

Date: May 20, 2008

From: Joseph T. Maguire, Chairman
Community Preservation Committee (CPC)

Cc: William W. Durkee Jr.
CPA Program Manager

Subject: Minutes of May 20, 2008 CPC Meeting

A. Called to Order 7:30PM

B. Roll Call

Present: Joseph Salvo (Clerk of the CPC), Carl Zinnell, Richard Pizzi Jr.,
Joseph T. Maguire, Scott Hovsepian.

C. Minutes of CPC May 13 CPC Meeting.

The Chairman noted that these minutes were in process and not available tonight. A motion was made by Scott Hovsepian, second by Carl Zinnell to defer the May 13 minutes until the next regular Meeting, and passed unanimously.

D. Old Business (Program Manager Durkee).

1. Announcements. Status of 2nd Round Applications (Spreadsheet Handout attached)

1a. Amount of CPA funds available. In a crude recapitulation it was determined that the total of funds available have already been spent in approvals, encumbrances and pending Applications. The Fernald and Rail Trail Applications alone equal the approximate \$9,000,000 that was available. No new funds will come available until the Fall. If the Applications before the CPC tonight are included there are no additional funds available for new Applications. As of May 19, the Treasurer's office reported the total of all CPA funds was \$9,321,001.98.

Chairman Maguire noted that funds of about \$2.5 million were encumbered for the Rail Trail which could be removed if the Fernald was decided to be the higher priority.

1b. Status of 2nd Round Applications. Chairman Maguire and the Program Manager met with the Long Term Debt Committee (LTDC) May 19.

Building Dep't – Elevator – 25 Lexington St. – \$275,000 CPA The CPC Recommendation was tabled upon the Motion of Councillor Marcou who asked that the Law Department review the legality of spending on a project where funds had been previously expended.

1c. Planning Dep't – Woerd Ave. Landfill Plan– \$24,500 CPA.
The Law Department is now reviewing the deeds and plans to make a determination.

1d. Fernald - Mayor et al – Historic Preservation, Open Space Acquisition and/or Creation, Open Space Recreation \$3,000,000, Housing - An Application using the CPA-2 Form is required. - \$3,000,000

A copy was requested by Georgie Hallock of the League of Women Voters and sent.

1e. Bentley College Summer “Green” Environmental Interns. Availability has been offered to the Conservation Commission, Waltham Land Trust and could assist in any CPA projects.

D. New Business (Chairman Maguire).

1. Status of **Planning Dep’t – Wayside Rail Trail – CPC Recommendation - \$150,000 for Environmental Assessment; encumbered \$2,550,000 for future construction.** At the previous meeting the Mayor said the only CAP Application she would bond is the Fernald.

2. The CPC agreed that “routine” Applications would be decided prior to the Fernald.

II. OPEN SPACE

A. Elm Street Railroad Spur – Sally Collura – (Open Space Acquisition and/or Creation - \$500,000, Open Space Recreation - \$0

Program Manager Durkee said the Application is acceptable for the purposes requested. However the Applicant requested this evening that the Application be tabled. A Motion was made by Rick Pizzi, second by Joseph Salvo to table and passed unanimously.

III. HISTORIC

A. Waltham Planning Dep’t. (WPD) – Paine Estate Fire Suppression – (also Open Space) \$115,000 CPA.

The Program Manager noted that a smoky fire was reported as occurring in the boiler system last night by the Curator, Ann Clifford. The Fire Chief warns her about the needs for fire protection by calling the Paine Estate her “pile of sticks”. Some aspects of a suitable fire suppression, fire alarm system have been put in place including a new second water line. The CPA allows funding of historic structures to bring them up to code under Rehabilitation. A fire suppression system appears to be urgently needed and applicable for CPA spending. The request is for \$30,000 for design of the suppression system for the entire building, and \$85,000 for design through construction of the first phase cellar wet system including three boilers. A Motion was made by Scott Hovsepian, second by Rick Pizzi for \$115,000 and passed unanimously.

B. Gore Place – Fire Suppression System – \$300,000 CPA.

The Program Manager stated that the overall fire protection system was more advanced than the Paine Estate. The Application is to complete the next phase, amounts to about 40% of the total cost, and would expedite completion. It is another Recommendation allowed for historic structures to bring them up to code under Rehabilitation. A Motion was made by Carl Zinnell, second by Scott Hovsepien for \$300,000 and passed unanimously.

C. Piety Corner Club– Preservation – \$247,000 CPA.

The Application remains on the table and needs no action.

II. OPEN SPACE (Heard out of order)

B. 1433R Trapelo Rd – George Darcy – Open Space Recreation - \$10,000

Per Program Manager Durkee this Application is suitable, already under control of the Conservation Commission, and would be eligible for Open Space Recreation funds.

George Darcy (also Councillor Ward 3). A Powerpoint presentation of the updated Application was given out as a handout. The Application is for a feasibility study of an architect to design plans including materials, costs, to identify and list permits, and review issues regarding the project. A Motion was made by Joseph Salvo, second by Carl Zinnell for \$10,000 and passed unanimously.

I. HOUSING

**A. Fernald - Mayor et al – Historic Preservation, Open Space Acquisition and/or Creation, Open Space Recreation to total \$3,000,000.
Housing – An Application using the CPA-2 Form is required. \$3,000,000**

Program Manager Durkee noted the Fernald Application did not include a breakdown of the amounts to be spent in each of the CPA categories, therefore it was arbitrarily divided into \$3,000,000 for Housing and \$3,000,000 for the others. The \$2,000,000 proposed by the CPC would likely prove impossible while the Rail Trail remains encumbered.

A different solution to the shortage of funds was devised after hearing the Mayor last week. The Mayor signed onto the Application as the representative of the City Executive branch while the individuals who initiated the Application happen to be Councillors but cannot represent the Council without a majority vote in favor. Therefore we defer to the Mayor who has the broader interests of the City within her powers. The solution was to look at how much money could be spent with CPA funds for this Application. By removing the Rail Trail encumbrance for the time being, there would be about \$2,000,000 immediately available for the Mayor to use for the purchase of the land. This action would include the “permanent restrictions” which accompany lands purchased with CPA funds. However, the need is large enough that the \$2,000,000 would be a “token” and likely eligible for CPA spending in some acceptable categories..

A handout was given to the CPC Members showing the estimates of using bonds to increase the CPA contribution over 20 and 30 years, and as an interim 20% "good faith deposit". (Attached)

First, an effort was made to determine what the total cost would be, and then what a maximum CPA contribution would be. Using the Mayor's estimates of about 200 acres in total and 100 acres to become surplus, at the rate of \$1,000,000 per acre as estimated for the Met State property, the total cost is \$100,000,000. In proposed legislation regarding surplus lands, there is a provision that would give municipalities a 20% discount, if the land is purchased within a short time constraint, therefore \$80,000,000 is needed.

The bonding capacity of the CPA over a number of years is only determined by the amount of the taxpayer surcharge as it alone can be used for bonding. If the DOR permits it, a 30 year bond at the approximate current surcharge of \$2,000,000 per year is about \$60,000,000. With the \$2,000,000 direct grant, the City would need to raise about \$18,000,000 to complete the purchase of \$80,000,000.

In an interim step, if the \$2,000,000 proposed by the CPC was added to \$14,000,000 in bonding, a substantial "good faith deposit" of about \$16,000,000 or 20% of the \$80,000,000 could be raised. This would be one means of the City acting within the 90 day window required in the proposed legislation. A typical request for bonding in the normal process in Waltham would be for the Mayor to propose a bond, then the Council to consider it over two meetings and a Committee meeting for a total of 4-6 weeks (30-45 days). Even within the 90 day window, there is time to deliberate and issue a bond if the City is prepared before it happens.

If only a 20 year bond was allowed by the DOR, the bond would be about \$40,000,000. Adding the \$2,000,000 grant, the City would need to raise about \$38,000,000 to reach \$80,000,000.

A few days ago the total debt capacity of the City was \$462,000,000. Existing bonds are \$88,000,000, which leaves \$374,000,000 available without the CPA.

Per Chairman Maguire, there is a possible "buildout" of about 2800 units according to the Mayor which would cause a major disruption of the City. If CPA funds are used to build the housing it would have to be for community housing. The CPA definition is that 60% or 80% of median income occupants are qualified in the portion using CPA funds. The Mayor said the only housing on the site she would approve would be within the existing buildings. Without spending on housing, CPA funds could still be used to preserve historic buildings. Non-CPA funds for housing might be able to reduce buildout fears.

Member Pizzi asked whether an allocation of 33% between three categories could later be switched between them? Per Chairman Maguire, if the mandatory 10% to each of three categories is satisfied, the amount spent for a particular project could vary. Member Pizzi asked Applicant Darcy if he had an estimate for the amount to be spent on housing?

Mr. Darcy said no, but agreed with the Mayor's dictate to limit housing to existing buildings, and personally wants to maximize the amount of open space. Further, each building would need to be assessed for its viability to determine whether it could be rehabilitated. He is "happy with the good faith number" proposed by the CPC. He emphasized the importance of the City having a vested interest to show the State with the funds made available by the CPA.

The Program Manager noted that the Law Department may be able to provide guidance as to how to craft the Recommendation as currently the only options are to place a specific amount in each category, or place it all in the non-mandatory reserve where it could later be divided. Chairman Maguire cited the example of Cambridge where they allocate the minimum to the mandatory categories, some to administration, and all remaining to housing for a total of 75% to housing.

A Motion was made by Rick Pizzi, second by Carl Zinnell, to take the Rail Trail Application from the table, and passed unanimously. A Motion was then made by Rick Pizzi to rescind the encumbrance of \$2,550,000, second by Carl Zinnell, and passed unanimously. A Motion was made by Rick Pizzi, second by Carl Zinnell to return the Application to the table and passed unanimously.

Rick Pizzi made a Motion to raise the "good faith deposit" grant from \$2,000,000 to \$3,000,000, with the possibility of adding another \$3,000,000 after receiving the October surcharge and matching State funds, for a total of \$6,000,000. When added to the \$14,000,000 bond and the \$60,000,000 would total \$80,000,000. His intention is to bring the total grant to the \$6,000,000 originally requested in the Application.

Member Scott Hovsepien noted that if the State funds were to cease next year, there would only remain a total of \$2,000,000 or less, perhaps \$1,700,000. How would the CPA pay the \$2,000,000 per year for the bond? Manager Durkee stated that the portion of the funds for the bond would only come from the surcharge as that is money that is looked at as a certainty as the City can raise the taxes to pay their bonds. There is also a proposal to raise the amount of the State match from the current minimum of 25%, which is a good "return" on most portfolios. At 25% on \$2,000,000 the CPA would receive \$500,000 each year as the State match. There would be some match each year as long as the CPA stays in existence. Member Hovsepien also asked what amount would be left over assuming the bond proposal was concluded? Manager Durkee said that after the \$14,000,000 bond and the \$2,000,000 grant the CPA funds would be essentially exhausted until October. Next years forecast is for the CPA to receive 75% as a match or about \$1,500,000 and our \$2,000,000 surcharge. If the total Recommendation is raised to \$3,000,000 with an additional \$3,000,000 in the Fall it is uncertain whether there are sufficient funds without eliminating or reducing some current Applications. Chairman Maguire requested that Manager read the DRAFT Motion (attached) as written for the "Good Faith Deposit Fund". It was pointed out that the amounts and percent of each of the four categories could be allocated as the CPC decides. The amount was changed to \$3,000,000 and the last sentence edited for clarification. The conditions were described as "boiler plate" and subject to Law Department suggestions.

On response to member Hovsepian the Manager stated uncertainty about the availability of \$3,000,000 versus the original \$2,000,000. Chairman Maguire noted his recapitulation concluded that \$3,321,000 would be available. The Motion was then seconded by Scott Hovsepian and passed unanimously for a \$3,000,000 Recommendation.

Chairman Maguire noted that only 20 year bonds are certain as a 30 year bond requires approval of a Statehouse Capital Management Commission. The certain proposal of a 20 year bond would leave the City to pay \$38,000,000. Also, the bond pays for principal and interest, therefore the total amount to pay the principal is somewhat smaller than the bond amount issued.

Chairman Maguire requested that Manager read the second DRAFT Motion (attached) as written for the "Good Faith Deposit Bond". Member Salvo questioned whether this Motion was urgent? Chairman Maguire noted the proposed 90 day window created the urgency. Member Hovsepian pointed out that the start of the 90 days could occur anytime and as long as four years away. Member Salvo asked what would happen if the amount needed was less than speculated, perhaps \$50,000,000? Chairman Maguire stated the CPA funds would be returned. Manager Durkee stated that the intention is to have the amount needed for a "good faith deposit" ready if needed. If the surplus land amount or value is changed, there would need to be some flexibility. Therefore it would be good to get the proposal to the Law and financial Departments as soon as possible.

A Motion was made by Rick Pizzi to recommend to the Mayor that a bond be issued for \$14,000,000 for the purchase of the Fernald School. The chairman interjected "using the language of the proposed Motion", seconded by Carl Zinnell, and passed unanimously on both a vocal roll call vote of all five members.

Chairman Maguire prefaced these actions to be the "first assertion" of the CPC "proactive" powers expressed as a Resolution (attached) which was read by Clerk Joseph Salvo. A Motion was made by Scott Hovsepian, second by Carl Zinnell to send the Resolution to the Mayor and City Council. Chairman Maguire stated that the Motion is intended as a show of support for the Mayor, the Applicants and the City Council. The Resolution will be placed on CPC Letterhead and circulated for the signature of each Member.

Fernald Application. George Darcy thanked the CPC for their vision and notice to all that the City was determined to protect the Fernald.

E. For the Good of the Committee.

Next Meeting. The Program Manager requested that a CXPC Meeting at the beginning of the next Fiscal Year should include a mandated Public Hearing on the CPA 2009 PLAN. The Manager will review the PLAN and make suggested changes prior to receiving public input. It is also possible to change future spending by selecting priority projects instead of seeking Applications. The Fernald was noted by Scott Hovsepian as one project where all four CPA categories are included. The Chairman stated it is also

necessary to have a CPC Organization Meeting, and that any updated or tabled Applications could be handled at the meeting. The principal purpose of the review of the PLAN is to make it "user friendly", and as transparent as possible. The tentative date of July 15 at 7 PM was proposed and accepted with notice to Members to confirm later.

CPA Community Presentations. Manager Durkee said the purchase of a media projector would be done immediately with presentations to interested community organizations to follow. Chairman Maguire said we would be seeking dates to make the 20-40 minute, to hour long presentations to such groups as the League of Women Voters, WCONA, and the Chamber of Commerce. Adding the Cable Access Channel as a "loop" was suggested by Carl Zinnell.

CPA Reconciliation. Member Salvo requested a statement showing all monies received and expended to date to be sent to the CPC.

CPA/CPC Signage. Member Hovsepian said he would like signage to notify the City residents that CPA money is used as at the Fernald and the "wonderful" Application of George Darcy for the trails at 1433R Trapelo Rd. Chairman Maguire noted that signage is currently "mandated". Manager Durkee concurred and noted that signage has been required for every project Recommendation to date but no signs have reached the installation stage yet. The Law Department recently introduced a "new twist" on the 25 Lexington St. Application to have the sign made before construction ensues. Chairman Maguire noted that the City has established design standards which will make such signage uniform and attractive when completed. Manager Durkee noted that funds for projects Recommended and Appropriated by the Council stay in the CPA Accounts until appropriate documentation for the spending is provided to the body overseeing disbursement. Some projects have been funded and others delayed by the process.

F. Adjournment.

A Motion was made by Joseph Salvo to adjourn, seconded by Scott Hovsepian, and was accepted by voice vote without objection at 9:35 PM.

Joseph T. Maguire, Chairman, For the Community Preservation Committee