

CITY OF NEWTON

IN BOARD OF ALDERMEN

REAL PROPERTY REUSE COMMITTEE REPORT

TUESDAY, FEBRUARY 24, 2015

Present: Ald. Albright (Chairman), Ald. Danberg, Lipof, Hess-Mahan, Crossley, and Leary;
absent Ald. Fuller and Gentile; also present: Ald. Harney
Staff: James Freas (Acting Director of Planning & Development, Ouida Young (Associate City
Solicitor), Linda Finucane (Assistant Clerk of the Board)

#287-11(4) JOINT ADVISORY PLANNING GROUP and PLANNING & DEVELOPMENT DEPARTMENT filing their separate reports pursuant to Ordinance Sec. 2-7(2)b) identifying alternatives for the future use of the former Newton Centre Library/Health Department building at 1294 Centre Street, Newton Centre, which was declared surplus by the Board of Aldermen on March 6, 2012.

ACTION: HELD 6-0

NOTE: This item was last discussed in committee on September 24, 2013, when it was referred to the 2014-2015 Board of Aldermen. At that meeting the committee agreed that prior to determining the future use of the building it wished to obtain an appraisal which would take into consideration different scenarios such as demolition of the rear addition and/or re-orienting the building. (On May 19, 2014 the Board approved a transfer of \$5,000 to the Planning Department to fund an appraisal.) The reuse of the building was also caught up in discussions re the potential construction of a parking garage over the MBTA tracks on the site of the Cypress Street municipal lot and a proposed land swap with a private developer of an adjacent property. The building, now vacant for approximately two years, has suffered further deterioration. A prior estimate of \$1.6 million to secure the building is probably higher now. Members of the committee visited the building on February 20 and Alderman Crossley highlighted its conditions in a memo and in photos taken that day. The building has suffered significant water damage. It is not included in the Capital Improvement Program (CIP) because it is vacant. It also is not covered under the city's blanket insurance policy because it is vacant. A separate insurance policy on the building has lapsed. The projects that are in the CIP have been there for years. The city does not have the resources to do so many projects at once. It seems unfair to bump another project from the queue. Eligibility for CPA funds is contingent on a specific use for the building. If CPA money is expended the building would have to remain public in perpetuity. Then there is the issue of maintenance, which cannot be funded with CPA money.

Since over two years have passed since the original declaration of surplus, the committee suggested that city departments should be asked again if there is any interest in the building. The committee agreed that a Request for Interest (RFI) should be drafted incorporating most of the goals stated in the Joint Advisory Planning Group (JAPG) report, with the exception of A. (*Maximize the value of the property and minimize or eliminate any financial burden to the City. Attempt to increase the City's tax base by adding the property to the real property tax roll.*)

However, the RFI should be creative and include a broad scope to attract varied interests. Paramount is substantial restoration of the interior and exterior.

Possible sale, long-term lease, ground lease, and a license, were discussed. The committee leaned towards retaining ownership of the building. For instance, a ground lease of 30 to 40 years would involve an initial investment by the tenant who would then over a period of time reap the benefits before the building reverted to the city. On the other hand, a license is not an interest in real estate, e.g., a tenant would be unable to get a bank loan, and the building could be taken back at any time. Tenant responsibilities would include maintenance; however, the community groups currently operating the other two former branch libraries have been unable to do so thus far. It was pointed out that the Newton Cultural Association is seeking to raise \$5 million to restore the historic Allen House in West Newton. After a year and a half, only \$300,000 of the \$2 million of CPA funds sought has been approved to stabilize the building. Additional funding depends on whether the NCA has a viable business plan to ensure sufficient revenue to fund its capital and operational needs.

Several members of the public asked to speak. A group calling themselves the Friends of Newton Centre Library would like to see a community use in the building. The group plans to apply for a 501(c)(3) to establish a tax-exempt nonprofit to this end. There was concern about a large development of which this property would be part; however, the Chairman noted it appears construction of a parking garage on the Cypress Street lot is no longer contemplated. A member of the JAPG said she was pleased at the elimination of goal A. from the JAPG report.

The committee agreed that it would ask the Mayor to allocate funds for emergency repairs to prevent further water damage and bring the building up to point it can be insured. Mr. Freas was asked to prepare a draft RFI for the March 24 committee meeting.

All other items were held without discussion and the meeting was adjourned at approximately 9:15PM

N.B. Please note that Alderman Crossley's memo dated February 20 and the photos referenced above are available online on the Board of Aldermen page under Friday packet – 1294 Centre Street.

Respectfully submitted,

Susan S. Albright, Chairman