



Setti D. Warren
Mayor

City of Newton, Massachusetts
Department of Planning and Development
1000 Commonwealth Avenue Newton, Massachusetts 02459

Telephone
(617) 796-1120
Telefax
(617) 796-1142
TDD/TTY
(617) 796-1089
www.newtonma.gov

Candace Havens
Director

Community Preservation Committee

MINUTES
5 August 2014

The meeting was held on Tuesday 5 August 2014 at 7:00 pm in Room 209 of Newton City Hall.

Community Preservation Committee (CPC below) members present: chair Joel Feinberg, vice chair Jim Robertson, Beryl Gilfix, Laura Fitzmaurice, Don Fishman, Jane Sender. CPC Members Mike Clarke and Tom Turner were absent.

Community Preservation Program Manager Alice Ingerson served as recorder.

Chair Joel Feinberg welcomed Jane Sender as the Conservation Commission's new, statutory appointee to the Committee, succeeding Dan Green.

PROPOSALS & PROJECTS

Farlow Park

\$476,780 of CPA funds recommended 30 April 2014, CPC vote 8-0

Alice Ingerson explained that in recent years, when pending decisions might affect a project's total costs or its allocation of funds from various sources, the CPC had often voted to recommend CPA funding but then held its recommendation until those decisions had been made and the project's final proportion of CPA funding was clear. Examples of such decisions included regulatory approvals by groups such as the Massachusetts Architectural Access Board or the Newton Historical Commission, which are sometimes on design changes that then affect project budgets. This "holding" procedure ensures that the summary project budget included in each CPC recommendation does not have to be amended after the recommendation is submitted to the Board of Aldermen.

In the case of Farlow Park, Ingerson had found it difficult to create that summary budget based on the wording of the resolution on which the CPC had voted in April. She had therefore asked the Committee to review and approve that summary budget at one of its regular meetings, with the Friends of Farlow Park in attendance, before she forwarded the Committee's recommendation to the Board.

Ingerson also apologized to the Friends of Farlow Park that it had taken 3 months to hold this meeting, noting that Keith Jones had been unable to attend the scheduled May 29th meeting on behalf of the Friends (though that meeting was ultimately canceled for lack of other business), and because the scheduled July 10th meeting was then canceled for lack of a quorum.

Ingerson also reported that one potential cost issue raised during the April 30th discussion about Farlow Park had been resolved early in May. She and the City's CDBG staff had been concerned that the federal wage requirements for projects using CDBG funds for construction might require increasing the project budget if CDBG funds were used for construction in Farlow Park. However, the Parks & Recreation Dept. consultant (Weston & Sampson) that provided the estimates on which the budget in the proposal was based had assured

website www.newtonma.gov/cpa

contact Alice E. Ingerson, Community Preservation Program Manager

email aingerson@newtonma.gov *phone* 617.796.1144

the staff that this was not the case, because the budget in the proposal was based on prevailing wages in Massachusetts, which Weston & Sampson usually found to be as high or higher than federal requirements.

on then projected onscreen an interactive spreadsheet, showing the two budget conditions included in the CPC's April 30th vote -- for at least \$90,000 of community fundraising, with at least \$30,000 of that amount to be held by the Friends of Farlow Park in a long-term "operating reserve." In addition to the funding listed in the original proposal, including the CPA funds recommended by the CPC, the project will need an additional \$30,000 from a non-CPA source, either from the CDBG program or community fundraising. Since the CPC accepted the proposal's \$90,000 target for community fundraising as a minimum, allocating more than \$30,000 of additional CDBG funds would not decrease that minimum, but would instead increase the amount of community-raised funds dedicated to the operating reserve.

In response to Ingerson, on behalf of the Friends of Farlow Park Jay Walter and Keith Jones acknowledged that drawings of a final, City-approved design for the proposed bridge over the restored pond would definitely assist the Friends in their fundraising efforts.

VOTE Ingerson noted that the CPC's asked April 30th vote had included the usual condition allowing CPA funds to be released for the project only when all other funds needed to complete the project had been committed. She asked if the CPC would amend that vote to allow the release of CPA funds for design only without condition and without specifying an amount for design, since that might change once the work was bid. This amendment was moved by Jim Robertson and seconded by Don Fishman.

This proposed amendment to the recommended funding conditions was adopted by a vote of 6-0.

Allen House – Partial Occupancy Proposal

current CPA request \$300,000; anticipated future CPA request \$1,700,000;
total estimated project cost \$5,100,000

On behalf of the Newton Cultural Alliance (NCA), Adrienne Hartzell explained that the project plan no longer includes the Suzuki School and preschool as the building's anchor tenant. This offers more flexibility in the uses of the building but also introduces more uncertainty, since the anticipated long-term lease with Suzuki would have supported mortgage financing as well as the building's operating budget.

Many groups and individuals have inquired about using the building. At the new Elm Street Farmers' Market over the past 5 weeks, NCA has collected roughly 150 signatures from people who are interested in supporting the project or possibly using the building. People have also begun offering in-kind donations of both material and labor for building repairs and rehabilitation. The short-term operating budget submitted for this building shows revenue from several groups interested in leasing office space in the building.

However, NCA needs to do some basic rehabilitation work to begin renting or leasing space. This is the goal of the current "partial occupancy" proposal. NCA consultant David Ennis noted that this would give the building life and make it much easier to attract attention and additional funding. NCA hopes to complete this rehabilitation work by late fall 2014, so the building can begin generating income in the winter of 2014-15. In response to Feinberg, Ennis explained that the group planned to defer for future phases of the project selling the \$750,000 of state historic tax credits received for the project so far.

The envelope of the main house and the servants' quarters will provide space for offices and teaching studios on the second floor, plus space for performances, exhibits and other public uses on the first floor. The sagging barn wall will be stabilized, but major work on the barn will be deferred to future phases. NCA's preference is to keep the existing large schoolroom and the old gymnasium space in the barn intact as performance spaces. The apartment behind the barn has a floor a few inches higher than the main barn floor, so it could be used as the stage for a small theater, with seating in the main barn. NewTV would also like to have a permanent studio in the building. NCA will keep the small historic bowling alley at the top of the barn intact.

NCA has met twice with the City's interdepartmental Development Review Team, primarily the land use

planners, who agreed that the site plan could be approved administratively and did not require a special permit. Inspectional Services Commissioner John Lojek had confirmed in writing that the parking plan approved when Suzuki was to be the building's main tenant was still acceptable for the anticipated new uses. The Fire Department has provided written approval of plans for their vehicles to access the site, but still has to approve the plan for temporary use, which includes a new fire alarm system and extra smoke detectors but will defer for up to 24 months the full sprinkler system that will ultimately be required because of the building's public use. As part of the administrative site plan review, NCA will be holding a community meeting on September 10th.

Ingerson noted that Doug Desmarais, the housing rehab specialist in the Planning Dept., and Frank Nichols, the CPA Project Engineer in the Dept. of Public Works, had both reviewed the budget for this initial phase. Both thought the \$30,000 estimate for removal of dead trees and \$20,000 for "temporary roof repairs" might be too high, but that the overall scope of work submitted could be accomplished with the total funding requested. Hartzell noted that the "temporary roof repairs" line should actually say "roof and wall repairs," and that the project architect had taken care to designate for the "partial occupancy" phase work that was already required for the full project, so the interim work would not have to be redone or undone later.

Jim Robertson applauded this interim plan and agreed that more active use of the building would protect it. He did not feel it was necessary to go through the budget in greater detail because he was confident that all the work was genuinely needed, and that the requested funding would be well spent. He reiterated his preference for the CPC to see final biddable specifications for the entire project before recommending further, larger amounts of CPA funding.

In response to questions from Jane Sender, Hartzell confirmed that the total budget for phase 1, part 1 of the project, of which the "partial occupancy" project is just the first part, is \$1 million. Hartzell also confirmed that NCA had reports from building code specialists confirming that most plumbing and electrical systems in the building were functional and safe to use, though some will need to be shut down for the time being.

Ingerson then reviewed several possible funding conditions for the "partial occupancy" project, some of which would be included in any CPC funding recommendation to the Board of Aldermen, but most of which would be specified in a much more detailed grant agreement. Both the CPC members and the representatives of NCA present at the meeting agreed to the suggested conditions, including:

- construction to start within 6 months and be completed within 18 months of any Board order appropriating CPA funds, or by any extension of those deadlines granted by the CPC in writing
- funding to be contingent on extending the City's current preservation restriction on Allen House to protect the building's remaining historically significant interior features, since the current restriction and the building's status as a local historic landmark already protect its exterior features

Ingerson noted that the details in grant agreements for private projects, but not spelled out in the CPC's recommendations to the Board of Aldermen, usually include: releasing all funds on a reimbursement basis; making the initial release of CPA funds contingent on having a building permit and a fixed-price or not-to-exceed construction contract; submitting documentation of all costs with reimbursement requests; and on-site verification by City staff of all reimbursable construction work. Past grant agreements for private organizations, mostly for housing projects, had sometimes allowed reimbursement of costs incurred after the date of the Board order but prior to execution of the grant agreement itself, which might take several weeks or longer. However, Ingerson suggested that NCA confirm directly with the City's Chief Financial Officer the City's willingness to allow this for Allen House. She hoped any Allen House grant agreement would also encourage in-kind donations of both materials and work, subject to quality review by City staff such as Desmarais and Nichols, whose time could be paid for through the CPC's administrative budget.

In response to Ennis, Ingerson said that CPA funding was sometimes also secured with a mortgage, unless the project already had a City-held mortgage as a condition of other City funding; but that City-held mortgages were usually in second position behind any private bank mortgage.

Ingerson then commented on insurance as an issue that might arise for future grant agreements, though she thought it did not need to be settled for the current “partial occupancy” proposal. City grant agreements normally require the grantee to maintain full replacement value insurance on the property. The Allen House project is CPA-eligible because the building is historically significant. If that building is completely lost and replaced by a new building, in a way that would mean CPA funds had been used for a new building – which would not normally be an allowable use of CPA funds. On the other hand, if the grant agreement requires repayment of CPA funding in this situation, NCA might not have enough left from the insurance proceeds to rebuild. Feinberg noted that the same issue arises with historic tax credits. He encouraged NCA to look into insurance that would cover both the replacing the building and repaying its historic tax credits, though such insurance might be extremely expensive.

Finally, Ingerson noted that if the CPC wished to exempt this “partial occupancy” phase of the Allen House project from its usual past policy of not allowing the release of any appropriated CPA funds until all non-CPA funds needed to complete the full project had been committed, the grant agreement should probably also include some provision for repayment of this initial CPA funding if the full project did not go forward as envisioned. Ennis, Robertson and Feinberg noted that NCA had already invested \$700,000 in the project, so the non-CPA funds that might otherwise be a condition for releasing CPA funds had not only been committed but had actually been spent.

VOTE After Feinberg summarized the discussion, Don Fishman moved and Beryl Gilfix seconded a motion recognizing that \$700,000 of non-CPA funding has already been raised and invested in the Allen House, and recommending the appropriation of \$300,000 in CPA funds to the Planning Department for a grant to the Newton Cultural Alliance for the Phase 1, Part 1 “partial occupancy” proposal submitted in late July 2014, allowing the release of these CPA funds without requiring the commitment of any additional non-CPA funds, and making provision for repayment of these CPA funds if the property is sold or the project undergoes a material change in purpose.

The motion was approved 6-0, with members Clarke and Turner absent.

COMMITTEE BUSINESS

At Feinberg’s suggestion, the Committee agreed to postpone for future meetings any discussion of the background materials provided for program planning in this meeting’s packet, including the current *Funding Guidelines*, previous mission statement/operating philosophy, and process for selecting officers.

Ingerson recalled that the fy15 program budget of \$4,958,799 approved by the Board of Aldermen in May 2014 had projected a state match of 50%, based on the 52.2% state match actually received in fy14. However, the state Department of Revenue recently clarified that budgeting a projected fy15 state match of no more than 23% was a prerequisite for state approval of Newton’s fy15 local property tax rates, which the City must set prior to the mid-November deadline for final confirmation of Newton’s final fy15 CPA state funds.

For submission to the Board of Aldermen, Ingerson therefore asked the CPC to approve a revised fy15 program budget of \$4,228,070, including a state match of 23% for Newton’s certified fy14 local CPA surcharge revenue. In response to Sender, Robertson noted that any fy15 state funds received in excess of the budget would become available for allocation to projects in fy16. After a motion by Laura Fitzmaurice, seconded by Robertson, the revised budget was approved by a vote of 6-0.

Gilfix then moved, and Fitzmaurice seconded, approval of the minutes for the CPC meeting on 30 April 2014 as submitted. The minutes were approved by a vote of 5-0, with Sender abstaining because she had not attended the April meeting.

By sense of the meeting, the Committee also approved the proposed meeting schedule for 2015, with most but not all meetings on second Thursdays.

The meeting was adjourned by consensus at 8:45 pm.