295)	(\$1,092)	(\$859)	(\$611)	(\$495)	(\$495)	(\$495)	(\$495)	(\$495)	(\$495)	(\$495)	(\$495)	(\$495)
Tax Impact of LHS Project (net of mitigation)	\$44	\$175	\$451	\$713	\$902	\$1,077	\$1,281	\$1,499	\$1,732	\$1,848	\$1,834	\$1,819	\$1,805	\$1,805	\$1,790	\$1,776	\$1,776	\$1,761



Town of Lexington – LHS Taxpayer Impact

Tax Impact of LHS Project for Home of Median Value (\$1,416,000)



	Actual*	Projected**																		
	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	FY43	FY44
A) Base Property Tax Bill (2.5% increase annually) + ProRata CPA Surcharge	\$ 16,651	\$ 17,073	\$ 17,495	\$ 17,932	\$ 18,383	\$ 18,848	\$ 19,314	\$ 19,795	\$ 20,289	\$ 20,799	\$ 21,323	\$ 21,847	\$ 22,400	\$ 22,953	\$ 23,535	\$ 24,117	\$ 24,729	\$ 25,340	\$ 25,980	\$ 26,621
B) Component of Property Tax Bill Attributable to Existing Excluded Debt (issued and projected unissued) + ProRata CPA Surcharge	\$ 1,150	\$ 1,121	\$ 1,121	\$ 1,063	\$ 873	\$ 757	\$ 728	\$ 713	\$ 699	\$ 670	\$ 655	\$ 568	\$ 553	\$ 509	\$ 480	\$ 480	\$ 451	\$ 451	\$ 437	\$ 335
C) Total Tax Bill	\$ 17,801	\$ 18,194	\$ 18,616	\$ 18,994	\$ 19,256	\$ 19,605	\$ 20,042	\$ 20,508	\$ 20,988	\$ 21,468	\$ 21,978	\$ 22,414	\$ 22,953	\$ 23,462	\$ 24,015	\$ 24,598	\$ 25,180	\$ 25,791	\$ 26,417	\$ 26,955
D) New Excluded Debt from LHS Project	\$ -	\$ -	\$ 160	\$ 626	\$ 1,397	\$ 2,023	\$ 2,387	\$ 2,372	\$ 2,372	\$ 2,358	\$ 2,343	\$ 2,343	\$ 2,329	\$ 2,314	\$ 2,300	\$ 2,300	\$ 2,285	\$ 2,271	\$ 2,271	\$ 2,256
E) Less: Property Tax Mitigation for LHS Project (Within Levy Debt + Capital Stabilization Fund)	-	-	(116)	(451)	(946)	(1,310)	(1,485)	(1,295)	(1,092)	(859)	(611)	(495)	(495)	(495)	(495)	(495)	(495)	(495)	(495)	(495)
F) Net Impact of LHS Project	-	-	44	175	451	713	902	1,077	1,281	1,499	1,732	1,848	1,834	1,819	1,805	1,805	1,790	1,776	1,776	1,761
G) Projected Property Tax Bill w/LHS Project	\$ 17,801	\$ 18,194	\$ 18,659	\$ 19,169	\$ 19,707	\$ 20,319	\$ 20,944	\$ 21,585	\$ 22,269	\$ 22,967	\$ 23,710	\$ 24,263	\$ 24,787	\$ 25,282	\$ 25,820	\$ 26,402	\$ 26,970	\$ 27,567	\$ 28,193	\$ 28,717
H) \$ Change from Prior Year (Total Property Tax Bill)		\$ 393	\$ 466	\$ 509	\$ 539	\$ 611	\$ 626	\$ 640	\$ 684	\$ 699	\$ 742	\$ 553	\$ 524	\$ 495	\$ 539	\$ 582	\$ 568	\$ 597	\$ 626	\$ 524
I) % Change from Prior Year (Total Property Tax Bill)		2.2%	2.6%	2.7%	2.8%	3.1%	3.1%	3.1%	3.2%	3.1%	3.2%	2.3%	2.2%	2.0%	2.1%	2.3%	2.1%	2.2%	2.3%	1.9%



Town of Lexington – LHS Taxpayer Calculator

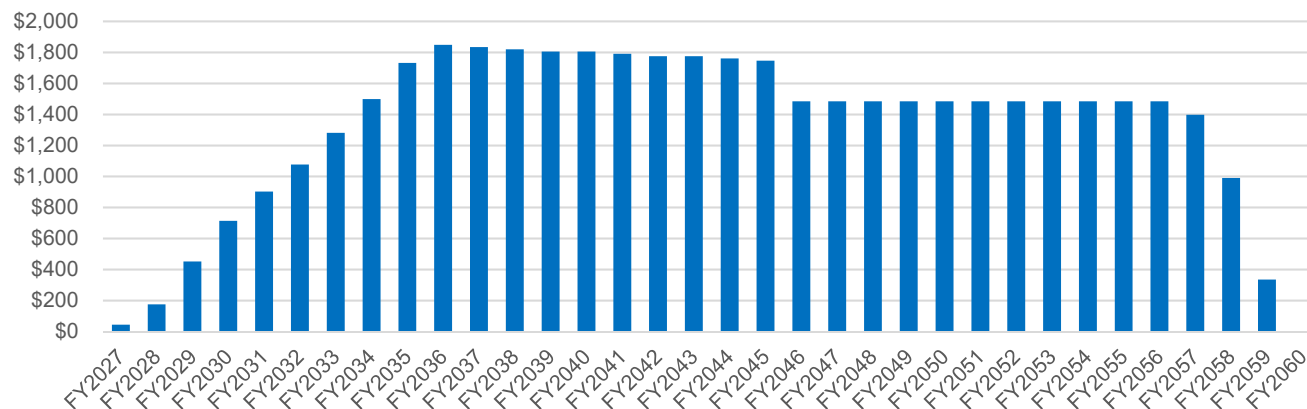
Enter Assessed Property Value* \$ 1,416,000

*Enter a property value to calculate the tax bill impact

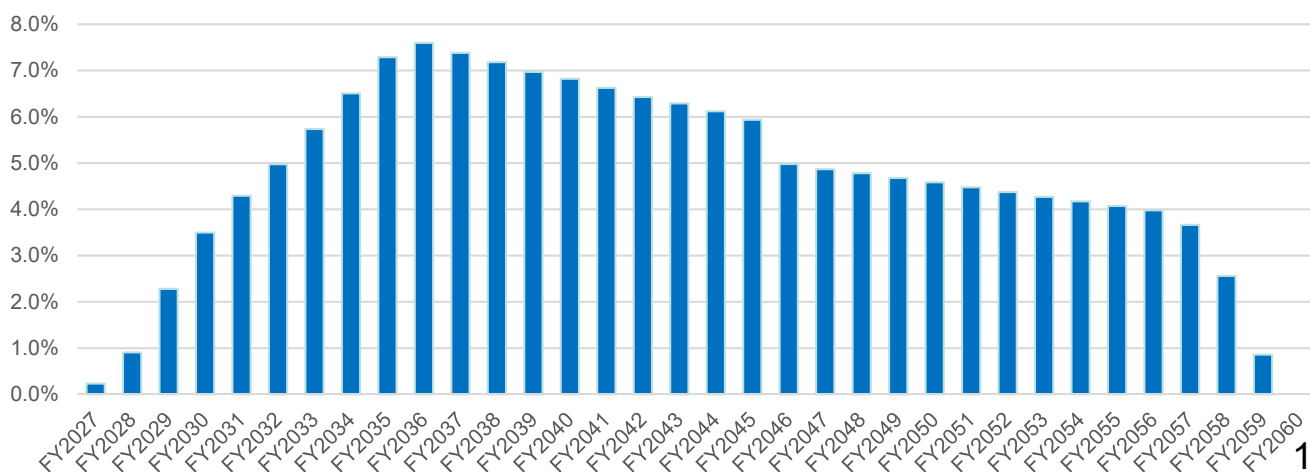
FY2025 Annual Tax Bill (FY2025 Residential rate \$12.23/1000) \$17,800.52

Fiscal Year	LHS Tax Bill Impact w/CPA (Net of Mitigation)*
FY2027	\$43.66
FY2028	\$174.66
FY2029	\$451.20
FY2030	\$713.19
FY2031	\$902.40
FY2032	\$1,077.06
FY2033	\$1,280.82
FY2034	\$1,499.15
FY2035	\$1,732.02
FY2036	\$1,848.46
FY2037	\$1,833.91
FY2038	\$1,819.35
FY2039	\$1,804.80
FY2040	\$1,804.80
FY2041	\$1,790.24
FY2042	\$1,775.69
FY2043	\$1,775.69
FY2044	\$1,761.13
FY2045	\$1,746.58
FY2046	\$1,484.59
FY2047	\$1,484.59
FY2048	\$1,484.59
FY2049	\$1,484.59
FY2050	\$1,484.59
FY2051	\$1,484.59
FY2052	\$1,484.59
FY2053	\$1,484.59
FY2054	\$1,484.59
FY2055	\$1,484.59
FY2056	\$1,484.59
FY2057	\$1,397.26
FY2058	\$989.73
FY2059	\$334.76
FY2060	\$0.00

LHS Tax Bill Impact w/CPA (Net of Mitigation)*



LHS % of Annual Tax Bill (Net of Mitigation)





Town of Lexington – LHS Taxpayer Calculator

Model Assumptions:

- Fiscal year begins on July 1st and ends on June 30th (i.e. FY2025 ended June 30, 2025, FY2026 started July 1, 2025)
- Future tax bill impacts are calculated in current-year dollars; not discounted for the time value of money
- Model reflects property valuations as of FY2025; Residential vs. Commercial-Industrial-Personal Property (CIP) values at max 1.75 shift (76.2%/23.8%)
- Model does not factor in future new growth in the tax levy, increases in property valuations, or shifts between Residential/CIP valuations
- Assumes total project cost of \$659.7M; less MSBA reimbursement \$111M and \$1M LABBB Contribution
- Future energy credits and rebates are not factored into tax impact, but may be applied in the future to further reduce debt service
- Municipal debt will be issued over a multi-year period, primarily for 30 year term with level payments, and the final issue at a 15 year term with level principal payments, all at 4% interest.
- Annual impact per household includes 3% CPA surcharge
- Annual tax impact has been reduced to reflect within tax levy debt service mitigation of \$7.06M in all years
- Annual tax impact reflects mitigation from the Capital Stabilization Fund in years (approx. \$58M from FY2028-FY2035) to create a progressive increase vs. a sharp increase beginning in FY2028.



Town of Lexington – LHS Taxpayer Calculator

This calculator was developed to help Lexington's residential taxpayers understand the impact of a Proposition 2 1/2 Debt Exclusion vote for a new Lexington High School on their annual property tax bill.

The total estimated cost of a new Lexington High School is \$659.7 million. The Town intends to fund this project in partnership with the Massachusetts School Building Authority (MSBA), a State agency with which the Town has partnered on this project since 2022. The MSBA will partially fund this project with a grant currently estimated to be \$111 million. The remaining amount of the project will be debt-financed with tax-exempt municipal bonds. Lexington's taxpayers will repay the debt service (principal and interest payments) on these bonds over 30 years, in a structure similar to a home mortgage.

This project is larger than any other capital project in the Town's history, and municipal leaders have been planning for this expense and its corresponding impact on taxpayers for almost a decade. The town intends to use two strategies to mitigate the impact on taxpayers.

- First, the Town has created capacity within the existing tax levy to pay approximately \$7.06 million of debt service annually, over the entire life of the debt.
- Second, the Town has established a Capital Stabilization Fund (CSF), which is a reserve fund specifically to support expenses related to large capital projects. This fund, projected to peak at approximately \$58 million, will be drawn down in the early years of the project (FY2028-FY2035) to create a gradual increase in taxes for this project, rather than experiencing sharp increases when construction begins.

Any home value can be entered into the calculator; simply type in a value amount and press 'Enter'. The calculator will produce the estimated tax impact for a home of that value. If you are unsure of your home's value, it may be looked up using this link: <https://gis.vgsi.com/lexingtonma/Search.aspx>

The projected results are estimated for the life of the debt, all shown net of the mitigation strategies discussed above. The calculated results are exclusive to the LHS project and do not account for regular increases that may occur under Proposition 2 1/2. There are numerous other assumptions built into this taxpayer model, as outlined below. Note that actual tax impacts may differ from projections due to variations in these assumptions and other economic factors.