

4 September 2014
as backup for
CPC funding recommendation

Allen House



Community Preservation Committee minutes for Allen House to date:

- ◆ 11 April 2013 pre-proposal discussion
- ◆ 9 January 2014 public hearing
- ◆ 26 February 2014 working session
- ◆ 20 March 2014 scheduling discussion
- ◆ 5 August 2014 working session & funding vote (draft minutes)



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Candace Havens
Director

Community Preservation Committee

MINUTES

11 April 2013

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PROPOSALS & PROJECTS

Discussion of pre-proposal for Allen House (35 Webster Street, West Newton)

Presented by Laurel Farnsworth and Adrienne Hartzell, Board members, Newton Cultural Alliance (NCA)

Farnsworth noted that this pre-Civil War building, which had been the home of noted educator Nathaniel Allen and then the location of a school run by his daughters, had been saved once before with City help. In response to a question from Jim Robertson, Alice Ingerson explained that some federal CDBG funds had been used in the 1980s to convert the building into rental housing with restrictions keeping some units affordable for a finite term, which had expired a few years ago. Ingerson noted that after public funds were used to convert the building from a school into housing, additional public funds were now being requested to do the reverse. She hoped the currently proposed project would allow the building to support itself without future additional public funding.

Farnsworth and Hartzell explained NCA's vision for the building as a facility for multiple arts activities and as a tourist destination, with a business model intended to sustain the building indefinitely. It will include performance spaces and both indoor and outdoor community spaces and will attract people interested in the career of educator and abolitionist Nathaniel Allen. NCA is still working on the zoning waivers and approvals needed to implement their plan. They have had a first meeting with the Newton Historical Commission (NHC), which holds a preservation restriction on the property and must approve changes to the property as a local historic landmark. A second meeting with NHC is scheduled for the end of May. NCA has also met with the abutters and has held two public, neighborhood meetings to date. They feel the neighbors support NCA's vision, so City approvals are the final prerequisite so they can begin applying for grants and raising private funds.

In response to questions from Leslie Burg and Nancy Grissom, Farnsworth and Hartzell explained that the Suzuki School of Newton would be the property's main tenant, with a 3-classroom preschool during morning or school hours and a music school occupying the same spaces after school and on Saturdays. The barn will have indoor play space, art gallery space, and performance space. The main house will include a community/performance space in the double parlor and a recital space in the dining room. A catering kitchen is included in the plans. NCA's business plan includes revenue from wedding rentals. The second floor of the house will have music teaching and practice rooms, and the third floor will have offices for nonprofits. The preschool will have 15 children per class. Suzuki School director Sachiko Isihara explained that the school is a nonprofit 501(c)3 and has been operating in

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Newton for 27 years. It provides early childhood music education with strong parent participation and an emphasis on learning classical music by ear. Music practice is part of the preschool curriculum. About 55% of the music students are from Newton. Nearly all the preschool children are from the northern part of Newton.

The classrooms will be in the barn. The barn's foundation needs significant work, partly because it is below current ground level in places. The project architect is planning a sunken garden to provide light and ventilation and allow exterior access to an elevator, which will make the major spaces near the connection between the main house and the barn wheelchair-accessible. Tom Turner understood that the building includes the first indoor gym in the United States, which should be preserved. The presenters explained that the NCA planned to use this space as the largest of the 3 classrooms, preserving its basic dimensions but adding appropriate new furnishings.

In response to Grissom, the presenters said de-leading would be required for the preschool, but not for rooms used only by the music school, since nearly all of the music students were over 6 years of age, and the music students would not be in the building for long periods. Turner thought some parts of the building had already been de-leaded.

Much discussion to date has focused on the parking required to support the planned uses. The preservation restriction allows up to 40 parking spaces on the site; NCA's current plan calls for 33. NCA originally proposed angled parking along Columbus Place (a cul-de-sac off Webster Street), but the neighbors there prefer most parking off Cherry Street, to preserve the current view of the property from Webster Street. NCA thought the Historical Commission had endorsed the neighbors' plan, but NHC/CPC member Nancy Grissom felt the NHC had not actually come to any conclusions, and suggested confirming the NHC's actions with its staff person, Senior Preservation Planner Brian Lever, before investing in revised site plans.

In response to Joel Feinberg, Farnsworth and Hartzell noted that Inspectional Services Commissioner John Lojek had not yet confirmed whether the project could be done "by right," as an educational use under the Dover Amendment, or would need a special permit. They were not sure when this decision would be made but hoped it would be soon.

Robertson encouraged NCA to explore other sources of funding to reduce their \$1.5 million potential CPA funding request. Most CPC members agreed with Ingerson's suggestion that having a certain minimum of non-CPA funds in hand would probably be a condition for releasing any CPA funds recommended or appropriated for this project. In response to Grissom, the presenters noted that the only confirmed non-CPA funding to date was the \$250,000 private donation used to acquire the property. Feinberg suggested that as a 501(c)3 nonprofit NCA might be able to sell tax-exempt bonds, as was done for the Presentation School in Brighton, Mass (<http://www.psf-inc.org/>), though raising the funds needed for that project took a long time. The presenters felt NCA would get a development grant from the Massachusetts Cultural Council, which had already provided a planning grant; and that Mass Development would be willing to guarantee the Village Bank loan. NCA is also investigating federal and state historic tax credits.

Given the poor condition of the building, Ingerson asked whether and how some basic repairs could be made to stabilize the building while other funds were raised. She noted that for the Angino Farm barn, the nonprofit Newton Community Farm, Inc. had raised private funds for work on the foundation and exterior before requesting CPA funds for the interior. The presenters explained that NCA planned to phase work on the Allen House, so the main house could begin generating revenue while funds were still being raised for work on the barn.

Burg, Feinberg, Robertson and Turner asked about the project's annual operating budget. Farnsworth said it was based partly on her long experience as chair of the Buildings and Grounds Committee at the First Unitarian Society of Newton, which is also a historic building. Robertson suggested asking utility companies for past costs, though after renovation those costs should be half of what they had been before. Turner suggested asking the building's former owner, the Allen House and School Preservation Corp., for their documented past maintenance costs. Ingerson asked whether NCA as the building owner would be willing to raise the rents it charges to its member organizations, to keep up with rising costs for the building itself. Farnsworth noted that the Suzuki School would be signing a long-term lease with escalator clauses. Feinberg and Burg asked that the operating budget also include a significant replacement reserve. NCA would need to raise about \$31,000 annually to bridge the gap between the building's operating costs and rental income, but already raises about \$50,000 annually. Moving to Allen House will reduce some costs, so the total annual need will be less than the sum of those two amounts. Feinberg asked for a firmer fundraising plan as part of any full proposal to the CPC and noted that development or building costs were generally easier to fund than annual operations.

In response to Turner, Farnsworth noted that the Massachusetts Historical Society (MHS) had accepted a large part of the Nathaniel Allen archives acquired with the property, but those archives were not a plausible source of revenue to maintain the building. MHS had requested funds along with the collection, to cover the cost of cataloguing, etc. – funds which NCA was unable to provide. Materials not accepted by MHS, including some historic portraits that NCA hopes to re-install in the building, are currently being stored at Farnsworth's home.

Ingerson had advised NCA that the CPC preferred to consider construction funding requests based only on completed designs, because after receiving both design and construction funds based on pre-design cost estimates, several past projects had needed supplemental funding. However, if NCA was able to complete design work over the summer with private funds, the sense of the meeting was that the CPC would consider a fall full proposal solely for construction funding.

Ingerson also noted that, in contrast to past projects, construction work using CPA or other public funds controlled by the City of Newton would be bid competitively through the City's Purchasing Department. She would ask the Purchasing Dept. how to coordinate this requirement with the use of private or non-Newton public funds, especially if the different funding sources could not be applied to clearly separate phases of work or parts of the building.

Several members were willing to discuss a revised pre-proposal before the fall full proposal deadline, as time was available on future CPC agendas. Rather than discuss the project in multiple times, Burg suggested requesting one additional discussion after reaching some major project milestone, such as zoning approvals. The sense of the meeting was to defer a site visit for the CPC until the fall.

VOTE Grissom's motion to consider a full proposal for Allen House in the next regular funding round was seconded by Don Fishman, and approved unanimously 7-0.

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Community Preservation Committee

MINUTES
26 February 2014

Candace Havens
Director

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Scheduling Working Sessions and Possible Funding Votes

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Allen House: Based on a recent site visit, Robertson, Turner, and Clarke agreed with City staff members Frank Nichols (Engineering Division) and Doug Desmarais (Housing Rehabilitation) that the project's rehabilitation budget should probably be increased by \$1-\$1.5 million. Ingerson noted that the Durant-Kenrick project, with a significantly smaller construction budget, had taken about 4 years to raise enough non-CPA funds to make that project viable. CPC members were concerned that if the Allen House project takes that long, NCA may not retain Suzuki as an anchor tenant and may not still have a building worth rehabilitating. CPC members indicated their willingness to brainstorm with NCA about strategies for addressing these issues. In the meantime, the CPC agreed to request a revised proposal with a higher capital budget, more sources of operating revenue, and a phasing plan, so some parts of the building could be rehabilitated and begin generating revenue before the whole project is completed. They also suggested that the Newton Cultural Alliance complete construction drawings with private funds, as a basis for a firmer construction budget.

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Community Preservation Committee

MINUTES
9 January 2014

Candace Havens
Director

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PUBLIC HEARINGS

Allen House (West Newton, historic resources), CPA request \$2,000,000, total cost \$4,750,000

Adrienne Hartzell presented for the project sponsor, the Newton Cultural Association (NCA), and introduced NCA board members Kay Kahn, Tom Concannon, Laurel Farnsworth, Sachiko Isihara, David Ennis and Karen Solomon. Ennis is focusing on financing strategy, using his extensive experience with nonprofit projects, particularly affordable housing. Solomon is focusing on fundraising. She recently ran capital campaigns for the North Bennet Street School and the Boston Conservatory.

NCA was formed in 2005 and incorporated in 2009 as an umbrella for Newton performing arts organizations, partly to develop a shared facility for its members. NCA acquired the Nathaniel Topliff Allen House in November 2012, with the intention of developing it as that facility.

The Allen House, at Cherry and Webster Streets in West Newton, is an official Newton Landmark. The earliest part of the structure dates from about 1850, and the most recent major addition was made in 1915. It was the home of noted educator Nathaniel Allen and was a stop on the Underground Railroad. Allen's school, on a separate site in West Newton Square, aimed to educate the "whole child." It enrolled students from nearly every state and 40 countries. Allen pioneered in co-education, racially integrated education, early education (the first real kindergarten in the United States), and physical education (America's first secondary school gymnasium). Some of the school's boarding students lived at Allen's home, which also provided extra classroom space until his death in 1903. His daughters then ran the house as a girls' school until 1943. In return for an investment of about \$400,000 of Newton's federal CDBG funds between 1977 and 1987, the building was divided into rental apartments, which were required to meet federal affordability standards for 15 years; and the City of Newton acquired a permanent preservation restriction on both the exterior and the landscape. Hartzell showed photographs documenting the building's current state of significant disrepair, with leaks, peeling paint, and structural deterioration, especially on the porches.

NCA will use the building for music teaching, public lectures and concerts. Spaces will be rented to the community for compatible uses. The Suzuki School of Newton currently plans to use the building for both its regular program and a pre-school. The Newton Historical Commission has approved NCA's conceptual plans for the building. The Inspectional Services Commissioner has approved a parking waiver, since the planned educational use is permitted by right in a residential neighborhood.

Hartzell and architect Linda Pardus-Goodman explained that the first floor will be primarily for public use, including the pre-school in the attached barn. Smaller rooms on the second floor will be used for rehearsals, teaching, and conferences. The historic 2-lane historic bowling alley on the barn's top floor will be preserved. The building's 2 commercial kitchens and more than the required number of its 13 bathrooms will be accessible. An elevator will connect the basement of the barn to the second floor. The third floor will not be accessible but will be used only for offices. NCA's plans have been approved by the Massachusetts Architectural Access Board (MAAB).

David Ennis noted that the total project cost in the slide presentation was slightly higher than in the submitted proposal, but that the CPA funding request has remained the same. The construction contingency has been increased from about 7.5% to 15%. The budget includes a half-year of debt service at \$50,000. A developer fee of about \$300,000 is included because one is required to qualify for historic tax credits, but NCA will reinvest most of that fee in the project, and none of the requested CPA funds would go toward the fee. By late February NCA should be able to confirm the final budget after review of the plans by contractors. Joel Feinberg and Ingerson asked NCA to send the final budget to the CPC at least 2 weeks before their first working session on this proposal.

Other major funding sources include about \$700,000 of historic tax credits through the Massachusetts Historical Commission. As expected, NCA's first application for these credits was not accepted, but the state comments on it were encouraging, and a final decision is expected in April or August 2014. Other sources include \$600,000 of foundation grants and private donations in addition to \$300,000 already raised, a Massachusetts Cultural Facilities grant of about \$250,000, and both a pre-development loan and a mortgage through the Village Bank. The mortgage is contingent on negotiating a lease with the Suzuki School or another anchor tenant.

NCA hopes to begin construction in July 2014 and have the building ready for occupancy by July 2015. Feinberg noted that CPA funds could not be released before final costs and all required funding sources are confirmed. Ennis asked the CPC to consider allowing release of CPA funds as soon as the historic tax credits and bank mortgage are finalized.

CPC Comments & Questions

Feinberg noted that the building's listing on the National Register of Historic Places was critical to its eligibility for tax credits. In response to Feinberg, Hartzell confirmed that because of its educational use, the project did not need zoning relief and that the building would be exempt from property taxes on the same basis.

Leslie Burg considers the building a gem that truly deserves to be rescued and made usable for the community. In response to Burg, Hartzell explained that her background in music, in arts administration, and in law had been useful for working with the state attorney general's office during the acquisition process. At the request of the NCA board she had agreed to serve as their acting executive director for the duration of this project, but she preferred not to accept another permanent position in addition to serving as the part-time executive director of Newton's New Philharmonia orchestra. In response to Joel Feinberg, Hartzell explained that a professional construction manager will be hired to oversee that work.

In response to Burg, Ennis explained that the final cost of de-leading will not be known until a full lead paint report is completed. The full exterior and parts of the interior that will be used for the pre-school must be de-leaded, but this may not be required in other parts of the building.

Jim Robertson noted that although this was the most expensive proposal discussed by the CPC since he joined the committee, it was also the most thorough. Robertson asked for final confirmation of square footage, but based on Hartzell's and Ennis's estimate of 13,400 usable square feet, he *website*

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considered the projected construction costs of \$230 per square foot reasonable. However, he also thought the City's new policy requiring public procurement of all work on private projects receiving partial CPA funding might increase overall costs. Feinberg thought the same policy would also make it difficult to meet the project's intended timeline. Ingerson suggested that NCA propose to the City's Chief Purchasing Officer (CPO) a procurement process that they felt would best serve their project, since the City's policy allows the CPO to consider approving alternatives to the standard City process. She also suggested that NCA Board and staff read the online grant agreement for the Durant-Kenrick project, for other requirements that might apply to CPA funds for Allen House.

Robertson thought the project's budget for debt service seemed high. Ennis said the loan had not yet been negotiated, and that NCA hopes to pay only interest during construction. For the working session with the CPC, in addition to a final budget Robertson asked NCA to break out and explain both debt service and soft costs in greater detail.

In response to Mike Clarke, Hartzell explained that the historic bowling alley will be preserved, but will not be accessible via the planned elevator.

As a Historic Newton board member, Beryl Gilfix had heard people talk about saving the Allen House for many years, but this was the first concrete step taken toward that goal. She felt it was particularly appropriate to use the house for music teaching and small arts groups.

In response to Feinberg and Burg, Hartzell confirmed that the building's only permanent tenant would be the Suzuki School, with which NCA would begin negotiating a 10-year, renewable lease shortly. Other groups would pay fees for the use of particular rooms. The lower-level of the barn will open onto the landscape, so it could accommodate small indoor/outdoor weddings. About 50-70 people could be seated for a concert in the large double parlor. The building may also host art shows.

In response to Feinberg, Hartzell acknowledged that the submitted operating budget did not include a replacement reserve. The listed "property manager" will focus on managing the building's uses rather than physical facilities.

Public Comments & Questions

Lynn Cadwallader, Ph.D. had done her dissertation research on Nathaniel Allen in using records at the Allen House in the late 1970s, when the house was a 36-room time capsule. Allen not only pioneered progressive education long before the Progressive movement, he also played a key role in the professionalization of education, working closely with Horace Mann, teaching at Massachusetts' first "normal school" for teacher training, and serving as one of the first officers of the Massachusetts Education Association. The house is internationally significant for its association with the history not only of education but of abolition, women's rights, and the peace movement. She was very excited to know that the building may be saved by putting children back into it.

Newell Flather noted that the records mentioned by Cadwallader had been preserved, with some accepted by the Massachusetts Historical Society (MHS). Hartzell explained that NCA had retained the right to display copies of materials archived by MHS. Flather first became involved with the Allen House in the early 1980s, when he led a tour of the house for the trustees of the Mabel Louise Riley Foundation, which made the first major grant for the property. He believes the Riley Foundation and other foundations will contribute to the current project. He was thrilled to learn that the Community Preservation Act was available as a resource for such projects.

Lucia Dolan summarized comments from the League of Women Voters. Overall the League supports the project. The proposal's large proportion of funding from non-CPA sources helped to balance its

very large CPA request. The League hopes that the trees to be removed are truly diseased. Some readers were concerned about investing such a large amount of public funding in what will essentially be a private building and agreed that the space should be made available to community groups for concerts and other public events, for a fee. League readers were concerned that the building opens for public use, the 26 approved on-site parking spaces will not meet the demand. They suggested exploring shared parking with other public facilities in the area. Hartzell noted that the City had agreed to consider a different parking plan if a need could be demonstrated, but that the City's preservation restriction on the property caps on-site parking at 40 spaces.

Patricia Papa said that in the 1970s Helen Levy, head of the small foundation that then owned the Allen House, allowed her to read some of letters that Allen encouraged his students to write to him. To the reasons for historic significance already mentioned, she added Allen's outlawing of corporal punishment, having students keep daily journals, holding Friday night current events discussions, student swimming in a pond near the current site of Warren House on Washington Street, and Allen's association with the Pomroy Home for Orphan Girls in Newton Corner. She feels the house needs to be restored and maintained, and that a pre-school will make it economically sustainable. Groups other than Suzuki can fill that slot if needed. Medford has succeeded with a similar project.

Aldermen Ted Hess-Mahan strongly supported the project, both for its significance to the City of Newton as a whole and as a member of the First Unitarian Society of Newton, of which Nathaniel Allen was a founder. An earlier proposal to develop the building as luxury housing would have eliminated public use and access. Like some CPC members, he was concerned about the potential impact on the project's costs and timeline of the City's current procurement policy.

Robert Conley no longer lives near the Allen House but knew that the building had suffered from serious dry rot since the 1980s. All the plumbing and wiring must be redone, and sprinklers will be required for the intended public and educational uses. He did not support the use of CPA funds for this very expensive project and urged NCA to use only federal and state funds instead.

Susan Brigham lives across from the Allen House on Cherry Street. She is thrilled by the proposed project. She believes it is practical based on the model of a similar project in Wellfleet, where the community raised funds to convert an old Catholic church in very poor shape into an arts and cultural center. That project has far exceeded expectations: the building is continually busy, attendance is very high, and once the doors opened, many more community funds were contributed.

Cindy Stone supported the proposal as Executive Director of Historic Newton, which feels it cannot and should not own every historic property in Newton. Historic Newton will use the Allen House for activities, and will create an exhibit about Nathaniel Allen that can be transferred from the Jackson Homestead to the Allen House. Like the Durant-Kenrick project, she believes the Allen House project will be able to raise funds from private, state and federal sources to match its CPA funding.

Burg recognized two other Aldermen present, Alison Leary and Vicki Danberg. Leary said she had come only to listen and learn. Danberg was a founding member of the NCA Board and expressed support for the project from Aldermen Jim Cote, who was unable to attend. Ingerson noted that Alderman Cote had also sent a letter of support, which she would forward to the CPC.

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Candace Havens
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Community Preservation Committee

MINUTES
20 March 2014

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Update & Discussion - Allen House

(West Newton, historic resources), CPA request \$2,000,000

Feinberg summarized the CPC's past information requests as focused on a revised, more credible full budget, both uses and sources.

Adrienne Hartzell and David Ennis summarized the current status of this proposal. A third, revised budget is under development, which does not include the federal historic tax credits listed in the most recent draft budget. The Newton Cultural Alliance board recently agreed that the length of time required to complete the full project made it impractical to count on the Suzuki School of Newton as an anchor tenant. NCA is now proposing to phase the project, completing rehabilitation of the main house as phase 1, including the elevator; the servants' wing as phase 2; and the barn as phase 3. The house needs to begin generating income as soon as possible.

In addition to work on the main house, Robertson recommended that phase 1 include the cost of temporary supports or shoring for the most badly deteriorated exterior walls or sills in the servants' wing and barn.

In response to Robertson, Hartzell noted that the architectural plans are 75 percent completed, but cannot be 100 percent completed until the uses of the building have been finalized. Based on consultation with one contractor, NCA has increased estimated construction costs by \$300,000, but they are also seeking a second contractor estimate. They have submitted a grant request to the Massachusetts Cultural Council and a second application for state historic tax credits, and are developing a strategy for community fundraising.

NCA recently had a very successful meeting with the neighbors. Several organizations would like to have their offices or hold programs in the building, including the Boston Bluegrass Union. The Boston Ballet School, New Art Center and Scandinavian Living Center need short-term housing for visiting artists. NewTV would like to use the barn for production and other activities.

The CPC also agreed to a second site visit on April 7th at 4 pm.

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Community Preservation Committee

DRAFT MINUTES

5 August 2014

Candace Havens
Director

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PROPOSALS & PROJECTS

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Allen House – Partial Occupancy Proposal

current CPA request \$300,000; anticipated future CPA request \$1,700,000;
total 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

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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.

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