

Article 1

DPW Facility Acquisition

STM February 26, 2018

Board of Selectmen
Boxborough Building Committee

Purpose

- Acquire building at 873 Mass Ave for DPW equipment garage and offices.
- Meets DPW needs described by Boxborough Building Committee at May 2017 Town Meeting.
- This is an unexpected opportunity to provide a much-needed facility for our DPW.

Value

- Excellent value for the town.

Cost to buy land, build new	\$ 2.7 M
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Purchase Kaizen	\$ 1.3 M
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Town saves <u>at least</u>	\$ 1.4 M
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- This is a **very conservative** estimate of savings.

Why?

- Built in 1970's as “temporary” storage barn, the aging DPW garage is inadequate now. We outgrew it years ago.
- Not enough room to protect and maintain equipment, or provide space for staff, offices.
- Many building code issues.
- Environmental constraints prevent expansion on current site.

Why now?

- Kaizen Tuning at 873 Mass Ave is moving out of state, selling their building.
- Building Committee learned of opportunity in mid-December, 2017.
- Other parties are also interested in acquiring the property.
- Boxborough needed to act fast.

873 Mass Ave



873 Mass Ave

Kaizen Tuning



Key features

- Twice the space of current facility (8000 SF) with 2000 SF additional covered space. Less than 20 years old with many improvements.
- Brightly lit, well-maintained work space and office areas with central heating, air conditioning.
- Offices for administration, foreman; break room for crews; two modern bathrooms.
- Proper public entrance and vendor reception area with dedicated parking spaces.

Key features (Con't)

- Ample space to store tools and supplies
- 15-20% more yard space with security fence.
- Dedicated welding bench.
- Vehicle exhaust system
- Network cabling and video surveillance system.
- Emergency generator

Status

- 21E evaluation (ground contamination) completed – all clear.
- Town appraisal completed: valued at \$1.12M

BUT –

- Sellers accepted competing offer of \$1.25M
- Selectmen and FinCom agreed to meet this and offer \$1.25M.

Status (Con't)

- Seller has accepted Town's offer of \$1.25 M.
- Working to finalize terms of a Purchase and Sale Agreement
- Expected closing date of March 16, 2018.
- The town can exercise eminent domain option if necessary.

Impact to taxpayers

- For \$576,600 average single family home, max of \$53.41 in first year.
- Decreases each year thereafter.
- Total 20 year impact \$852.54

After purchase

- **Immediately** – ADA compliance work:
 - Front door ramp
 - Raise toilet, add grab-bars in one bathroom
 - Estimated cost \$21,000 included this article
- **FY19** – facilities improvements:
 - Additional high-bay door, heavy truck lift(s)
 - Fit up reception area and offices
 - Estimated cost \$80- 100K. Will be ATM article

Vote yes!

- We will have adequate space to store and service the town's DPW equipment.
- Our DPW personnel will finally have a safer, more efficient working environment.
- Daily operations will be more efficient.
- Residents will enjoy better access.

The Selectmen urge you to vote yes!

Additional material

Plans for old DPW facility?

Short term:

- Salt sheds & winter operations
- Town fuel depot
- Materials stockpiles
- Use for hazardous waste day drop-off

Long term:

- Pending

Equivalent value/savings

@ \$250/SF

7762 SF at ave prevailing wage cost of \$250/SF (2016)	\$ 1,940,500
Add 10% 4 years inflation	\$ 194,050
Land cost estimate	\$ 500,000
Well, Septic system	\$ 50,000
Subtotal	\$ 2,684,550
Less purchase price	\$ 1,250,000
Less ADA costs	\$ 21,000
Gross savings (equivalent building)	\$ 1,413,550
Less additional facilities improvements (FY19)	\$ 100,000
Net benefit (cost avoidance)	\$ 1,313,550

Equivalent value/savings

@ \$350/SF

7762 SF at ave prevailing wage cost of \$350/SF (2016)	\$ 2,716,700
Add 10% 4 years inflation	\$ 271,670
Land cost estimate	\$ 500,000
Well, Septic system	\$ 50,000
Subtotal	\$ 3,538,370
Less purchase price	\$ 1,250,000
Less ADA costs	\$ 21,000
Gross savings (equivalent building)	\$ 2,267,370
Less additional facilities improvements (FY19)	\$ 100,000
Net benefit (cost avoidance)	\$ 2,167,370

Impact on home tax bill

Average assessment: \$576,600

