



Setti D. Warren
Mayor

City of Newton, Massachusetts Community Preservation Committee



DOCKET
ITEM NO.

FUNDING RECOMMENDATION

DATE: 20 August 2010

TO: The Honorable Board of Aldermen

FROM: Community Preservation Committee

RE: **recommended supplemental Community Preservation funding for
20 ROGERS STREET (Crystal Lake)**

In May 2007 the City of Newton acquired 20 Rogers Street by eminent domain as recreation land, using community preservation funds. The purchase price of \$2.3 million was based on an independent appraisal. The Board of Aldermen authorized 10-year debt financing of this purchase (see attachments).

In June 2010 a jury determined that the fair market value of the property was \$2,720,000. In the attached letter, the Mayor has requested supplemental funding of **\$452,000** to cover the costs of this court-ordered adjustment, plus the anticipated interest that would accrue to December 2010.

On 19 August 2010, the Community Preservation Committee voted 5-0 to recommend this supplemental funding. The CPC further recommends

- ◆ drawing these funds directly from the Community Preservation Fund's general reserve for fiscal 2011, to avoid the additional costs involved in debt financing (attached tables summarize currently available funds and principal + interest on original debt financing)
- ◆ allocating this appropriation 100% to recreation land, among the allowable uses of community preservation funds (as was prior funding for this acquisition)

The Committee regrets the need for this additional funding. However, all members participating in the August 2010 vote agreed that this acquisition has provided invaluable community benefits. Several members noted that they would have supported the now-contemplated total cost of this acquisition in 2007, if that total had been requested initially and supported by an appraisal.

Finally, all members expressed the hope that the Board will act on this recommendation as quickly as possible, to minimize accrued interest costs. If funds are appropriated more quickly than the Mayor anticipates, he will return any unspent amount to the Community Preservation Fund, so it can be used for other projects.

ATTACHMENTS

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◆ supplemental funding request from Mayor Setti Warren	2
◆ resources available in Newton's Community Preservation Fund as of 9 August 2010	3
◆ scheduled debt service for 20 Rogers Street	4
◆ Community Preservation Program web page for Crystal Lake (all projects)	5



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To: Community Preservation Committee
From: Mayor Setti D. Warren
Re: Supplemental Request for CPC Funding
20 Rogers Street, Newton
Date: July 26, 2010

The City of Newton took property at 20 Rogers Street in Newton (adjacent to the Crystal Lake bathhouse), by eminent domain for recreational purposes, in May 2007. The City had the property appraised and determined the fair market value to be \$2,300,000 at the time of the taking. The cost of this acquisition was covered by the Community Preservation Fund.

The prior owner of 20 Rogers Street, Patrick Hannon, sued the City in Superior Court and initially claimed that the fair market value of the property was between \$4,000,000 and \$5,000,000. A six-day jury trial in June 2010 determined the fair market value of property to be \$2,720,000.

The difference between the City's acquisition price of \$2,300,000 and the fair market value as determined by the jury is \$420,000. The amount owing with interest as of June 25, 2010 was \$451,164.94. Interest, however, is accruing from June 25, 2010 at a rate of approximately \$4.49 per day.

I am therefore requesting a supplemental appropriation of \$452,000, enough to cover principal and accrued interest if the CPC recommends this funding, and the Board of Aldermen votes to implement that recommendation, by early December 2010. If funds are appropriated more quickly than this, any difference between this request and the City's actual costs will of course be returned to the Community Preservation Fund.

The wisdom and community benefits of this acquisition have been proven many times over since 2007. I hope you will act promptly to recommend this necessary additional investment in Crystal Lake, one of our Garden City's most cherished special places and one that serves our entire population.

1000 Commonwealth Avenue Newton, Massachusetts 02459

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DEDICATED TO COMMUNITY EXCELLENCE

<i>updated 9 August 2010, A. Ingerson</i>	
City of Newton, Massachusetts	Fiscal 2011
COMMUNITY PRESERVATION FUND	<i>state match as budgeted, not yet confirmed</i>
REVENUE	
local CPA surcharge	\$2,353,480
state matching funds	\$681,605
additional local revenue:	
fund balance <i>(not budgeted, but available when calculated & forwarded from previous year)</i>	\$2,285,442
bonds	
interest	\$54,000
other - tax liens	
other - funds returned from completed or canceled projects	
TOTAL REVENUE	\$5,374,527
EXPENDITURES	
PROGRAM ADMINISTRATION & DEBT SERVICE	
program administration	(\$146,418)
debt service for Angino Farm <i>(final payment in fiscal 2010)</i>	\$0
debt service for Kessler Woods <i>(final payment in fiscal 2014)</i>	(\$555,750)
debt service for 20 Rogers St. <i>(final payment in fiscal 2017)</i>	(\$327,038)
TOTAL Program Administration & Debt Service	(\$1,029,206)
AVAILABLE FUNDS after program administration + debt service	\$4,345,321
CPC RECOMMENDATIONS PENDING with Board of Aldermen	
20 Rogers Street - Supplemental	(\$452,000)
Museum Archives <i>(remaining funds from 2008 recommendation, held in Finance Committee)</i>	(\$321,900)
TOTAL Recommendations Pending	(\$773,900)
AVAILABLE FUNDS if all pending recommendations were funded in full	\$3,571,421

last updated 29 January 2009, A. Ingerson

City of Newton, Massachusetts						
DEBT-FINANCED COMMUNITY PRESERVATION PROJECTS						
Project Title	Individual Board Orders	Date(s) of Board Orders	Total Appropriated by Individual Board Orders	Debt Authorized	Total Principal + Interest	TOTAL PROJECT COST
20 Rogers St. (Crystal Lake)	88-07, 88-07(2), 88-07(3)	5/21/2007	\$2,334,500	\$2,300,000	\$2,793,213	\$2,827,713

DEBT SERVICE SCHEDULES										
fy08	fy09	fy10	fy11	fy12	fy13	fy14	fy15	fy16	fy17	fy18
\$48,869	\$352,538	\$337,238	\$327,038	\$317,156	\$306,000	\$293,250	\$281,000	\$269,844	\$260,281	paid off

NOTES

1. Individual Board orders for this project included appropriations for an independent appraisal and legal work as well as the purchase itself.
2. This purchase was financed through bond anticipation notes in the spring of 2007 (fiscal 2007), which were retired through the sale of regular 10-year bonds in the fall of 2007 (fiscal 2008).

Crystal Lake 20 Rogers Street	
<i>location:</i>	20 Rogers Street Newton Highlands, MA 02461
<i>goals:</i>	Acquire this property, adjacent to the City's existing swimming facilities at Crystal Lake, for recreational purposes.
<i>funding:</i>	\$2,334,500 <i>CP funds appropriated (recreation) including \$30,000 for City of Newton legal services</i>
	\$452,000 <i>CP funds requested (recreation)</i>
PROPOSAL REVIEW & APPROPRIATIONS	
December 2006	proposal
8 December 2006	appraisal (long file, will take time to load)
January-March 2008	letters of support
13 March 2007	CPC funding recommendation
7 and 21 May 2007	Board orders (appropriation)
28 August 2007	non-CPA funds used for demolition
25 July 2010	supplemental funding request
August 2010	CPC funding recommendation

continued

Crystal Lake 230 Lake Avenue

<i>location:</i>	230 Lake Avenue Newton Centre, MA 02459	
<i>goals:</i>	Acquire restrictions on or subdivisions of this property, between Levingston Cove and the city parkland and swimming facilities at Crystal Lake, for community recreation, open space, and historic preservation purposes.	
<i>funding:</i>	\$885,000	CP funds appropriated
		<i>including \$10,000 for City of Newton legal services</i>
	\$85,000	<i>historic resources</i>
	\$134,064	<i>open space</i>
	\$662,436	<i>recreation</i>

PROPOSAL REVIEW & APPROPRIATIONS

18 September 2007	proposal
14 November 2007	CPC funding recommendation
12 February 2008	revised proposal
20 February 2008	revised CPC funding recommendation
November 2008	CPC recommendation for revised funding mechanism
April & November 2008	Board orders (appropriation)

PROJECT NEWS

9 January 2008	historical background information
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