

CITY OF NEWTON

IN BOARD OF ALDERMEN

COMMITTEE ON COMMUNITY PRESERVATION REPORT

TUESDAY, APRIL 24, 2007

Present: Ald. Linsky (Chairman), Parker (Vice Chairman), Lennon, Hess-Mahan, Sangiolo, Yates, Lappin, Vance

Also Present: President Baker

Others Present: Cindy Stone (Jackson Museum), Peter Diamond (President of the Museum Board), Jane O'Hearn (Durant Kenrick Project Leader), Anne Larner (Vice President of Museum Board), John Rodman (Museum Board Member), Dena Rashish (Head of the Friends of Durant Kenrick), David Oliver (Museum Development), Doug Dickson, Charlie McMillan (CPC Board Members,) Michael Kruse (Director of Planning), David Wilkinson (Comptroller)

BUDGET

CPA ADMINISTRATION BUDGET

ACTION: APPROVED 6-0-1 (Lennon abstaining, Sangiolo absent)

NOTE: The Committee was joined by Comptroller David Wilkinson and Planning Director Mike Kruse.

Mr. Kruse said there was some confusion about the numbers that were presented in the Mayor's budget. He would like to have the revised numbers recommended for approval. There's a slight reduction from \$4,080,000 to \$4,053,000. Some of the changes to the line items are in the CPA Admin. Budget. There is a \$76,000 adjustment there. He thought some of the numbers in the Mayor's budget may have been double-counted.

CPA Admin. Budget FY08 shows that they estimate they will spend \$185,000+. They now project that they will spend \$122,000+. In FY07, money was taken out of the consultant line item because there was not enough money in the expense budget under membership and dues. For FY08 that \$7,500 is included under dues and subscriptions.

Mr. Wilkinson said that reasonably estimable revenues for the CPA Fund are about \$4.1M. About \$2.1M of that is the 1% surcharge on the property tax and the balance is the state matching funds. The Department of Revenue is estimating the state match in the next fiscal year to continue to be 100 cents on the dollar. In respect to the three categories of Community Preservation Fund spending that need at least a 10% commitment: Open space which the CPC and the Board have previously met on budget for the debt service on the Kessler Woods project; the historic resources reserve which

would be about \$405,000 but CPC has recommended this year that the debt service related to Angino Farms, which is historic preservation in nature, be deducted from that. So the actual budgeted amount of historic resources reserve will be \$339,041; community housing is a full 10% of \$405,391. The general purpose reserve is a residual number. It's the difference between total estimated revenue and everything else. That's the \$2.2M. The debt service on Angino Farm and the Kessler Woods Projects are fine in the Mayor's budget. That totals about \$924,000. There is a pension contribution for the program manager. It's about \$1,000 less than what is in the Mayor's budget. It should be \$1,788.

Mr. Wilkinson said there are 2 items on Mr. Kruse's administrative budget; one being a \$30,000 legal retainer; and the other being a \$30,000 engineering retainer. In both cases, those aren't monies that are just going out to those departments. Those departments have to bill for that work. They have to actually do CPA work and provide time and hours that support charges to that \$30,000. Same thing holds true for Public Works. The transfer for the legal retainer this year has not been made yet because the documentation is still being developed.

The Mayor's budget on the administration line included \$8,000 on a payroll line which seems to be a mistake as there are no individuals associated with it. It also didn't agree with the CPC recommendation. For some reason the budget repeated 2 project appropriations from last year – the Brigham house improvement project and the Craft St. stable project. They've already been appropriated so those are deducted out.

Ald. Lappin asked what "Engineering Assistance" was for. Mr. Kruse said it was to pay part of the position that DPW Commissioner Rooney created. It took a long time to get through the system and write the job description and have it evaluated. It has just been advertised. It is expected that this person will be on for part of FY07. It's a new position in the DPW and will be funded through other sources as well, but 50%, \$30,000 will be coming from the CPA. It is a project manager that understands the CPA process and projects. He found that projects don't always get the attention they need to get the stakeholders, the Board, and the engineers on the same page to get things moving in an efficient way. It will be billed for time but it is an actual person doing that work. A year full of projects is scheduled as well as the personnel to meet those projects, but these are all add-on projects. DPW is good at it and wants to do it, they just don't always have the necessary people. The purpose of the 6 person construction crew is to take CPA projects that are in our line of work and bill them back to the project. They typically running 60-70% of the cost of contracting out plus there is no overhead. In the worst case scenario, state monies can also charged for construction time. It is one of a dozen accounts that have third party funding.

Mr. Wilkinson explained that prior to this year, the administration and debt service only were voted and everything else was voted on in the fall. The problem with that is that over the summer and early part of the fall, the CPC doesn't have access to those resources.

Ald. Parker said that he noticed a 10% reserve set aside. The Kessler Woods project is all debt service and not being counted toward open space. He asked if there was an affordable housing component to that. Mr. Kruse answered that the project was characterized entirely as open space preservation.

On the motion for approval, The Committee voted in favor of recommending approval of the budget 6-0-1 (Sangiolo not present and voting).

**REFERRED TO COMMITTEE ON COMMUNITY PRESERVATION
AND FINANCE COMMITTEE**

#88-07(3) COMMUNITY PRESERVATION COMMITTEE recommending that the sum of \$34,500 be appropriated from the Community Preservation Fund FY 2007 General Reserve, including legal fees in the amount of \$30,000 and bond issuance costs in the amount of \$4,500, in connection with the acquisition of 20 Rogers Street, whether by purchase or eminent domain, for recreational use. [04-10-07 @ 4:40PM]

ACTION: **APPROVED 7-0 (Sangiolo absent)**

NOTE: This item has already been discussed in Finance and Programs and Services Committees. No further discussion was necessary.

**REFERRED TO COMMITTEE ON COMMUNITY PRESERVATION
AND FINANCE COMMITTEE**

#120-07
(144-06) COMMUNITY PRESERVATION COMMITTEE recommending that the Sum of \$1.44 M plus \$7,300 in legal fees be appropriated from the CPA fund Historic Preservation Fund Balance; FY 2007 Historic Preservation Reserve; and FY 2007 CPA General Reserve, for phase I funding for the Durant Kenrick Homestead restoration and rehabilitation project, as a grant. The CPC further recommends that the funds be appropriated under the control of the Newton History Museum (Jackson Homestead) and that certain terms included in the CPC recommendation be incorporated in the agreement between the City and the Newton Historical Society. [04-10-07 @4:49 PM]

ACTION: **APPROVED 3-0-5 (Sangiolo, Linsky, Parker, Lappin, Lennon abstaining)**

NOTE: Charlie McMillan began by saying this project is a once in a lifetime kind of project. This year has been different for the CPA because in the past 5 years, they have had 5-6-10 different projects and this year they have had two, except for the smaller archives project.

Mr. McMillan said then when this project came to them, they thought it had to be too much money, \$2.71M. It comes from the Newton Historical Society and the Newton History Museum as a joint request. They thought it was a budget-buster. They studied it carefully and held a public hearing and 4 working sessions on it. They also did some subcommittee work, shared the information, and recommended some changes in the

budget and the approach. But when all was said and done, they all came to the same place on certain principles. The principles were that this is a historic resource that really needs to be preserved as an important part of Newton history. To let it fall apart was just not something we should not happen. Preserving the land alongside the house was also an important part. There were a couple of skeptics on the committee and the easy approach to this situation was to sell the land and use that money to fix up the house. That idea was discussed in great detail and didn't fly because the land adds to the historic character of the building and creates the context for the building.

Mr. McMillan said that this is a community learning center. There will be input from the public schools, will be open to the public for a minimum number of days a year, and will be very much an interactive situation. It will be completely handicapped accessible, the first one in the State.

There are some mechanics about how this was put together financially. There are a couple of conditions that are a little confusing. The CPC is asking the CCP to approve 2 pieces. One is the restoration piece and the building of the new ell and making it all handicapped accessible. That's Part I and is \$1.44M

The second part is the historic restriction on the land for \$1.27M. Together those add up to \$2.71M. The CPC didn't recommend that this money be given to the Historical Society or the History Museum until they have demonstrated that the community is substantially behind us and is willing to put money into this project. There are really 3 sources of funds for this. The first source of funds is the trustees of the Durant Kenrick Trust - Roger and Nicki Avery. These folks and their family have been brought up with the notion that this historic property that they owned was part of a public trust and part of Newton's history. So, they are in the process of donating the house, the land, the interior furnishings of the house and \$300,000 in cash. The quid pro quo is an assurance from the Newton Historical Society and the Newton History Museum that they can raise enough money to make it work as a long-term, sustaining project. They need a lot of money to be put in reserve so they can draw a few percentage points off it every year and have an operating budget. They've projected \$2.58 million as their endowment. If one draws 5% off that every year, one gets about \$120,000 - \$130,000 and that should be enough to run the project, the educational projects, public outreach and generate lots of great activities for the City of Newton

Mr. McMillan said they had a little trouble with what amounts to a challenge grant. They came up with the following: The CPC gives them \$1.44M in Phase I if they'll come up with \$635,000 of independently raised money. The trust, the CPA and the community are the 3 sources of funding overall. When that money is raised, Phase 2 will be implemented for \$1.27M, and the CPC will be asking them to raise another \$265,000 for a total of \$900,000. They also have another \$400,000 that they have to raise. They've got some because they raised some money from the Riley Foundation and some of it is money coming from the Trust capital that's being handed over.

\$1.44M is what the CPC asking the CCP to approve now, and \$1.27M next month, in FY08. Mr. McMillan said they don't have quite enough money in FY07 to do the whole thing. It would wipe them out 100%. This way they might be able to bring one or two more projects to the CCP this year for FY07.

After the money is appropriated, Cindy Stone and the team will start on the fundraising activity. At the point, where they can generate confidence that they have raised \$635,000 and \$265,000, then the money can be drawn and the work can start.

The quality of the proposal and the application is very high. The people looking at the project to do this work are real experts. They instill great confidence that it will all work out.

Mr. McMillan said that there are 9 conditions and the following 4 conditions need explanation:

“3. That prior to the release of any CPA funds, the final scope of work be certified by a qualified professional, at the expense of the grant recipient, for compliance with the *Standards for Rehabilitation stated in the United States Secretary of the Interior's Standards for the Treatment of Historic Properties...*”

This was talked about at some length and was a bit of a cop-out because it's saying that they're going to have to certify that they're adhering to these standards. Mr. McMillan said that they simply don't have the capability of monitoring them and don't have an in-house Interior Standards person to provide monitoring. They are going to have to certify that they're compliant with the Standards. It's important that those Standards are maintained.

“4. That all zoning relief and waivers from the Massachusetts State Building Code and the Massachusetts Architectural Access Board be received. Records of such relief and waivers be submitted to the Community Preservation Committee, or its designee.”

Mr. McMillan thought that should be changed to “all and any relief and waivers that are necessary”. Ald. Yates thought there would be no need for zoning relief in this case. Chairman Linsky said that he thought this is always a condition of CPA funding, that all necessary conditions be met. It was discussed that getting a valid building permit would require any and all conditions be met and that would cover all of this. Mr. McMillan thought that Ald. Yates recommendation that adding “any necessary, if necessary” in there would solve the problem. Putting in a requirement for a building permit is not something he would like to get involved in. Ald. Yates said that libraries, museums, and clubhouses are allowed in residential areas so this would be covered.

Mr. McMillan said that if restrictions are put on the project as Ald Parker suggested (only giving a portion of the money until all the permits were granted) it makes it harder to get their projects funded. Ald. Parker suggested they receive the first \$400,000, and then when permits are granted, they get the next \$1M. He felt it was a lot of money to commit

until they're sure this project will be able to proceed. Ms. Stone said they would not take the \$1.44M until they know they can raise the money to run it. She said part of the reason it has the challenge grants in there, is they know that if someone gave them too little money, it just wouldn't work. They never take the \$1.44M until they fundraise the required amount. There was a general concern that more information was needed on whether any sort of zoning relief would be needed for parking or building, etc.

Ald. Linsky noted that \$77,000 was granted previously to do a study and wondered if these issues were addressed in that study.

Cindy Stone presented a slideshow on the Durant Kenrick house, property and project. She explained that the house, the lot which is of historic importance in its own right, the historic furnishings, 17th and 18th century furniture, would all be donated. They wanted to be sure that they didn't put the Jackson Homestead and the Newton History Museum programs that are already in progress in jeopardy by taking on this other project and having to maintain and program it.

Ms. Stone said their vision is to develop a number of programs so that's it a very active site. She showed pictures of the interior showing historic stencils, fireplace, and furnishings. The person that built the house was Edward Durant II. He moved to Newton in 1732 and built the house and was a blacksmith. His son, Edward Durant III was involved in pre-Revolutionary activities. He was the Chair of the Newton Committee of Correspondence. He was protesting the tax on tea and other issues that led to the American Revolution and was a member of the provincial congress. There are some historical documents. The Committee of Correspondence letters are being transcribed and are very exciting and interesting. Those are with the New York Public Library. The other documents that we have are the probate records that have to do with this house. Every time one of the Durants dies, there's a list of what is in the house. The first Durant, for example, had 51 different chairs, 2 slaves and a number of other things.

During the American Revolution Edward Durant III died. He was a doctor but became a privateer during the Revolution in order to support himself which is sort of a government sanctioned pirate. The property got sold to the Kenricks. They opened the largest commercial nursery in all of New England. If you walk on these properties that extend into Brighton, you can still find plantings from that era. They're plant descendents – mulberry, ornamental trees, the first species of pears and peach trees. Ms. Stone said that when they talk about putting an historic preservation restriction on the land, they're doing it in part to contextualize the house, but also because it was an historic nursery. The Kenricks helped to found the Massachusetts Horticultural Society. They lost their nursery due to "mulberry mania". They all invested in mulberry bushes in order to help the silk industry to grow in New England and the bushes did not survive the winter.

Ms. Stone went on to say that they would like to do an interactive audio tour. Visitors would be able to hear actors having conversations with each other – they might hear the builders of the house talking about particular features, or they might hear Edward Durant

talking with his fellow members of the Committee of Correspondence about how they're going to write these letters.

The 3rd grade curriculum that the schools are working on right now is a local history curriculum. They're studying 8 families and one of them is the Durant family. Not only will the kids be studying local history, they will be able to go to the house and engage in activities that are related to their history curriculum.

Ms. Stone said that they're planning on doing a lot of Saturday and after school programs for children. Maybe even a summer camp that would include some colonial activities, which is a period they can't address right now with the Jackson Homestead because that's 1809, and also things with the garden. She said they've been talking about doing horticultural walking tours for adults and also things on how to take care of your old house.

Ms. Stone noted that they've been talking about doing something along the lines of civic engagements because the people who lived in this house were very civically engaged.

She explained that the roof initially was lower in the back and was raised up in the early 19th century in order to put 2 more rooms back there. It's a typical gambrel roof and it's an early Georgian house but it's really elegant. Often Colonial houses are dark with low ceilings. This house has beautiful tall windows, a nice entry hall, a gorgeous staircase, high ceilings, and really beautiful wood paneling.

There is an ell to the house which is falling down and is not historic. It's more recent than the rest of the house. She said they plan to take down the far end of the ell and put up a classroom/workshop which is something we don't have at the Jackson Homestead. It's a place where people can be involved in hands on activities. She explained that they will be adding a small elevator, and on the 2nd floor a small lift will be added. The front rooms are slightly higher than the back rooms so people in wheelchairs can use that lift to go up. The slideshow concluded.

In terms of parking, Ms. Stone said there is a small parking lot and they would count on people parking on the street. Buses that would drop children off would park in the parking lot and not on the street.

Ald. Yates thought this was an excellent project and it should be done. He had one operational question. He had heard that the market for house museums had deteriorated quite a bit. Ms. Stone said those were mainly focused on tourism sites, like Sturbridge Village. She said that is exactly why they want to program this. The Chinese House at the Peabody Essex Museum is really doing well. The places which take a different approach do better. Some house museums that she likes are the Tenement Museum in New York, the St. Paul, Minnesota Historical Society house. In both of these they show families who lived there over time where they're showing who lived there over time and she thought the Durant Kenrick House was also a good house to do that with.

Ald. Yates was concerned with spending \$1.27M to buy a preservation easement on a municipal property. He felt it counter-intuitive to think you have to buy a preservation easement from the Historical Society for the property they've been given on condition that they maintain it. He knows it was explained that this is their endowment but it just didn't feel right. Ms. Stone said if they don't have the financial support for this, then it won't be successful.

Ald. Parker agreed that it is a great project and should be acquired. He's had the opportunity to read some of the documents and visit the site. His biggest concern was with creating an endowment. He felt that using more than a \$1M of CPA funds to create an endowment so that something can run an operating budget was inconsistent with the intent of the CPA.

He thinks that if the parcel of land could be sold, it would still be quite a valuable property as a house, and that would make this price tag more acceptable. He is in favor of the \$1.44M but is not persuaded on the additional \$1.27M.

Ald. Parker would like to see a more detailed operating plan. What hours/days a year will it be open, what kinds of programs, admission, etc. as he felt they were going to have to answer to the public. He asked if keeping the land as open space would compete with other things they'd like to do with these funds. He is not persuaded that keeping that parcel of land is worth the additional funds.

Ms. Stone handed out a list of program ideas.

President Baker said it's important to understand that they just voted over \$2M for a parcel of land on Crystal Lake with no community requirement at all. He noted that they're asking these people to come up with \$900,000 of community funds. That is going to be generated because people are interested in preserving the house and the entire site. He said it was hard to imagine this is going to work without that. It's remarkable for the Community Preservation Committee to say they want the project to go forward and then put a challenge to these citizens. Never before at the CPA has this kind of financial commitment been asked for, up front. President Baker explained that the building itself goes to the Historical Society, and then the preservation restriction is being bought on the land from the Foundation in order to preserve it. That makes the whole process work. He thought it would be very shortsighted to sell the land because then the project could lose the support of the Community. He felt this is what the CPA is designed to do and that this lot puts the house in context and is extremely important.

Ald. Hess-Mahan concurred with President Baker. The Historical Society and the Newton Museum are running this project. They're raising money from the community, getting the advantage of the donation to the City, and the Foundation. He felt there were so many pieces to this that tinkering with it too much may destroy it.

Ald. Vance agreed that the open space was extremely important and that it was unfortunate that there wasn't even more of the original open space left. He asked who

the money goes to on the preservation restriction on the open space. Mr. McMillan said that the Newton Historical Society gets the money and the CPA pays the money. Ald. Vance asked if under the CPA, if they have to have an assessment of the value of the preservation restriction. Mr. McMillan said it was in the report in great detail and it's above \$1.27M. The value of the land is approximately \$1.45M and putting an historic preservation commitment drops it somewhat but it is still over \$1.27M

Ald. Vance was concerned that the purpose of the money is to provide an endowment, the return from which would be used to support the ongoing operating expenses and presumably the ongoing maintenance needs of the property. He said those are not things that CPA funds can be used for. If the question were raised, is this really a way of funding ongoing operating expenses that CPA funds can't be used for, he hoped that wouldn't be a problem. He said there is no point in acquiring if they can't find a funding model that enables them to make effective use of it in an ongoing basis. He thought that if they look at the preservation restriction as they would the purchase of a piece of historical property – he said the difficulty with that is that they're taking money to buy something from themselves which they then use the interest from for ongoing expenses. He understands the argument for doing it, but agrees with Ald. Yates that it is counter-intuitive.

Peter Diamond, President of the Historical Society commented that the Historical Society will own the land. This is a donation being made to the Historical Society. The Historical Society will get money for an easement. What they do with the money is put it into an endowment. He said that if they lose the value of that land, they won't have the endowment, and there's no point in taking the house at all.

President Baker said that the Foundation owns the property; it's privately held. The acquisition to buy the historic preservation restriction on the lot – the Foundation can turn around and give that money directly over in addition to its original endowment. The deal structure is such that there is value being obtained for what is being paid for. He said they're still making a capital investment in this arrangement. But the whole scheme of the financing has to work in the long run otherwise they can't go out and raise that \$900,000. The \$900,000 could be the endowment. The question of how it's spent is really secondary to whether Community Preservation Funds are being used for the purpose intended, which is the capital investment.

Ald. Lappin asked how much of the endowment would be used for maintenance. Ms. Stone said that it is detailed in the book and that a restriction is being bought, not an endowment, and therefore costs for maintenance are covered.

Mr. McMillan said that they have 10% set asides. So even though they have about \$2.8M in the fund, some of those set asides bring it below \$2.71M so they don't have the whole amount available to fund this all in FY07. He said they have other projects, Newton Center Playground, and others that have been put aside for now because they have 2 priorities right now.

Ald. Parker thought this was very creative, buying the restriction and setting up the operating budget, but he didn't think it complied with the statutes of the CPA. He also thought they were talking about buying something that was offered for free. He said he saw an offer to give this property to the City in David Olson's office. Ald. Parker thought it would be appropriate that the property be owned by the City. He said the Mayor rejected the offer.

Mr. McMillan said that the owners of the property do not want the City to own this property. They were adamant about it.

Ald. Parker said there was a basic policy choice; whether or not we feel that the endowment should be funded by the City buying a preservation restriction on the land or by the sale of that land, seem to be the choices. He said he will vote for the \$1.44M but he's not sure he'll be prepared to vote for the next piece of money.

Ms. Stone said she had conversations with the Avery's. They told her if they wanted to, they could sell the land and endow the house and we would not get the house to use. They're not giving up the land to sell it. They're giving up the land to create an environment for the house.

Mr. McMillan said his people considered all of this. The first proposal that came to them was \$500,000 to fix up the house and \$2.2M for the endowment. They said they wanted the restriction on the land, an interior restriction on the house, and another interior public covenant restriction on the use of the house. For each one of those they wanted \$1.2M, \$800,000, etc., – that's the \$2.2M. Mr. McMillan said this was a shell game - that they're going to take this house that's been given to them, that's going to be given as an historic artifact to restore, and they're going to ask that \$840,000 be given to them so they can guarantee it's going to be used for that purpose? Mr. McMillan told them they couldn't agree to that and they said it was the only way to get the endowment up. Mr. McMillan said he knew that their money was going to go into rehabilitation and restoration of an historic structure. He said he wanted that amount to be raised and the preservation restriction amount to be shrunk. He also said it was a perfectly legitimate use of Historic Preservation Funds to purchase an historic restriction on a property. It's in the legislation and was contemplated by the drafters.

Mr. McMillan went on to explain that the applicants said it was easier for them to raise money for bricks and mortar than for an endowment. Therefore, if they could just get all that money for the endowment from the CPA, then it would be easier to get grants to fix the chimney, etc. The CPC said they understood that there needed to be some compromise and they think they've come to a good compromise, and think they should buy the one restriction.

Mr. McMillan reiterated that if you sell the land, there is no project. The restriction is not going to be placed on the land until they know the project is going to work. If they don't raise the money, the Historical Society won't take the \$1.44M. The \$1.44M and the \$1.27M are two separate items but the Historical Society will not take the gift unless

they're ready to take the whole thing. The money remains unspent, but allocated and committed.

Ms. Stone reiterated that unless the fundraising is successful, they will not take the money and buy the property.

Ald. Lennon said he agreed that it is a good project but he is uneasy with the endowment piece. He needs a little more time and discussion to feel more comfortable. He thinks it's tying up this \$1.27M in this endowment in order to supplement the operating budget when on the other hand there are other projects being rejected or deferred. He said they also have discussions about increasing the percentage the taxpayers should put into the CPA in order to fund for projects. He stated that he can be persuaded but needs more information.

Ms. Stone said that it took several meetings for them to come to these terms so she understands the need for some more time.

Mr. Dickson said that there is precedent for CPA money to create endowments and be controlled by the Coalition, which is there to advise them on these types of issues. He said the Coalition did not find issue with this. He thought it would be helpful to pull those precedents together for review. Ald. Lennon said if that information were available, he thought it would be helpful for members of the Finance Committee in understanding the endowment piece and how it's played into other projects.

Ald. Lappin agreed that the land is part of the project at it should stay intact. Her concern is that someone might look at this and see how creative they've been and say let's put an historic restriction on this or that project. If the Committee does approve this and it is legal according to the statute, they have to expect others might try the same thing. She felt this would set a precedent as there are many historic properties in the City.

President Baker said the whole purpose of this is to capture an opportunity for the City that literally will not come again. The Crystal Lake project is adding to an existing facility – unlike this property which is something the City does not currently have. He felt there was nothing to prevent the Avery's, when they get fed up with this process, to sell this property. If this parcel were taken over by and managed by the City, it will unlikely be cared for the way it should be cared for. He said it was a community facility that was going to survive all of them, and he thought it was important for it to operate. The huge amount of community funding that is coming in for this is what differentiates it from other projects. No one else has been asked to raise close to \$1M and if you take that and say that's really part of the endowment and all the rest is the acquisition of the building, you can treat it that way as well. He said what they're trying to do is talk about the whole package of the funding, the total needs of the operation and all that is needed to make this go. It's important to remember that the CPC has gone through the process of saying this is what to recommend. The Board's job is to decide whether it wants to accept it or not. He thinks it's important to endorse this and move it along so they can get on with this. It is a wasting asset in itself and time is not their friend and they can not

expect this opportunity to stay current. What they're trying to do is structure the arrangement so that CPA funds are being used for the very purpose they always thought they were there for.

Ald. Hess-Mahan stated that he is so comfortable with this because he's been following its progress and process for the last year and a half. He's heard the deliberations and had conversations and met with the CPC on their varied concerns. These are all good questions and he's confident because he's heard them asked before and considered. He said this is an asset that belongs to a private party, a family that's owned it for many, many years. He felt that if they don't offer them the preservation on this piece of open space they're just not going to give it to us. That would be a shame and ought not to be the deal breaker. The Avery's have been very explicit that they didn't want to give it to the City precisely because of their concern of looking at other City assets that don't get maintained. He felt it was a legitimate point – it's too important to them and Newton's history for them to see squandered by having an operating budget that just doesn't sustain it and things get deferred.

Ald. Hess-Mahan said in his work as an attorney he's seen deals that are so much more complex than this and this isn't really that bad. They could just sell this property and it could be developed into townhouses or something else that would be a shame. He knows that the due diligence has been done on this. The Historical Society, The Newton Museum, the neighbors have all worked very hard on this and moved mountains to make this happen.

Ald. Yates looked at the study that was done on this project. He gleaned that museums, libraries, clubhouses all need special permits in residential districts. That would need to be done but it wouldn't be a big deal. Also that 10 parking spaces would be needed requiring a special permit, also not a big deal. The report also say that given the level of historic designation, it would pass the part of the state building code as a partially preserved building, and with a fairly straightforward application could be designated under the state building code as completely preserved and therefore come under less onerous restrictions. He believed there was some program of the American Forestry Association or someone like that, honoring historic trees. He wondered if the copper beech on the property had been nominated for any of those things. He said he would try to get some information on that.

Ald. Yates would like some more information on precedents and so forth and it would make him feel more comfortable. He thinks the Committee of Correspondence activity should be linked up and people should be encouraged to go, not only to the house, but the muster grounds, the burial grounds, the City Hall exhibit, etc. He thought this was standing alone and a broader package should be explored.

Ald. Yates went on to say that in terms of priorities, this is a resource that should be kept - buildings and land if possible. But if this is going to come to down some choices, he would rate the burial grounds, the Civil War Memorial in the Newton Cemetery and even the City Hall grounds as of more value than this. He doesn't want to get into that type of

situation. He is willing to vote for the \$1.44M that is before them and revisit the second part down the line. He thought maybe they could find some other way that could make them more comfortable.

The grant request is not for the total amount. FY 07 is for \$1.44M and FY08 is for \$1.27M.

Ald. Parker wants to look at the alternatives. The documents provided by the family spell out a plan that allows for selling part of the parcel and preserving the building. The policy question before them is, is it worth \$2.7M of lost opportunities from other things they could do with CPA funds to keep that open space of land. There are a number of concerns

Ald. Hess-Mahan said he would like to move the item for approval.

Ald. Lappin said the \$1.44M that they're voting on now talks about preservation, restoration and improvements and rehabilitation to the house. She said unless they are committed to the whole thing, if they give \$1.44M to do this and then don't vote the endowment, then why bother. She felt that if they wanted to approve the project, they should vote the whole thing.

Ald. Linksy said certain monies have to be appropriated in this fiscal year and certain monies in the next. It is a whole, but the money is not available to do it all at once. The two pieces do fit together. This money will not be spent unless they appropriate the second phase of money, and the fundraising requirements have been met. Ald. Lappin said she has more questions before she can vote the whole project.

Ald. Vance assumed that Ald. Hess-Mahan's motion for approval would be with the 9 proposed conditions set forth, adding the word "necessary". In condition #6 – the grant recipients securing funding in the amount of not less than \$635,000 – he assumed that money did not include the \$300,000 from the Foundation or the \$100,000 from the Riley contribution. The \$635,000 is in addition to those two other amounts.

Ms. Stone thought that it could include those monies. President Baker said the commitment is to raise \$900,000 in total for the whole project, of which some if from the Riley Fund, some is coming from other funds and some is coming from individuals. The condition is not that the \$635,000 is not including those funds. The basic point is they don't get this amount of money until they have \$635,000 on the table from something. Cindy Stone agreed with that because she said she wouldn't have submitted the Riley Grant if it couldn't count towards what they have to raise. It's specifically for renovation of the house.

Cindy Stone said they're trying to actually raise \$1.4M. Part is for the restoration of the house and part is to raise more for the endowment. The greater part is for the endowment. She said that the match, the amount that they're required to raise, is less than that. They don't have to raise every single penny.

Mr. McMillan read from the second page of the recommendation “the total project budget of \$4.56M would include \$300,000 endowment donated by Durant Kenrick Trust, an additional \$1.38M raised through community fundraising capital campaign, \$100,000 from the Riley Foundation, \$77,000 from previously awarded CPA funds to the addition to the \$2.71M of CPA funds.” He understood that’s how you get up to the total. So the \$635,000, as he understood it, did not include that \$300,000.

Ald. Parker said that procedurally, Ald. Vance identified an ambiguity in the document and he wanted to know if they were going to clarify that before their vote or ask the Law Dept. to clear that up. He said it needs to be sorted out before the Finance Committee meets and he would like to see more detail on the operation of the facility before that meeting and before the Full Board vote. Cindy Stone said it would be easy to get that information to them.

Ald. Linsky said they do have to figure all these parts out as it’s a complex project. He said they need to work out the release (zoning) that may be needed, which may not be of any great consequence, but would be worth understanding. Also, they need to follow up on precedents in other places so they can see how this endowment piece has fit in to other projects. Ald. Parker would like to see something to get a better sense of what the operating structure would be. He said this reminded him of Angino Farm. He said they spent a lot of time understanding that because it was very critical before they could commit to that.

Ald. Lappin said they didn’t micromanage that one but they didn’t look that hard at the budget, and it turned out the budget wasn’t enough and Angino Farm had to come back. Many people are as interested in the preservation of the open space probably as are in the brick and mortar aspect, so it would be good to find out more about the where/how the challenge monies will be raised. There may be abutters that are far more interested in that piece.

Ald. Linsky also said that this is very large and does have a large implication in future programming. Consequently, he felt he had to understand where this fits in before he can sign on the line going forward. He said they have to weigh in what they expend in cash versus the other potential questions about whether they put it out for some bonding. He understands the bonding also implicates other things beyond the CPA, but he thinks they need to have a clear picture before they agree to take on \$2.7M.

Mr. McMillan stated that he thought this project was of the highest priority. Ald. Yates asked how much was still out there for the burial grounds. Mr. McMillan said they want the burial grounds to come in, that they have them on point and are just waiting for them. They’re going slower than they want them to.

Ald. Lappin asked if the Committee could be provided with a list of the projects that are being pushed over to FY08 and their amounts and the bonding that has to be added in.

President Baker said that he was concerned with timing. They have the budget cycle coming up and this Committee only meets once a month. Finance will certainly have some questions that are legitimate and outstanding. This project, because of the way it's structured, really can't be done with conventional City resources. On Crystal Lake, the Mayor could have come in and asked for that money from the bonding power of the City. He didn't have to use the CPA. There really is no substitute for CPA in this instance. It's very important, even though it's a big ticket item, to recognize the unique nature of the opportunity and to not put hurdles in the path that make it infeasible. He said that matters should be clarified to everyone's satisfaction and these issues need to be addressed.

There was some discussion about holding the item. Ald. Hess-Mahan said he was against holding it because he thinks the answers they're going to get will come before the Finance Committee and should be settled before it comes to the Full Board. Ald. Linksy wanted this to be a strong vote and was concerned there would be a number of abstentions due to the information they feel is lacking at this point. Ald. Lennon said he would prefer to move this to Finance and get the answers they need. There could be a joint meeting with Finance.

Moved for approval adding the word "necessary" in regards to the permitting condition.

On the motion for approval, The Committee voted in favor of recommending approval of the item, 3-0-5.

Respectfully Submitted,

Stephen M. Linsky, Chair