

SPECIAL TOWN MEETING – OCTOBER 17, 2023



Town Hall / Community Center



Public Safety Building

**MIDDLETON BUILDING COMMITTEE
MUNICIPAL FACILITIES PROJECT**

ARTICLE 6

On petition of the Building Committee, to see if the Town will vote to appropriate an additional \$9,950,000 to pay costs of the design, permitting, construction, and furnishing of a combined Fire and Police Public Safety Building and a combined Community Center and Town Hall on the Town-owned land located at 105 South Main Street, including the payment of all costs incidental and related thereto; to determine whether this amount shall be raised by borrowing or otherwise; and to authorize the Select Board and Town Administrator to execute such other documents and contracts as are needed to effectuate the vote taken hereunder; or take any other action relative thereto.

PROJECT HISTORY

- 2019** **March** Town Meeting voted to purchase the Middleton Golf Course
- May** Master Development Planning Committee (MDPC) was established
- Sept.** HKT Architects hired to develop Master Plan
- 2020** **Sept.** HKT Master Plan issued for the project
- 2021** **June** Town Meeting authorized borrowing \$61.7M for the Project
- June** Town Election ballot approved Prop 2 ½ Debt Exclusion
- July** Town Building Committee formed
- Nov.** Town sells 30-year bonds to finance the project

PROJECT HISTORY

2022	March	PCA360 hired as the Owner's Project Manager (OPM)
	April	Context Architecture hired as the Project Architect
	Sept.	Programming/Concept Design Completed
2023	March	Schematic Design Completed
	May	W.T. Rich Company hired as the Construction Manager at Risk
	July	Design Development Completed
	Aug.	Estimates reconciled (CM & Architect)

OUR PROJECT TEAM

- Owner's Project Manager (OPM) - March 2022



- Project Architect - April 2022



- Construction Manager – May 2023



BUDGET PROJECT REVENUE & FUNDING GAP

■ 2021 Town Meeting Bond:	\$61,700,000
■ Legislative Earmarks	\$490,000
■ Local Funds	\$787,290
■ <u>ARPA</u>	\$1,415,453
Total Project Revenue	\$64,392,743
Current Project Estimate	\$74,689,379
Funding Gap	-\$9,950,000

Legislative Earmarks

- 125,000 Septic
- 25,000 Public Safety Design
- 40,000 Public Safety Building
- 200,00 Town Common
- 50,000 Sidewalk
- 50,000 Council on Aging
490,000 TOTAL

Local Funds

- 62,290 Transfer Prelim Design
- 500,000 CPA Town Common
- 225,000 Fairway Estates Gift
787,290 TOTAL

Potential Funding Sources

- PEG
- Value Engineering
- Grants

REQUEST AT FALL TOWN MEETING

PUBLIC CONSTRUCTION ECONOMIC FACTORS



Quincy council approves \$23 million more for public safety building



Worcester and Lowell both have school building projects millions of dollars over budget; Is this a new trend?



Fire station projected to cost \$3 million more than expected



Rockland to vote on tax hike to fund new fire station. Again. And then maybe a third time.



Middlesex East

Unprecedented inflationary pressures wreaking havoc on new school projects



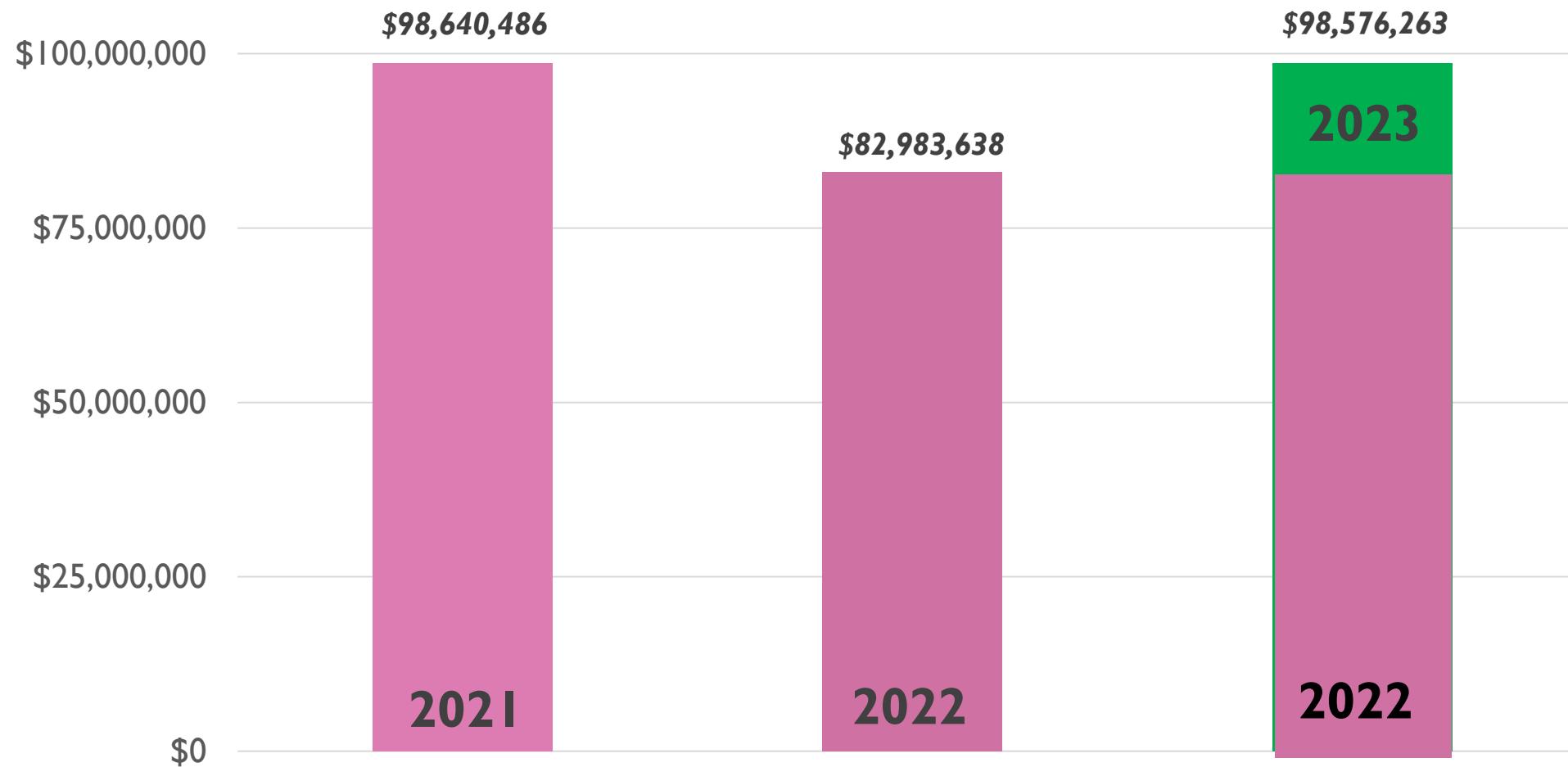
Norfolk well short of money for new fire station

PROJECT BUDGET ESTIMATE HISTORY

	Sept. 2020		Sept. 2022	Mar. 2023	Aug. 2023	
	'22 Bid Yr.	'24 Bid Yr.	Context	Context	Context	W.T. Rich
	HKT		Concept Design	Schematic Design	Design Development	
	Master Plan/Feasibility				Design Development	
Building Size	74K sqft		70K sqft	65K sqft	65K sqft	
Administration	\$1.8 M	\$1.8 M	\$1.8 M	\$41.8M	\$1.8 M	\$1.8 M
Architect/Engineer	\$5.0 M	\$5.0 M	\$5.0 M	\$5.0 M	\$5.0 M	\$5.0 M
Owner's Contingency	\$3.3 M	\$4.9 M	\$4.5 M	\$4.2 M	\$4.2M	\$4.2 M
Other	\$3.6 M	\$3.6 M	\$3.6 M	\$3.6 M	\$3.6 M	\$3.6 M
Construction	\$48.0 M	\$68.8 M	\$65.6 M	\$59.3 M	\$59.2 M	\$59.4 M
TOTAL	\$61.7 M	\$84.1 M	\$80.5 M	\$75.1 M	\$74.6 M	\$74.8 M

2023 FALL TOWN MEETING REQUEST

Project Cost Over Time (with interest)



- Addition of this request would still come in under total projected project cost approved at 2021 ATM.
- New ask represents 0.22 Cents per thousand. (about \$177 a year for an average household.)
- New ask assumes a projected interest rate of 3.75% over a 25 year borrowing.

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TRI-TOWN TAX COMPARISONS & IMPACT

TOWN	FY23 AVG SINGLE FAMILY HOME	FY23 TAX RATE	FY23 AVG TAX BILL
Boxford	\$840,866	\$13.84	\$11,638
Topsfield	\$766,934	\$15.20	\$11,657
Middleton	\$806,573	\$12.87	\$10,381
Proposed Middleton*	\$806,573	+0.22/1,000 \$13.09	+\$177/year \$10,558

*Based on a projected bond not to exceed \$9.95M at 3.75% over 25 years

FUTURE FUNDING SOURCES

- Approval of the **\$9,950,000** request is an authorization, but does not necessarily mean the entire amount will be used.

■ Grants/Earmarks	\$2,500,000+
■ Sale of Town Properties	\$1,000,000+
■ Unused Project Contingency	\$4,500,000
■ Bond Issuance Timing	Market and Project Driven*

- Approval of the **\$9,950,000** allows project to proceed on schedule as envisioned

THE PROBLEM WITH REDUCING SCOPE

- **BUILDING COMMITTEE HAS CUT 10,000 sqft of building**
 - Future Town Growth and need obsolete building

COST OF REDUCING SCOPE:

Savings Goal	\$10,000,000*
Cost to Redesign	\$2,000,000 (approx.)
6-Month Escalation	\$3,000,000 (Approx.)
Actual Savings	\$5,000,000

- Such an approach would result in significant scope reduction for minimal return in savings.

UPCOMING SCHEDULE

2023	Oct.	Special Town Meeting (TODAY)
	Dec.	Construction Documents Completed
2024	Jan.	Bid Project
	March	Construction begins (21 Month Duration)
2026	Feb.	Owner Occupancy of Buildings
	April	Project Closed Out

IF THE ARTICLE FAILS

- Construction Documents will still be completed in December 2023.
- Delay bidding from January 2024 till just **BEFORE** the May Town Meeting.
- Request Annual Town Meeting fund a bond for the actual cost of bids received plus escalation.
Award contracts immediately after the May vote (if approved).
- Project schedule extended **for 3.2 months**, construction escalation costs estimated at **\$945,349 plus architect and OPM fees for extending contracts.**

CUT A PROGRAM OR ELIMINATE A BUILDING (CUT 2 PROGRAMS)

- Eliminating a program or building changes the scope of the project.
- Adds significant redesign and time delay escalation costs.
- Extends the ongoing costs of updating/maintaining obsolete and inadequate building(s).
- Town Meeting would need to vote to abandon the project and then vote the new scope.