



City of Waltham

Jeannette A. McCarthy
Mayor

January 5, 2006

TO: The City Council
RE: Banks School

Enclosed please find my recommendations in order of priority with regard to Banks School.

I enclose a draft RFP for review. The Law Department review will be forthcoming.

Please provide me with your responses.

Thank you.

Sincerely yours,

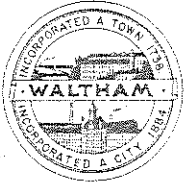
Jeannette A. McCarthy

JAM/ns

encls.

cc: Pat Azadi, Esq.

Ron Vokey



City of Waltham

Jeannette A. McCarthy

Mayor

January 4, 2006

TO: Councillor Patrick O'Brien, Chair School Building Re-Use Committee
City Council
RE: Banks School

As you know, on November 21, 2005, I asked your Committee to examine using the Banks School for a City-wide Maintenance and Inspectional Services facility since the School Committee had surplused Banks School first, instead of Lawrence School. I also previously forwarded you a copy of the letter that I had sent to RTN.

For clarity, due to the fact that I now know and can reveal that my first choice-RTN (for City-wide Maintenance/Inspectional Services and other municipal offices)-is unlikely, I am now providing, at your request, the following recommendations in order of priority regarding the reuse of Banks School:

1. Exchange Banks School for RTN Credit Union Building

Due to the proximity of the RTN property to City Hall, the City could try to legally exchange/sell the property at 600 Main Street (RTN) for the property at 948 Main Street (Banks School) and use 600 Main Street as City Hall Annex to consolidate all inspectional services for one-stop shopping for the public's convenience as well as city and school maintenance and any other city functions/offices that should be relocated there. The City could then close the surplus municipal and school buildings and sell or lease them (for market value) to relieve the taxpayers of the burden of heating, lighting, maintaining and repairing said excess buildings.

The property at 600 Main Street contains 51,866 square feet of land and is assessed for \$3,575,600.00. The property at 948 Main Street contains 64,168 square feet of land and is assessed for \$3,662,000.00. I do not know the cost of any accommodations that would have to be made to effectuate the relocation of RTN from 600 Main to 948 Main Street. I have not asked the Law Department what the City's responsibility would be if we did an eminent domain taking, whether we would have to retrofit a new bank, or for what period of time the City would have financial exposure.

Enclosed is an additional copy of the letter from me to RTN and their response. It would not be a friendly purchase, but would require an eminent domain taking. On January 3, 2006, I had a meeting with Mr. Wright. He relayed to me that it would be a very, very unfriendly taking. Please see the attached confidential summary of RTN's comments.

My funding request for an appraisal of Banks School was approved by the Committee of the Whole, then tabled. Therefore, when I met with Mr. Wright, I

only had the assessed value to work with, which Mr. Wright indicated is not relevant. He claims, on behalf of his 30,000 members, that the RTN property is worth much more than its assessment given the improvements that have been done to the building. Mr. Wright also asked why the City did not consider taking the Sovereign Bank building or other buildings on Main Street. FYI, One Moody Street is about 112,308 square feet and is assessed for about \$7.5 million. I asked Mr. Wright whether or not they would be interested in any other municipal property, i.e. Government Center. He said no for the same reasons, because it is not retrofitted for a bank and not a good location. Since I neither have the true values for Banks School or for the RTN building, nor do I know the financial or legal implications to the City of an unfriendly eminent domain taking, I am unable to recommend an eminent domain taking at this time.

The RTN property remains the best location in the City for consolidated municipal offices.

2. Send Out RFP For Banks School

Since there apparently will not be an exchange for the RTN building, and I do not have the benefit of knowing the value and/or use of Banks School on the open market, I have prepared for the City Council an RFP to sell or lease Banks School for mixed-use, commercial, retail, office space or housing for first-time homeowners, with a restriction regarding maintaining the exterior of the building. The four purposes of this RFP would be to determine the potential external uses, their impact on the neighborhood, and the market value for the Banks property; and to assist the City Council and Mayor in making an informed decision regarding either an external disposition to a third party or an internal use by the City.

3. Dispose of Banks and Consolidate City and School Functions Into Existing City Sites

If Banks were to realize sufficient money for the taxpayers with a compatible neighborhood use, then I would dispose of Banks and use some of the proceeds, if permitted, to relocate certain municipal offices and departments to other existing city sites. We would examine all available city sites for the purpose of rearranging and consolidating compatible existing city departments into municipally-owned property with the overriding intent of improving public access to municipal services, maximizing the efficient delivery of services, eliminating basement offices, and utilizing said basements for storage. This will allow the City to close other smaller existing municipal buildings in order to sell or lease them.

Given their central location and proximity to City Hall, Government Center (including the gymnasium on all levels) and 21-27 Lexington Street could accommodate departments requiring a central location for one-stop shopping. A careful analysis should be undertaken to determine the interrelationships between

departments and which municipal departments require a central location and which do not.

City functions that do not require a central location may be able to be relocated to Gaebler (64,000 square feet). Given the significant size of Gaebler, many departments can easily be accommodated on the site, including the School Department's Facilities Department, thus eliminating and potentially surplussing Lawrence School.

I am currently exploring other compatible income-producing uses at Gaebler as well. Upon completion of my research, I will forward my recommendations regarding Gaebler to the City Council. Naturally, cost estimates for relocation and office fit-ups would be necessary.

Please note that Guthrie's land and warehouse building (8,874 square feet) could accommodate the Building Department and their plans, but not combined offices, departments and functions. In addition to the limited size of the Guthrie building, the independent appraisal indicates that the building is a shell and in poor condition (enclosed). Therefore, the Guthrie building is not being recommended for relocation for city offices.

The end result of pursuing this alternative will be a more efficient use of municipal property and a more consumer-oriented delivery of services to the public. It would also allow smaller existing municipal buildings to be surplussed and sold or leased, with the proceeds potentially available to fund implementation of this plan.

4. Utilize Banks For Consolidated City and School Offices/Functions

If the RTN taking is not feasible economically or from a policy standpoint, or does not garner the support of the City Council; or if recommendation number two does not yield the taxpayers an acceptable economic return and a compatible neighborhood use, I recommend utilizing Banks School (64,168 square feet) to consolidate all inspectional services for one-stop shopping for the public's convenience and combine city and school maintenance and any other city functions/offices that can be relocated there, with minimal office fit up, portable partitions and retrofitting the gym for garaging.

The City could then close the surplus municipal and school buildings and sell or lease them (for market value) to relieve the taxpayers of the burden of heating, lighting, maintaining and repairing said excess buildings.

Please note that Banks is a greater priority (Recommendation #3) for disposal than Gaebler since the Gaebler property is subject to a reverter clause from the Commonwealth. Specifically, the Gaebler property cannot be sold to generate income to retrofit Banks or any other city offices. Further, the building and site at

Gaebler can accommodate significantly more offices (school and city) and vehicles all in the same location. The negative of Gaebler is its northeastern location. The positive of Banks is its location, and its negative is the limitation of its land area.

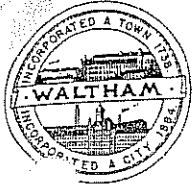
Thank you for the opportunity to present my priorities for the Banks School.

A handwritten signature in cursive script that reads "Jeannette A. McCarthy". The signature is written in black ink and is positioned above a horizontal line.

Jeannette A. McCarthy

JAM/ns

encls.



City of Waltham

Jeannette A. McCarthy
Mayor

FILE

December 1, 2005

President
Raytheon Employees Credit Union
600 Main Street
Waltham, MA 02452-4551

RE: Property at 600 Main Street

To Whom It May Concern:

I would like to know whether or not the Credit Union would be interested in exchanging their property at 600 Main Street for the Banks School that is located in Banks Square at 494 Main Street on the corner of South and Main Streets.

Please advise.

Thank you.

Sincerely yours,

Jeannette A. McCarthy

JAM/ns

cc: Councillor Patrick J. O'Brien

K7N
Received

DEC 14 2005

Mayor's Office



RTN Federal Credit Union

600 Main Street, Waltham, MA 02452 • (781) 736-9900 • 1-800-338-0221

December 13, 2005

Mayor Jeanette McCarthy
Waltham City Hall
610 Main Street
Waltham, MA 02452

Dear Mayor McCarthy:

Thank you for your recent letter of December 1st concerning a building swap.

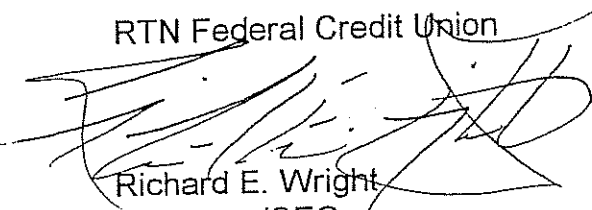
I have reviewed your request with members of the Credit Union's Board of Directors - who have expressed no interest in said transaction.

However, in reference to a recent conversation you had with John Burley, Board Member, I would like to reiterate his suggestion for a meeting.

Please let me know if a meeting would be of interest to you.

Sincerely,

RTN Federal Credit Union



Richard E. Wright
Treasurer/CEO



CITY OF WALTHAM
Request for Proposals
Sale or Lease of 948 Main Street
Waltham, Massachusetts

I. Introduction

The City of Waltham (Seller/Lessor) is currently offering for sale or for lease, "as is," a building known as 948 Main Street, Waltham, Massachusetts, as generally identified on the site plan attached hereto as Appendix A. Originally designed as an elementary school, the school closed earlier this year. Generally referred to as "Nathaniel Banks School", the building is currently vacant.

The property's land area totals approximately 64,168 gross square feet. The structure originally built in 1912, with an addition built in 1977 appears to be in overall good condition. Banks School is a three-story building with a full basement. The three stories (above the basement) consist of three floors of classrooms, offices and bathrooms on each floor. In addition, an auditorium/gymnasium, as well as administrative offices exist on the first floor. The second floor has a cafeteria and media center. The third floor consists mainly of classrooms with an upper media center. The entire premises are for sale or lease, exclusive of the contents of the building. The current assessment information values the building at \$2,847,700.00, the land at \$814,600.00; with a total value estimated at \$3,662,000.00.

The building 948 Main Street is a brick structure, with a tar and gravel roof. The exterior walls are sound and seem to only require some re-pointing and cleaning. The windows have been replaced but need to be upgraded for energy efficiency.

II. Site Information

Located in the heart of Waltham's business and civic district, Banks School is in close proximity to the intersection of Main and South Streets. Main Street (Route 20) is a major roadway providing access to Boston (approximately ten miles east of the site) and Route 128 (approximately 1 miles west of the site). There is a parking lot on site. The property is easily accessible by bus and train.

The building is being sold or leased "as is". It has an operational elevator extending to all levels.

The heating system is operational. The circulation throughout the building is functional but not premier. The bathrooms in the building need to be upgraded for full accessible adult usage. The building has both electricity and telephone lines but the City makes no representations or warranties as to their usability.

The Banks School is located in a Residence B Zone. The surrounding neighborhood includes the stores around Banks Square, private office space and residential neighborhoods.

III. Use

The City of Waltham would like to sell or lease Banks School for the purpose of mixed use, commercial, retail, office space and/or housing for first time homeowners, with absolute preference given to Waltham residents.

Insert Law Dept. appropriate language.

IV. Required Terms and Conditions

A. The property shall be sold or leased for a maximum term of ten years.

- B. If leased, the Lessee shall be responsible for rent payments that are due annually, payable in advance in monthly installments to be made payable to the City of Waltham and submitted to the Building Department.
- C. If leased, the Lessor, in addition to other rights and remedies, shall have the right to declare the term of the lease ended if the Lessee:
 - 1. defaults in the payment of a rent installment and such default continues for ten (10) days after written notice thereof; or
 - 2. defaults in the performance or observance of any other of the Lessee's covenants, agreements or obligations under the lease and fails to correct such default within thirty (30) days after written notice thereof; or
 - 3. shall be declared bankrupt or insolvent according to law, or if any assignment shall be made of Lessee's property for the benefit of creditors; or
 - 4. fails to secure an occupancy permit within one year from the date the lease is executed.
- D. If leased, the Lessee shall not assign the lease agreement, nor shall the Lessee sublet any or all of the leased premises without the prior written consent of the Mayor, the City Council or their designee. Such subletting may only be authorized, in the sole discretion of the Mayor, the City Council or their designee, for a use that is compatible with the intent of the lease agreement.
- E. If leased, the Lessee shall be required to maintain fire and liability insurance in the amount of four million dollars (\$4,000,000.) during the entire lease term and shall be required to present a Certificate of Insurance, identifying the City as a co-insured and requiring 30 days advance notice of any cancellation to the Lessor at the time of the signing of the lease and at such other times as the Lessor shall request.
- F. The Buyer or Lessee shall be responsible for meeting the Building Code in order to secure an Occupancy Permit.
- G. The Buyer or Lessee shall perform all improvements regarding tenant fit up at their sole cost and expense.
- H. The use of the subject property is subject to the Zoning Ordinances of the City of Waltham. Residential uses of the leased premises are permitted by the terms of this lease.
- I. All plans and specifications for improvements to the property must be approved by the Building Inspector of the City of Waltham prior to the commencement of any work.
- J. All improvements shall be performed by the Buyer or Lessee in accordance with the City-approved plans and specifications.
- K. If leased, no additions or alterations may be made to the exterior or interior of the building without the Mayor, the City Council or their designee's prior written approval. If sold, the City will reserve an historic preservation restriction regarding City review and approval prior to making any exterior changes to the building.
- L. If leased, the Lessee will be required to continue to maintain and repair the building over the term of the lease.
- M. The Buyer or Lessee shall be responsible for the cost of installing and using all utilities to the property.
- N. If leased, the Lessee shall be responsible for all custodial/janitorial services in the leased premises during the lease term.
- O. The Buyer or Lessee shall be responsible for shoveling all walkways into the leased premises and insuring that all the exits and entrances are not obstructed.
- P. If leased, the Lessee shall be responsible for maintaining the leased premises in good condition, reasonable wear and tear excluded.

- Q. If leased, the Lessee shall be responsible for the cost of all repairs occasioned by or due to the fault or neglect of the Lessee, its agents, servants or independent contractors hired by it.
- R. The Buyer or Lessee is prohibited from any activity that would constitute a violation of the conflict of interest law (G.L.M. 268A).
- S. The sale or lease between the parties shall constitute the entire agreement. There shall be no agreements other than the sale or lease.
- T. The Buyer or Lessee shall be responsible for securing all municipal, state and federal permits including, but not necessarily limited to, building and occupancy permits.
- U. The Buyer or Lessee is obligated to secure an occupancy permit for the leased premises within one year of the date on which the sale or lease is executed. As noted above, the Buyer or Lessee will be taking the building "as is" and the Buyer or Lessee will be responsible for taking all actions necessary to secure an occupancy permit.
- V. Prior to the sale or lease of the property, the City will remove the playground equipment at the City's sole cost and expense.

V. Submission Requirements

- A. All proposals must be delivered to the office of the City Purchasing Agent, James B. McGrath, City Hall, 610 Main Street, Waltham, MA no later than _____ at 10:00 a.m.
- B. All proposals shall be in sealed envelopes marked, "Proposal for Sale or Lease of Building at 948 Main Street, Waltham."
- C. All proposals not received at the Purchasing Agent's office by the date and time specified shall be rejected.
- D. Each proposal must include the following:
 - 1. A completed Disclosure of Beneficial Interests form, which complies with the requirements of G.L.M. Chapter 7, section 40J.
 - 2. A signed affidavit of non-collusion in the form provided by the Purchasing Agent.
 - 3. A certification of tax compliance (G.L.M. Chapter 62C, section 49A).
 - 4. If the Buyer or Lessee is other than a natural person, evidence of its legal existence and status. Such evidence may include the following:
 - a. Articles of Incorporation
 - b. Trust Agreements
 - c. Partnership Agreements
 - 5. If the proposer is a corporation, a Certificate of Authority conveying a certified vote of the Board of Directors authorizing a designated individual to submit the proposal.
 - 6. A statement of the intended use of the leased premises and how it promotes utilizing Banks School for mixed use, commercial, retail, office space and/or using for first time homeowners, with absolute preference to residents of Waltham.
 - 7. Resumes and position descriptions of all personnel of the Buyer or Lessee who will be responsible for supervising construction work to be performed under the lease.
 - 8. A statement of the amount of sale the Buyer proposes to pay or the amount of rent the Lessee proposes to pay over the course of the lease term.

9. A statement identifying the Buyer or Lessee's financing sources and their promised capital investments.
10. A proposed, detailed program of capital repairs and replacements, any other improvements/repairs proposed. Said program shall be attached to and become a part of the sale or lease.
11. A list of past projects in which the proposer has been involved.

The City reserves the right to request additional documentation and may independently verify information provided.

VI. Evaluation Criteria

All proposals shall be evaluated based on the following criteria:

- A. Submission Requirements: All proposals must be properly submitted and contain all of the completed documents and forms as set forth above in V—Submission Requirements. The Purchasing Agent shall determine if the Submission Requirements have been satisfied. The Purchasing Agent shall refer all proposals that meet the Submission Requirements to the Evaluation Committee, as expanded upon below in VI (B).
- B. Comparative Evaluation Criteria: An Evaluation Committee, consisting of one representative from the Housing Office, Planning Department and Building Department will evaluate all proposals referred to it by the Purchasing Agent. The Evaluation Committee's review will be based on the relative merits of the proposals in terms of the proposed use, proposed improvements and the amount of rent to be paid. The Evaluation Committee's review will be based on the relative merits of the proposals in terms of:
 1. Proposed use (33.3% of total points)
Each proposal shall be given a score of 1 to 5 (with 5 being the highest score) based on the extent to which it promotes utilizing Banks School for mixed use, commercial, retail, office space and or housing for first time buyers, with absolute preference to residents of Waltham. Highest scores will be awarded those uses that best promote utilizing Banks School for mixed use, commercial, retail, office space and or housing for first time buyers, with absolute preference to residents of Waltham and are compatible with and advance the proposed usage of the property.
 2. Improvements (33.3% of total points)
Improvements will be evaluated on a scale of 1 to 5 (with 5 being the highest score) based on the extent to which they add to the value of the building.
 3. Rental stream or Purchase Price (33.1/3%) of total points
 - a. In the case of a proposed lease, the Evaluation Committee will determine the present value of the rental stream plus property taxes (if any) proposed by prospective tenants.
 - b. In the case of a proposed purchase, the Evaluation Committee will add the present value of property taxes (if any) to the purchase price.
 Each proposal will be give a score of 1 to 5 (with 5 being the highest score) based on the resulting value.
- C. Evaluation. Once points are established for the proposed use, improvements, and the rental stream of each proposal, the Evaluation Committee will weigh these criteria as listed above. Based on the final scores assigned to each proposal, the Evaluation Committee shall make its recommendation to the Mayor and City Council of the City of Waltham who shall identify the most advantageous proposal.

VII. Award

Sale or Lease between the City and the successful respondent is subject to the approval of the Mayor, the City Council, or their designee.

VIII. Miscellaneous

- A. The City reserves the right to reject any and all proposals at any time prior to the execution of the sale or lease.
- B. All renovations shall become fixtures and the property of the City of Waltham.
- C. The City of Waltham will conduct one site visit of the property on_____. Interested parties should meet in front of 948 Main Street at said date and time. This will be the only opportunity to conduct a detailed inspection of the property before the RFP due date.
- D. All questions regarding the RFP should be submitted in writing to the Purchasing Agent who will maintain questions and responses in a notebook available to all prospective bidders in his office at 610 Main Street, Waltham, MA.

30 December 2005

Declaration of surplus

Central Register – Acquisition or Disposition of Real Property

Authority:

City of Waltham
610 Main Street
Waltham, MA
(781) 314-3242)

Description of Property:

948 Main Street (former Banks School)
Waltham, MA
64,168 gross sq. ft.
3 story brick building with full basement,
gymnasium and auditorium

Proposal Deadline:

_____, 2006

Estimated Value, Source of Valuation

\$3,662,000.00 based on assessed
value from Waltham Board of Assessors

Additional Information:

The City plans to sell or lease this parcel for the purpose of mixed use, commercial, retail, office space and/or housing for first-time home owners, with absolute preference given to Waltham residents. The building is being sold or leased "as is" and is subject to current zoning regulations. It is incumbent upon the proposer to secure any necessary municipal approvals including zoning for proposed uses which do not comply with the current zoning.

Copies of the Request for Proposals are available in the office of the City of Waltham Purchasing Agent.