



Town of Petersham Special Town Meeting

•
September 21, 2015
7:30 p.m.
Petersham Town Hall

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Report from the Advisory Finance Committee
Summary from the Selectboard of Articles 6–10**

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Dear Reader:

Everyone is welcome to Petersham Special Town Meeting. All registered residents are encouraged to attend. Please bring this report with you for reference at Town Meeting and copies will be available at voter check in. Seating for non-registered residents and the general public is available in the upstairs balcony. If you are not a registered voter in the Town of Petersham, please make certain to receive permission from the Town Moderator to gain admittance to the main floor of the Town Hall. If you have questions or need assistance, please inquire at the front door.

Town Meeting Warrant of Articles

ARTICLE 1.

To receive the reports of Town Officers and Committees and act thereon.

ARTICLE 2. [Fire Dept. outstanding Fiscal Year 2014 bill]

To see if the Town will vote to raise and appropriate, appropriate from available funds, transfer, or any combination thereof, a sum of **\$984.58** to pay for prior fiscal year 2014 unpaid bills, or act in relation thereto.

RECOMMENDED

ARTICLE 3. [Request for Easement]

To see if the Town will vote to authorize the Selectboard to grant an easement for the encroachment of an existing 1 1/2 story wood frame barn on Assessors' Parcel No. 364, 100 East Street, Petersham, Massachusetts, onto the right of way for East Street as established by the Worcester County Commissioners and as further shown on a survey entitled, "Plan of Land on East Street, Petersham, Massachusetts, Property Owners Frederick F. Day, Patricia C. Brannon, & Constance D. Smith" by GRAZ Engineering LLC dated April, 2014, and recorded with the Worcester South District Registry of Deeds in Plan Book 912, Plan 61, and to execute all documents necessary in connection therewith; or act in relation thereto.

VOTER PREFERENCE

ARTICLE 4. [L.A.N.D. Grant Program for Gross Property Conservation Restriction]

To see if the Town will vote to appropriate the sum of \$380,000.00 and authorize the Treasurer, with the approval of the Selectboard and subject to a positive grant award notification from the "L.A.N.D. Grant Program" of the Commonwealth of Massachusetts, to take said sum from a "Gross Property Conservation Restriction Acquisition Account" to be set up with funds to be transferred to the Town by the East Quabbin Land Trust, or its designee, for the purpose of acquiring a conservation restriction on the so-called Gross property, containing 235 acres more or less, consisting of two parcels shown on Petersham Assessors' Maps as Parcel Numbers 407 and 351, including no more than two building envelopes, by negotiated purchase, said conservation restriction to be conveyed to the Town of Petersham under the provisions of Massachusetts General Laws, Chapter 40, Section 8C, as it may hereafter be amended and such other Massachusetts statutes relating to conservation as may be applicable, to be managed and controlled by the Conservation Commission of the Town of Petersham; and to authorize the Conservation Commission to file on behalf of the Town of Petersham any and all applications deemed necessary for grants and/or reimbursements from the Commonwealth of Massachusetts under Chapter 132A, Section 11 of the General Laws and/or any other provisions of law in any way connected with the scope of this Article; and to authorize the Selectboard and/or Conservation Commission and Town Treasurer, with the approval of the Selectboard, to enter into all agreements and execute any and all instruments as may be necessary on behalf of the Town of Petersham to effect said purchase; or act in relation thereto.

VOTER PREFERENCE

ARTICLE 5. [Second Vote for Broadband Project - Municipal Lighting Plant]

To see if the Town will vote to authorize the Selectboard to take all necessary and appropriate action to establish and to maintain, in accordance with the provisions of Chapter 164 of the General Laws and in accordance with the rules, regulations and orders of the Department of Public Utilities and the Department of Telecommunications & Cable, a municipal lighting plant for all purposes allowable under the laws of the Commonwealth, including without limitation the operation of a telecommunications system and any related services; or act in relation thereto.

VOTER PREFERENCE

ARTICLE 6. [Sale and Conveyance of the Nichewaug Inn & Academy Property]

To see if the Town will vote to transfer the custody and control of the Town-owned property known as the former Nichewaug Inn and Maria Assumpta Academy located at 25 Common Street, and shown on the Assessors' Maps as Parcel Number 48, to the Selectboard for the purpose of sale, and to authorize the Selectboard to sell and convey the property to an interested developer chosen by the Selectboard in accordance with all applicable provisions of the Massachusetts General Laws, and pursuant to the Request For Proposals process initiated by the Selectboard in November of 2014, for the purpose of redevelopment of this property upon such terms and conditions as the Selectboard deems necessary or appropriate, such terms and conditions to include the following provisions:

- preservation of the historical appearance of the original inn building as visible from public ways;
- incorporation into the re-development plan designs accommodations for the septic and water needs of the adjacent Petersham Memorial Library;
- an overall project re-development time-frame schedule of 24-36 months, starting from the date of conveyance of the property from the Town to the chosen developer;
- the posting of a surety bond of not less than \$2 Million Dollars payable to the Town of Petersham to ensure compliance with project redevelopment benchmarks, including the abatement or encapsulation of hazardous materials present in the buildings;
- a grant to the Town of a right of first refusal to re-purchase the entire property if the selected developer decides to sell the property;

And to authorize the Selectboard to take all actions and execute all documents necessary or convenient to accomplish such sale and conveyance provided that a Purchase and Sale agreement is signed by both parties by the time of the 2016 Annual Town Meeting; or act in relation thereto.

NOT RECOMMENDED

ARTICLE 7. [Total Demolition of the Nichewaug Inn and Academy Buildings]

To see if the Town will vote to raise and appropriate from taxation, transfer from available funds, transfer from the Stabilization Fund, transfer from other accounts or any combination thereof, and or borrow a sum of money (\$ 1,108,792.00) for the costs of abatement and/or removal of asbestos and other hazardous materials and for the complete demolition, deconstruction, and removal of all buildings and structures except the garage as detailed in Alternate 2 in the bid documents advertised in the Massachusetts Central Register issue of July 15, 2015, on the Town-owned property known as the former Nichewaug Inn and Maria Assumpta Academy located at 25 Common Street, Assessors' Map Parcel Number 48, as may be possible with funding provided for the purposes, over a period of one or more years, as determined by the Selectboard, said removal to include site clearance, filling, soil restoration, grading, and seeding of the land upon completion of demolition, and all costs incidental and related thereto, including design, engineering, environmental consulting and project monitoring costs; and to authorize the Selectboard, subject to obtaining a "Permit for Demolition" from the Town of Petersham's Historic District Commission, to enter into all agreements and execute any and all instruments as may be necessary on behalf of the Town of Petersham to effect said abatement and/or removal of hazardous materials, demolition, deconstruction and removal of buildings and structures; and to authorize the Treasurer, with the approval of the Selectboard, to issue bonds or notes therefor in accordance with the provisions of General Laws Chapter 44, Section 7(3A), Chapter 181 of the Acts and Resolves of 2013: An Act Authorizing the Town of Petersham to Borrow Outside the Debt Limit for a Certain Town Project enacted by the General Court of Massachusetts and signed into law on December 19, 2013 by his Excellency the Governor, and any other enabling authority; or act in relation thereto.

RECOMMENDED

ARTICLE 8. [Demolition of the Connector Wing between the front Nichewaug Inn Building and the rear Academy Building]

To see if the Town will vote to raise and appropriate from taxation, transfer from available funds, transfer from the Stabilization Fund, transfer from other accounts or any combination thereof, and or borrow a sum of money (\$737,872.00) for the costs of abatement and/or removal of asbestos and other hazardous materials and for the demolition, deconstruction, and removal of the approximately 4,860 square foot brick connector building as detailed in Alternate 1 in the bid documents advertised in the Massachusetts Central Register issue of July 15, 2015, on the Town-owned property known as the former Nichewaug Inn and Maria Assumpta Academy located at 25 Common Street, Assessors' Map Parcel Number 48, as may be possible with funding provided for the purposes, over a period of one or more years, as determined by the Selectboard, said removal to include site clearance, filling, soil restoration, grading, and seeding of the land upon completion of the demolition of the Connector Wing, and all costs incidental and related thereto, including design, engineering, environmental consulting and project monitoring costs, and remedial repairs; and to authorize the Selectboard, subject to obtaining a "Permit for Demolition" from the Town of Petersham's Historic District Commission, to enter into all agreements and execute any and all instruments as may be necessary on behalf of the Town of Petersham to effect said abatement and/or removal of hazardous materials, demolition, deconstruction and removal; and to authorize the Treasurer, with the approval of the Selectboard, to issue bonds or notes therefor in accordance with the provisions of General Laws Chapter 44, Section 7(3A), Chapter 181 of the Acts and Resolves of 2013: An Act Authorizing the Town of Petersham to Borrow Outside the Debt Limit for a Certain Town Project enacted by the General Court of Massachusetts and signed into law on December 19, 2013 by his Excellency the Governor, and any other enabling authority; or act in relation thereto.

NOT RECOMMENDED

ARTICLE 9. [Abatement of Hazardous Materials in the Nichewaug Inn & Academy Buildings]

To see if the Town will vote to raise and appropriate from taxation, transfer from available funds, transfer from the Stabilization Fund, transfer from other accounts or any combination thereof, and or borrow a sum of money (\$ 584,202.00) for the costs of abatement and/or removal of asbestos and other hazardous materials as detailed in the base bid scope in the bid documents advertised in the Massachusetts Central Register issue of July 15, 2015, at the Town-owned property known as the former Nichewaug Inn and Maria Assumpta Academy located at 25 Common Street, Assessors' Map Parcel Number 48, as may be possible with funding provided for the purposes, over a period of one or more years, as determined by the Selectboard, and all costs incidental and related thereto, including design, engineering, environmental consulting and project monitoring costs, and remedial repairs; and to authorize the Selectboard to enter into all agreements and execute any and all instruments as may be necessary on behalf of the Town of Petersham to effect said abatement and/or removal of hazardous materials; and to authorize the Treasurer, with the approval of the Selectboard, to issue bonds or notes therefor in accordance with the provisions of General Laws Chapter 44, Section 7(3A), Chapter 181 of the Acts and Resolves of 2013: An Act Authorizing the Town of Petersham to Borrow Outside the Debt Limit for a Certain Town Project enacted by the General Court of Massachusetts and signed into law December 19, 2013 by his Excellency the Governor, and any other enabling authority; or act in relation thereto.

RECOMMENDED

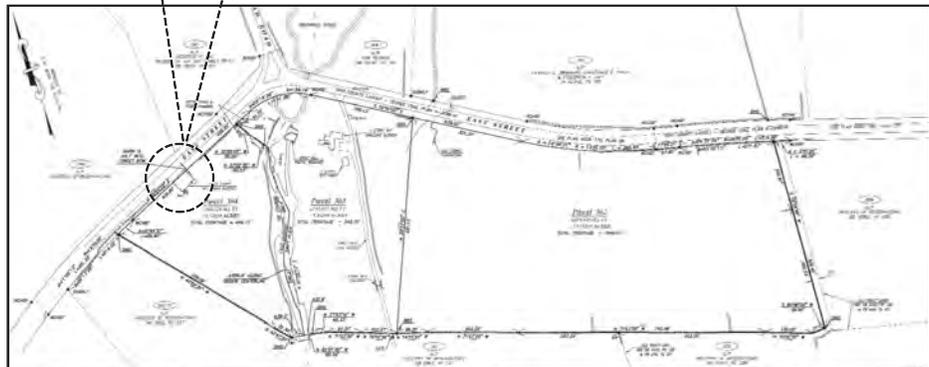
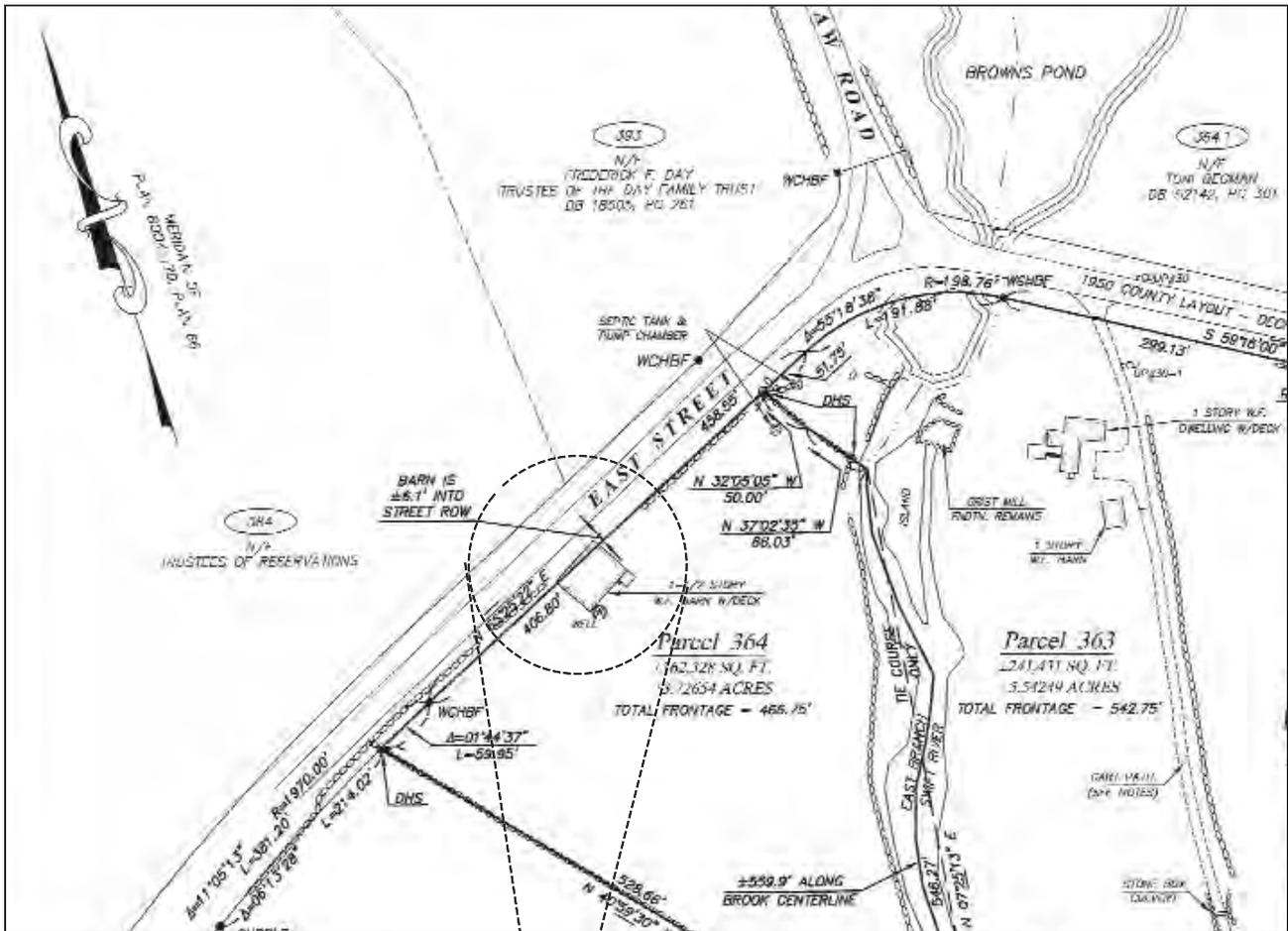
ARTICLE 10. Develop Options for the Nichewaug Inn & Academy Property

To see if the Town will vote to authorize the Selectboard to hire a consultant to work with the community: to investigate fiscally sound options for the future use, development, redevelopment, disposition, and/or sale of the Town-owned property located at 25 Common Street, Assessors' Map Parcel Number 48; to evaluate how the property could help address the water and septic needs of the adjacent Petersham Memorial Library; to identify relevant grant and other funding opportunities; and to prepare a plan for this property presenting various options prior to the 2016 Annual Town Meeting; or act in relation thereto.

VOTER PREFERENCE

EXHIBIT 1

For ARTICLE 3 [Request for Easement]



ABOVE:
Detail of Property Survey
showing barn structure
(highlighted in circle)

RIGHT:
Property Survey

2014 SURVEY BY
GRAZ ENGINEERING
FOR THE PROPERTY OWNER

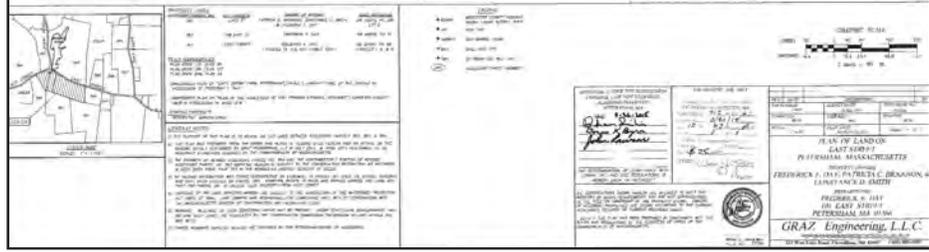
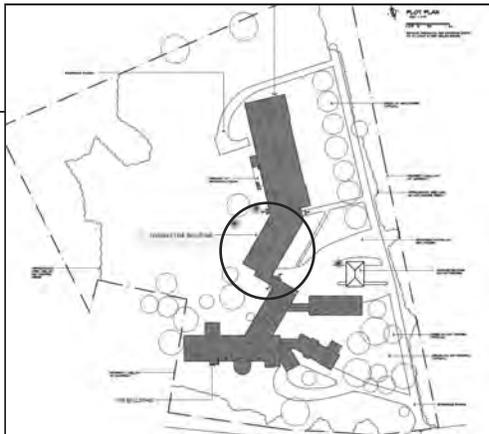


EXHIBIT 2

**For ARTICLE 8.
[Demolition of the Connector Wing between the
front Nichewaug Inn Building and the rear Academy Building]**



ABOVE:
Plan showing removal of "Connector Wing" section.

LEFT:
Plan of Existing Building Configuration
with "Connector Wing" highlighted in circle.

2015 PLANS BY HLS ARCHITECTS FOR TOWN OF PETERSHAM

Advisory Finance Committee Report on the Special Town Meeting Articles Related to the Nichewaug Inn and Maria Assumpta Academy

Summary:

The redevelopment proposal related to Article 6 is not financially viable and should be rejected. The many failed attempts to develop the Nichewaug argue that redevelopment is unrealistic. To mitigate the considerable risk and prepare for the future, total demolition should be pursued. At a minimum, abatement also mitigates the worst of the financial risk.

Questions:

The Nichewaug question is complex. The AFC concentrated on two essential questions:

1. Is the current redevelopment proposal financially sound?
2. If not, what action should be undertaken?

Redevelopment:

Mr. Tavares' proposal lacks essential financial information, including:

1. Information on his available personal or corporate resources to support development
2. A schedule of projected sources and use of funds for his proposed development
3. A statement of estimated construction costs

Mr. Tavares claims this information is "proprietary".

In addition, our interest in ensuring that the Town be protected against possible project failure was rejected by Mr. Tavares in his letter of 8/27/2015: "Once the property is transferred ... **the relationship with the Town of Petersham will have concluded.**" [*His bold and underline*]

In our judgment, the Tavares plan is vague and incomplete, making it impossible to evaluate. It does not offer the Town any protection in the event of failure. **The AFC does not recommend Article 6.**

Demolition:

The Nichewaug poses a grave financial risk in the event of a fire, made worse by the presence of asbestos and other hazardous material. The AFC has long advocated mitigation of that risk.

The choice of action to take depends on two issues:

1. What is the likelihood of redeveloping the existing building?
2. What are the costs of each option?

More than thirty years of failed efforts to develop the Nichewaug demonstrate that the existing building is not suited for development. These failed efforts include proposals for: 55 luxury residential units (Deane/Lyman Developers, 1985), alcoholic rehabilitation hospital (Quabbin Realty Trust, 1985), an inn and spa (Herbert Daboul, Petersham Realty Trust, 1989), a substance abuse rehabilitation center (Nicholas Masabny, Sand Dollar Management, 1991), an international conference center (Peter Gerry, Fred Heyes, & Robert Madrigan, Nichewaug Realty Trust, 1991), a high quality country inn (Samuel and Katie Seidman, Grapevine Realty Trust, 1993), and an inn and condominiums (Lori Jolly, 2004). During the tenure of the Nichewaug Task Force, efforts to interest developers were similarly unsuccessful. The Athol Daily News reported on 8/13/2010 that hired consultant "Jim Meehan called upon 22 different companies requesting ideas for the building and got no responses."

Based on this history and other factors, the AFC concludes that redevelopment of the Nichewaug is extremely unlikely. The risk of fire will increase as the building ages and the cost of demolition also will increase with time (e.g., 20% increase since 2010). **The AFC therefore strongly recommends total demolition** of the entire site. Once the site is cleared, the Town can decide on a use for the land, with the expectation that developers will be more interested in a property without existing problems.

The connector demolition option implicitly assumes that the existing building can and will be redeveloped. Since we do not believe this to be possible, **the AFC does not recommend partial demolition of the connector.**

Finally, we believe that abatement of the hazardous material is essential. In the event that the Town does not approve total or connector demolition, **the AFC recommends abatement of the hazardous material as a last resort.** Abatement will reduce environmental and health effects in case of fire, and mitigate the subsequent cleanup costs of hazardous waste.

Cost:

As shown in the debt service information, the cost of each of the options *in the first year* is:

1. Total demolition: raise and appropriate \$71,250, adding \$0.48 to the tax rate (\$130.14 average)
2. Partial demolition: raise and appropriate \$40,533, adding \$0.27 to the tax rate (\$74.04 average)
3. Abatement only: raise and appropriate \$33,350 adding \$0.23 to the tax rate (\$60.92 average)

These figures are based on interest rates available to the Town Treasurer as of 9/1/2015. Payments are reduced each year (using equal principal payments), so the twentieth and final total demolition payment is \$39,188 (\$0.27 on the tax rate). Payment reductions for the other options are similar.

Because of careful planning, responsible department budgeting, and prior saving for this eventuality, the Town can raise and appropriate any of these amounts within our operating budget, without reaching our Levy Limit and without funding the payments through Debt Exclusion above the Levy Limit. We can safely use \$350,000 of the Stabilization Fund to lower the borrowing amount, leaving us with \$290,000 in the Stabilization Fund. This amount is \$80,000 short of our goal to keep an amount equal to 10% of the total budget in Stabilization. We expect this shortfall can be made up over the next few years from Free Cash. Therefore, from the standpoint of the Town's fiscal health, all three options are affordable.

What does this mean for each of us individually? If we raise and appropriate \$71,250 for total demolition, we will be adding about \$0.48 to our tax rate next year. Such an increase would essentially offset this year's tax decrease of approximately \$0.40. The AFC will seek to minimize future years' overall budget increase, so that we can more easily absorb a tax increase due to one of the demolition/abatement options.

At our Annual and Special Town meetings, voters raise and appropriate funds for Town services and expenses. The money voters agree to raise directly determines property taxes. The AFC seeks to recommend articles based on how the requested appropriations affect the fiscal health of the Town and the well being of its residents. Ultimately, however, each of us must decide how much we are willing to pay for these services and expenses. In that sense, every article at every meeting is **Voter Preference** and we urge you to consider all issues carefully when making an informed decision.

Nichewaug Inn Projected Debt Service Schedule

Assumes financing through notes for the term specified

Total Demolition - 20 Year

		Amount to be Funded		\$1,108,792		
		From Stabilization		(358,792)	Interest Rate**	4.5%
		Amount to be Borrowed		<u>\$750,000</u>	Term - Years	20
Fiscal Year (Assuming 7/1/16 Start)	Note Balance	Principal Payment	Interest Payment**	Annual Debt Service	Impact on Tax Rate*	Annual Impact on Home Assessed at \$270,000*
	\$750,000					
FY17	712,500	\$37,500	\$33,750	\$71,250	\$0.48	\$130.14
FY18	675,000	37,500	32,063	69,563	0.47	127.06
FY19	637,500	37,500	30,375	67,875	0.46	123.98
FY20	600,000	37,500	28,688	66,188	0.45	120.89
FY21	562,500	37,500	27,000	64,500	0.44	117.81
FY22	525,000	37,500	25,313	62,813	0.42	114.73
FY23	487,500	37,500	23,625	61,125	0.41	111.65
FY24	450,000	37,500	21,938	59,438	0.40	108.56
FY25	412,500	37,500	20,250	57,750	0.39	105.48
FY26	375,000	37,500	18,563	56,063	0.38	102.40
FY27	337,500	37,500	16,875	54,375	0.37	99.32
FY28	300,000	37,500	15,188	52,688	0.36	96.24
FY29	262,500	37,500	13,500	51,000	0.35	93.15
FY30	225,000	37,500	11,813	49,313	0.33	90.07
FY31	187,500	37,500	10,125	47,625	0.32	86.99
FY32	150,000	37,500	8,438	45,938	0.31	83.91
FY33	112,500	37,500	6,750	44,250	0.30	80.82
FY34	75,000	37,500	5,063	42,563	0.29	77.74
FY35	37,500	37,500	3,375	40,875	0.28	74.66
FY36	-	37,500	1,688	39,188	0.27	
		\$750,000	\$354,375	\$1,104,375		\$1,946

Partial Demolition - 15 Year

		Amount to be Funded		\$737,872		
		From Stabilization		(357,872)	Interest Rate**	4.5%
		Amount to be Borrowed		<u>\$380,000</u>	Term - Years	15
Fiscal Year (Assuming 7/1/16 Start)	Note Balance	Principal Payment	Interest Payment**	Annual Debt Service	Impact on Tax Rate*	Annual Impact on Home Assessed at \$270,000*
	\$380,000					
FY17	354,667	\$25,333	\$17,100	\$42,433	\$0.29	\$77.51
FY18	329,333	25,333	15,960	41,293	0.28	75.42
FY19	304,000	25,333	14,820	40,153	0.27	73.34
FY20	278,667	25,333	13,680	39,013	0.26	71.26
FY21	253,333	25,333	12,540	37,873	0.26	69.18
FY22	228,000	25,333	11,400	36,733	0.25	67.09
FY23	202,667	25,333	10,260	35,593	0.24	65.01
FY24	177,333	25,333	9,120	34,453	0.23	62.93
FY25	152,000	25,333	7,980	33,313	0.23	60.85
FY26	126,667	25,333	6,840	32,173	0.22	58.77
FY27	101,333	25,333	5,700	31,033	0.21	56.68
FY28	76,000	25,333	4,560	29,893	0.20	54.60
FY29	50,667	25,333	3,420	28,753	0.19	52.52
FY30	25,333	25,333	2,280	27,613	0.19	50.44
FY31		25,333	1,140	26,473	0.18	48.35
		\$380,000	\$136,800	\$516,800		\$943.96

Abatement Only - 10 Year

		Amount to be Funded		\$584,202		
		From Stabilization		354,202	Interest Rate**	4.5%
		Amount to be Borrowed		<u>\$230,000</u>	Term - Years	10
Fiscal Year (Assuming 7/1/16 Start)	Note Balance	Principal Payment	Interest Payment**	Annual Debt Service	Impact on Tax Rate*	Annual Impact on Home Assessed at \$270,000*
	\$230,000					
FY17	207,000	\$23,000	\$10,350	\$33,350	\$0.23	\$60.92
FY18	184,000	23,000	9,315	32,315	0.22	59.02
FY19	161,000	23,000	8,280	31,280	0.21	57.13
FY20	138,000	23,000	7,245	30,245	0.20	55.24
FY21	115,000	23,000	6,210	29,210	0.20	53.35
FY22	92,000	23,000	5,175	28,175	0.19	51.46
FY23	69,000	23,000	4,140	27,140	0.18	49.57
FY24	46,000	23,000	3,105	26,105	0.18	47.68
FY25	23,000	23,000	2,070	25,070	0.17	45.79
FY26	-	23,000	1,035	24,035	0.16	43.90
		\$230,000	\$56,925	\$286,925		\$524.08

* The impact shown is based on a fixed 2014 Town assessed valuation.

**Interest rates are based on market rates as of 9-15-15



Special Town Meeting • September 21, 2015

Nichewaug Inn Warrant Articles 6–10 Summary from the Petersham Selectboard



- Brief History of the Property
- Brief Overview of the Site
- The Town's Choice
- Five Nichewaug Inn Warrant Articles
Different options, different outcomes, different costs

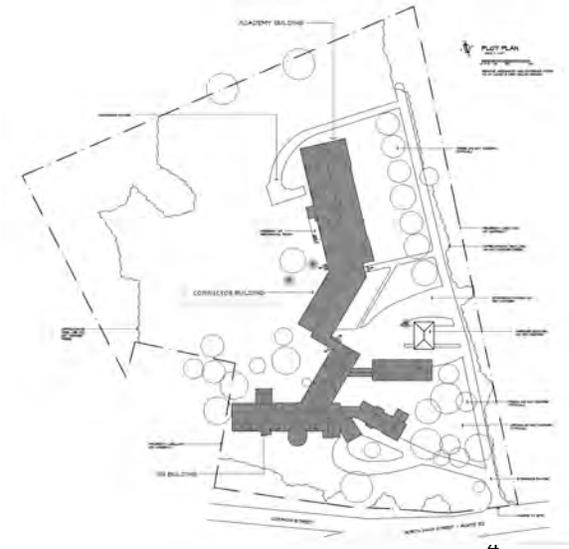
2

Brief History of the Property

- 1899 - Shingle front building, operated as Inn
- 1950s - Brick Academy wing built onto back, operated as a girls parochial school
- 1973 - Maria Assumpta Academy closed
- 1980s - Building ceased to be lived in
- 2007 - Town voted to accept property as gift
- 2010 - Town voted to demolish with anticipated grant funding (unsuccessful)

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Inn & Academy Plot Plan



4

Brief Overview of the Site

- 6.7 acre parcel – now owned by the town
- 100,000 square foot building
- Within Federal and local Historic District:
Petersham Common Historic District is on
National Register of Historic Places
- Primary and secondary well – inactive
- Septic – outdated
- Electricity – shut off

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Property Information Available on the Town's Web Site

A lot of *Due Diligence* has been done:

- Asbestos reports (2007, 2014)
- PCB report (2014)
- Limited Phase II Site Assessment (2010)
(To assess potential historical environmental contamination)
- Septic and Well report (2009)
- Soil report (2009)

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The Town's Choice

- What to do with this property ?
- Strongly-held views by some residents but
many people's views have not been heard
- Big decision with important budgetary,
aesthetic, and community implications
- A 2 person Selectboard should not decide
- Various options are being presented to
voters with different costs and outcomes

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Five STM Warrant Articles Concerning the Nichewaug Inn Property

- **Article 6** Convey Property for Redevelopment
- **Article 7** Total Demolition
- **Article 8** Demolition of Connector Wing Only
- **Article 9** Abatement of Hazardous Materials
- **Article 10** Hire Consultant to Prepare Options
for the Property

All but Article 10 require a 2/3rds Vote

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Transfer, Reuse, & Redevelopment 'Request For Proposal' Process

- RFP posted and distributed in November 2014
- Building Walk-thru in December 2014 & May 2015
- 3 Interested developers initially
- 2 Proposals received by deadline in February
- Nichewaug Inn Evaluation Committee review
- 1 Proposal withdrawn
- 1 Proposal remaining

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Proposal from Michael Tavares

- Proposal Submitted February 28, 2015
- Public Presentation in Town Hall on May 19, 2015
- To redevelop the buildings into a mixed-use development with 38 residential units, 22 units for 55+ population
- His proposal and his responses to questions from the Nichewaug Inn Evaluation Committee, the Selectboard, the AFC, and town residents are all posted on town's web site.
- Many questions here regarding financing, scale of development, real estate market, cost to town, timing, etc.

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Article 6 Redevelopment Article

Would authorize conveyance of the property to the developer chosen through the RFP process and for the Selectboard to begin negotiations for the terms of the redevelopment while safeguarding the town's interests

See Warrant Article Language

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Articles 7, 8, 9 Abatement & Demolition

Article 7 Total Demolition – includes abatement

Article 8 Demolition of Connector Wing
“Partial Demo” – includes abatement

Article 9 Abatement of Hazardous Materials
(i.e. removal of all hazardous materials: Asbestos and PCBs)

See Warrant Article Language

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Abatement & Demolition Bids

Received August 12, 2015

Four bids were received:

<u>Contractors</u>	<u>Demo Abatement</u>	<u>Demo Connector</u>	<u>Demo Remaining Bldgs</u>	<u>TOTAL</u>
ABW, Springfield	494,729	+ 139,700	+ 337,200	= 971,629.
NASDI, Woburn	822,000	192,000	639,000	1,653,000.
Compass, Ludlow	790,342	168,959	722,803	1,682,104.
SMI, Norwood	755,000	250,000	775,000	1,780,000.

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Abatement and Demo Costs

Low Bid from **Associated Building Wreckers (ABW)**

Recommended by HLS, town's consultant handling bidding

<u>Work</u>	<u>10% Contingency</u>	<u>Asbestos Monitoring & Project Management</u>	<u>TOTALS</u>
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For **Total Demolition** (includes all abatement)

\$ 584,202 + \$ 524,590 (includes 10% contingency) = **\$ 1,108,792.**

For **Demolition of Connector Wing Only** (includes all abatement)

\$ 584,202 + \$ 153,670 (includes 10% contingency) = **\$ 737,872.**

For **Hazardous Materials Abatement Only**

\$ 494,729 + 10% contingency + \$ 40,000 = **\$ 584,202.**

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Dollar Amounts in Warrant Motions

<u>From Stabilization Fund</u>	<u>To Borrow</u>	<u>TOTAL</u>
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Art. 7 – Total Demolition

\$ 358,792. \$ 750,000. **\$ 1,108,792.**

Art. 8 – Partial Demolition

\$ 357,872. \$ 380,000. **\$ 737,872.**

Art. 9 – Abatement of Hazardous Materials Only

\$ 354,202. \$ 230,000. **\$ 584,202.**

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Article 7 Total Demolition

Arguments made for Total Demolition:

- Addresses a significant fire danger to the Town, such a fire would potentially be very damaging to public health, the town's economy, environment, and budget
- The building is deteriorating
- Redevelopment deemed not economically feasible

The Demolition:

- The Bid Specification document lays out the terms of how the abatement and demolition are to be done

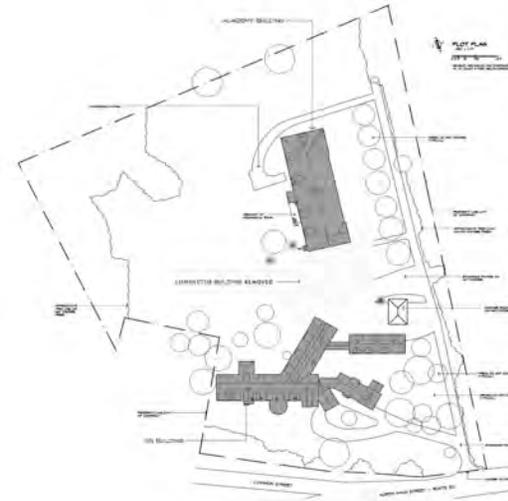
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Demolition Specs

- All above-ground building materials removed
- Foundation broken up, pushed in, and buried 5 feet deep
- Covered with 'structural fill'
- Regraded with 8" of topsoil and seeded
- Old septic pipes remain

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Article 8 Demolition of Connector Wing



Article 8 Demolition of the Connector Wing Another Option

- Provides a cheaper option now than total demolition (although still not a complete solution)
- Reduces somewhat the fire danger by making two separate buildings about 100 feet apart
- Includes abatement of hazardous materials in all buildings;
- Downsizes the footprint of the large building by about **17%** potentially making the property more economically viable for redevelopment
- Questions remain concerning the impact partial demolition may have on the eligibility to receive Federal and State historic rehabilitation tax credits for the back brick Academy building

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Article 9 Abatement of Hazardous Materials

Important to address this threat to the community

- Asbestos & PCBs (Unit Prices for 9 items), e.g.
 - Asbestos on ceiling
 - Floor tiles
 - Pipe insulation
 - PCB in window glaze
- For *concealed* hazardous materials beyond the *anticipated* amounts already included in the Abatement base bid specs, there are unit costs to remove the additional discovered material
- The unit cost prices work both ways, to increase *or reduce* costs
- Budget to include a 10% contingency to cover such costs

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The Abatement or Demolition Process

- Abatement and/or Demolition Contract would likely be awarded on September 23rd to Associated Building Wreckers of Springfield, MA
- Conditions of Abatement and Demolition project per Bid Specs include:
 - Safety fence surrounding property
 - Wetted materials to keep dust down
 - Etc.
- Asbestos Monitoring and Project Management of Abatement and Demolition Contractors by a third party (\$39K bid)

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Abatement / Demo Schedule

- September 23 Award abatement &/or demo bid if approved at STM 2 days before (within 30 working days of receiving bids)
- May 20, 2016 Abatement to be completed (Town is not paying extra to do under 'winter conditions')
- July 22, 2016 Building Demolition and Site Remediation to be completed (would begin after abatement)

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What Happens Next?

- Whether the Town votes for abatement, demolition, or to do nothing there are still many planning and reuse issues for the Town to resolve.
- Deciding what types of uses the town wants here: town or private? at what scale? with what funding? etc.
- We might consider hiring an outside expert to help the Town determine feasible options

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Article 10 Develop Options for the Nichewaug Inn and Academy Property

“To see if the Town will vote to authorize the Selectboard to hire a consultant to work with the community: to investigate fiscally sound options for the future use, development, redevelopment, disposition, and/or sale of the Town-owned property located at 25 Common Street, Assessors' Map Parcel Number 48; to evaluate how the property could help address the water and septic needs of the adjacent Petersham Memorial Library; to identify relevant grant and other funding opportunities; and to prepare a plan for this property presenting various options prior to the 2016 Annual Town Meeting; or act in relation thereto.”

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