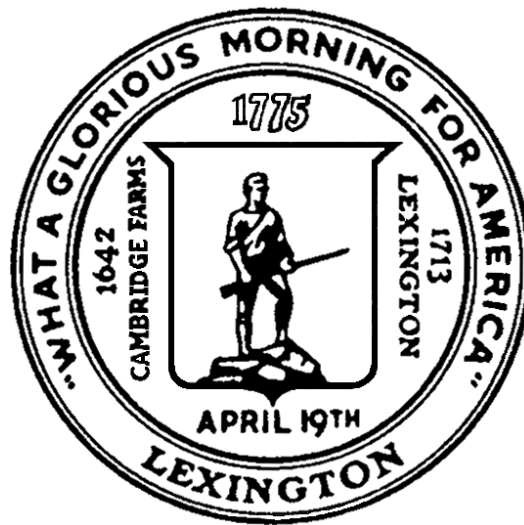


APPROPRIATION COMMITTEE TOWN OF LEXINGTON



2nd REPORT TO THE 2009 ANNUAL TOWN MEETING

Released April 25, 2009

Appropriation Committee Members—Fiscal Year 2009

Alan M. Levine, *Chair* • John Bartenstein, *Vice-chair* • Susan McLeish, *Secretary*
Robert N. Addelson (*ex-officio; non-voting*) • Richard Eurich • Mollie Garberg
Pam Hoffman • Michael J. Kennealy • Eric Michelson • Glenn Parker

Summary of Warrant Article Recommendations

Abbreviations: GF = General Fund; EF = Enterprise Fund; RF = Revolving Fund

CPA = Community Preservation Act Fund; BAN = Bond Anticipation Note

An entry of “Indefinitely Postpone” in the right-hand column merely signifies our expectation.

Ar- ticle	Title	Funds Requested	Funding Source	Committee Recommendation
9	Appropriate for Planning Board Consulting Services	\$100,000	GF	Approve (6-0)
30	Amend FY2009 Operating Budget	\$200,000		Pending
31	Appropriate for Authorized Capital Improvements	\$150,000	GF Debt, Article 8(i) in 2003	Approve (6-0)
44	Amend Zoning By-Law – CM and NFI District Changes	None		Approve (6-0)
45	Amend Zoning By-Law – Traffic	None		Approve (6-0)
46	Amend Zoning By-Law – Zoning Map Revision	None		Approve (6-0)
48	Amend Zoning By-Law – Financial Support for Transportation	None		Pending
49	Amend Zoning By-Law – CRO and RO to CD, 95-99 Hayden Avenue 124-128 Spring Street	None		Pending

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Preface

This is the second written report prepared by the Appropriation Committee on the articles of the 2009 Annual Town Meeting. Herein we give our analysis and recommendations on the financial articles that were not covered in our first report and on those zoning articles that involve financial considerations. We also provide an update to the first report in an appendix.

Introduction

First we summarize the present status of State aid for FY2010. A subset of the important numbers are given in the table below (local aid as summarized in the cherry sheets also contains some additional small numbers we do not give). More details may be found at the State web site¹. For the purpose of constructing the FY 2010 Town budget, State aid was assumed to total \$9,058,898. The amount of aid for Lexington in the Governor's proposed budget² is higher than this by a small amount, but only if the proposed increases in the meals and hotel taxes are included. The recently released Massachusetts House Ways and Means Committee's FY 2010 budget recommendation would provide less local aid for Lexington than in the Governor's proposed budget. Further changes in the proposed State aid for Lexington are possible and even likely, but difficult to anticipate.

Table 1 - State Aid to Lexington

	Assumed for Article 4	Governor's Budget (House 1)	House Ways & Means Budget
Chapter 70 Aid		\$7,601,057	\$7,601,057
General Aid		\$1,362,869	\$1,291,154
Total	\$9,058,898	\$8,963,926	\$8,892,211
Change		(\$94,972)	(\$166,687)
Meals Tax Increase		\$181,513	-
Hotel Tax Increase		\$35,210	-
Total w/New Taxes	\$9,058,898	\$9,180,649	\$8,892,211

As of the publication of this report there are four financial articles that the Town Meeting has not acted on. They include Article 9 which provides funds for professional services needed by the Planning Board if Articles 44 and 46 are approved. They also include Articles 25, 30, and 31. The details of the motions for Articles 25 and 30 will be adjusted to balance the estimated deficit in the current fiscal year (FY 2009). As of press time, we understand that no changes to the motion under Article 25 are anticipated, but that there will be a motion made under Article 30 to adjust the FY 2009 budget. As information was not available as of the printing of this report, this Committee has not made a final recommendation on Article 30.

Articles 44, 45, and 46 form a package of articles that would allow more development in the Hartwell Avenue CM zone and establish a new regulatory system to manage and pay for traffic mitigation in the Hartwell area.

¹ <http://www.mass.gov/dls/CHERRY/>, click on "Cherry Sheets", then "FY 2010 Cherry Sheets", then "FY2010 Municipal Receipts and Charges", and find the Word file for "Lexington".

² Local aid in the Governor's budget is discussed at <http://www.mass.gov/bb/h1/fy10h1/os10/hoverview.htm>

Article 49 is a proposal by landowners to change the zoning of their property to allow the construction of a new commercial building. The warrant for the May 2009 Special Town Meeting also includes two articles to allow more commercial development. Here we make comments of a general nature on commercial development and, to provide important context, the general fiscal history of the Town.

Our main concern is that the Town's expenses continue to grow at rates that exceed the rates of growth of the Town's revenue sources. We believe that it is unrealistic to count on Proposition 2½ overrides as a way to increase revenues for the next two to three years. The question that naturally arises is whether there are other ways to increase revenues or to limit expense increases. There have been several proposals, most notably changes in health benefits for employees to moderate expense increases, and relaxing restrictions on commercial development to provide additional tax revenue. No one approach will provide sufficient advances to allow the Town to sustain current services, restore recently lost services, and maintain all facilities, infrastructure, and equipment. These proposals are not mutually exclusive – the Town needs to do all that is reasonably possible in both of these areas as well as explore other possibilities.

When considering rezoning proposals, Town Meeting must consider the totality of the impact of each proposal, including implications for aesthetics, traffic, infrastructure, and the potential for additional tax revenue. The opponents of rezoning proposals often argue that one should not support these proposals until sufficient analysis has been done to guarantee that all of the implications are known. This strikes us as unreasonably restrictive. For zoning changes limited to a single property, such as Article 49 and the two Articles set for the May 6 Special Town Meeting, it is hard to accurately predict the impact of a change in zoning on traffic levels and on the levels of service at key intersections. In the case of Articles 44-46, which are even larger in scope, one cannot foresee all of the development that could ensue, all of the impacts on the town, what mitigation opportunities there would be, how much they would cost, and how well they would work. On the other hand, it is not easy to predict the implications for the tax base, for traffic, for traffic mitigation opportunities, etc. even if none of the proposed rezoning changes are adopted. The point is that we must live and make decisions in the face of uncertainties using reasonable analysis, otherwise we will be paralyzed and we will not be able to take advantage of reasonable opportunities. When rezoning proposals are being debated, we urge Town Meeting to judge them based on the tradeoff between the real need for new tax revenue and the possibility of negative implications, as well as the measures intended to mitigate negative impacts.

Warrant Article Analysis and Recommendations

Article 9: Appropriate for Planning Board Consulting Services	Funds Requested	Funding Source	Committee Recommendation
	\$100,000	GF	Approve (6-0)

Please see the full discussion under Article 46.

Article 30: Amend FY2009 Operating Budget	Funds Requested	Funding Source	Committee Recommendation
	\$200,000	FC	Pending

We expect the Selectmen to make a motion under this article, but we did not receive the motion in time to be able to make a recommendation in this report.

Article 31: Appropriate for Authorized Capital Improvements	Funds Requested	Funding Source	Committee Recommendation
	\$150,000	GF Debt, Article 8(i) in 2003	Approve (6-0)

The project described in the Warrant to replace the Estabrook oil boiler with a natural gas boiler has been withdrawn at the request of the Director of the Department of Public Facilities because the falling price of oil has made the project no longer cost effective. It will be substituted with a project to relocate/add sprinkler heads at the Clarke School (Brown Book, p. XI-II). This new project is included in the Warrant for the May 6 Special Town Meeting.

There is a project planned for methane mitigation at the Lincoln Fields under Article 31(a) of the 2007 Annual Town Meeting for which bids were received and the low bid, which was within the amount appropriated, was accepted. The next highest bidder has protested and a hearing has recently been held before the Attorney General regarding the matter. If the protest is upheld, the Town has the option to reject all bids received and to put the project out for bid again, in which case bids could come in higher and require additional funds to complete the project. The Town is proposing to transfer a portion (\$100,000 to \$150,000) of the unused balance of Article 8(i) of the 2003 Annual Town Meeting (\$450,000 borrowed for landfill closure costs, of which approximately \$219,600 has been expended or encumbered) as a supplemental funding source to cover the potential additional cost of this project.

The Committee unanimously (6-0) supports this request.

Article 44: Amend Zoning By-Law – CM and NFI District Changes	Funds Requested	Funding Source	Committee Recommendation
	None	n/a	Approve (6-0)

Please see the full discussion under Article 46.

Article 45: Amend Zoning By-Law – Traffic	Funds Requested	Funding Source	Committee Recommendation
	None	n/a	Approve (6-0)

Please see the full discussion under Article 46.

Article 46: Amend Zoning By-Law – Zoning Map Revision	Funds Requested	Funding Source	Committee Recommendation
	None	n/a	Approve (6-0)

The Appropriation Committee is charged with “making recommendations on the prudent management of the financial affairs of the Town”³ and we are required to comment on all articles that contain an explicit expenditure or appropriation of money. While Articles 44, 45 and 46 would not appropriate funds, the proposed changes to our zoning bylaws raise the possibility of a significant impact on town finances in the future. We have chosen to address them along with Article 9.

These articles raise many issues, such as:

- the need for new growth to sustain the town’s tax base,
- the proportion of the tax levy raised from commercial properties,
- the cost of maintaining the town’s infrastructure in and around the CM zone
- the traffic impact of greater commercial development, and
- the benefits of reinvigorating commercial development in Lexington.

Here we examine the potential for future revenue and expenses resulting from increased commercial development in the Hartwell Ave. area, and we present our findings and recommendations.

Fiscal Impact

The art of projecting the fiscal impact of development is, of necessity, inexact, and reasonable people can come to different projections upon making different assumptions. We relied on existing reports and some further analysis from the Planning Board and the Town’s Office for Economic Development to establish a potential scope for the financial impact. A great deal of uncertainty remains, and one major source of this uncertainty is our inability to predict the rate at which any new development will actually occur should these articles be approved. The reader is strongly advised to consider more than one possible time frame when evaluating financial predictions.

³ Committee Charge at <http://www.lexingtonma.gov/committees/appropriation.cfm>

The financial impact can be broken out into four basic categories, which we discuss in greater detail below.

	Non-Recurring	Recurring
Revenues	Building Permit Fees Traffic Mitigation Fees Betterments State Funding	Commercial Real Estate Taxes New Growth Personal Property Taxes
Expenses	Consultant's Fees Road and Intersection Upgrades	Police/Fire Service Road/Sidewalk Maintenance

Revenues

A report⁴ by *The Cecil Group* and *GLC Development Resources* for the Economic Development Task Force provides considerable information on current conditions as well as a robust discussion of the implications of various development scenarios. We also found valuable analysis and insight in the parcel-by-parcel evaluation forwarded by the Planning Board. This latter evaluation is both specific and comprehensive in terms of the potential for new structures and their sizes.

The current assessed value of the 26 parcels in the Hartwell Ave. CM Zone is \$219,270,000 which represents 21% of the town's total CIP (Commercial, Industrial, and Personal Property) valuation of \$1,042,254,630.

Development of the Hartwell Ave. area will generate non-recurring revenue for the Town through building permit fees and payments made by property owners for traffic mitigation measures. Much of this revenue will be used to offset non-recurring expenses described below.

It is our understanding that the Planning Board intends to pursue adoption of a district-wide transportation plan that would include a transportation mitigation fee formula, parking and Traffic Demand Management (TDM) requirements, and an infrastructure improvement implementation plan. The concept is that, under regulations to be developed if Articles 44-46 are adopted, developers could opt to pay transportation mitigation fees which would afterwards be transferred upon Town Meeting appropriation to a specific stabilization fund.

Funds from some or all of the following sources could then be used by the Town to implement infrastructure improvements:

- Transportation mitigation fees
- Betterments
- General funds
- State and Federal funds

We expect the largest portion of recurring revenue will come from taxes on commercial real estate taxes and personal property taxes. The amount of new tax revenue can be roughly estimated based on the additional developable square footage, the future value of the property, and the likely time horizon to full build-out.

⁴ See link to *Appendix B: Cecil Group Buildout Study* at <http://www.lexingtonma.gov/committees/2020vision.cfm>

The Planning Board estimate⁵, which includes additional parcels compared to the *Cecil Group Buildout Study*, puts the development potential within the CM district at 751,178 sq.ft. of gross floor area (GFA), corresponding to a net floor area (NFA) of 600,942 sq.ft. The parcel-by-parcel evaluation provided by the Planning Board yielded detailed information on valuation and tax revenue per square foot and supports the following estimation of revenue:

Existing Building GFA (sf)	1,556,783
Additional GFA (sf) at 0.35 FAR	751,178
Estimated Tax Rate (\$/sf)	\$3.47
Additional Tax Revenue	\$2,604,846

4 March 2009 Planning Board Presentation

This estimate conservatively assumes build-out only to the proposed 0.35 floor area ratio (FAR) with no additional build-out to higher FARs (which would require a special permit). It is also based on current valuations and it is likely that assessed per-square-foot values will increase if structures are significantly improved.

We assume that the level of development will not reach the hypothetical full build-out for at least five to ten years, and possibly longer. The additional revenues should generally keep pace with the level of new development. However, history shows that over the long run commercial property values fluctuate relatively strongly and are correlated with the strength of general economic activity. These changes affect the Town's tax collections from commercial properties. In FY 2009, the Town's tax revenue from commercial properties was approximately \$25,660,310 or 22% of the total tax levy down from a high of 33% in the 1980's. Other factors, such as the great increases in residential property values, the willingness of commercial property owners to periodically renovate their buildings, and some new development have also played roles in these tax revenue changes.

Expenses

Article 9 is a request to fund consulting services to assist the Planning Board in conducting studies of traffic and developing strategies for mitigation of increased traffic in the new Traffic Management Overlay (TMO) District that would be created by Articles 45 and 46. These studies will help to determine the manner and timing of the town's response to changes in traffic patterns and volume in the newly established TMO district. Article 9 will also provide the planning Board with assistance in drafting regulations needed under Articles 45 and 46. This Committee believes that expenditures on consulting services will be useful and necessary if the articles are adopted.

When the Planning Board's studies are completed, we will have a more detailed understanding of these expenses and how they will be shared between the town and property owners. The monetary estimates in this report are, by necessity, rough approximations to provide context. They are based on discussions with knowledgeable Town staff.

The greatest non-recurring expenses to the Town resulting from development in the Hartwell Ave. area will come from the need for traffic mitigation and infrastructure improvements to accommodate increased traffic. The Economic Development Office has drafted a preliminary list of 7 infrastructure projects related to roads and intersections in the Hartwell Ave. area. The costs of these projects run from \$200,000 for improvements to a residential street, up to \$5.2 million for work on Bedford St. The total estimated cost of these projects is \$9.8 million.

⁵ Appendix B, Planning Board Report on Articles 44-46, April 2009

Unlike the revenue side, the expenses from infrastructure improvements may follow a more “punctuated” schedule. These projects will be initiated when the TMO District Plan indicates that traffic and commercial activity has reached a threshold that can justify the investment.

An increase in town services provided to businesses on Hartwell, primarily police and fire protection, would result in an increase in operating expenses. One method⁶ to estimate these additional town expenses is to extrapolate current spending on town services based on the added net square footage. In round numbers, adding 600,000 sq.ft. to the existing 4,000,000 sq.ft. of commercial space in Lexington represents a 15% increase in NFA. The current police and fire budgets prorated for commercial use total \$3.42 million, so an estimate for the added annual cost of police and fire services at full build-out is \$513,000.

Conclusions

In 2002, the Planning Board’s report *The Lexington We Want* stated: “a strong local economy can help provide necessary fiscal support for the high level of public services residents of Lexington seek”⁷. This Committee is concerned by the prospect that overall Town expenses continue to grow faster than overall revenues, and that residential tax revenues bear an increasing portion of the total tax burden. Given the town’s structural deficit and the worsening economic climate, commercial tax revenue is one of the few sources of new revenue that can ease pressure on the town’s budget.

The Town must also be concerned with the health of the commercial tax base, since its decline impacts the town in reduced revenues, and it impacts the residents by forcing them to cover a larger portion of the total tax bill. It is imperative that we actively promote the health of our established commercial zones in order to maintain a strong local economy and a strong commercial tax base.

As development will likely occur gradually over time, we will likely not see a need for major infrastructure improvements immediately and these types of expenditures should be viewed as investments over a longer time horizon to fully account for the benefits received by the town. Importantly, expenses will be borne largely by developers and potentially by the state, making this a fiscally prudent and expeditious means of refurbishing a long neglected district.

It is for these reasons, that the Appropriation Committee recommends adoption of Articles 44, 45, 46 and 9 by a vote of (6-0).

Article 48: Amend Zoning By-Law – Financial Support for Transportation	Funds Requested	Funding Source	Committee Recommendation
	None	n/a	Pending

This article would amend the zoning bylaws to create a dedicated revenue stream to fund a town-wide transportation system (including, but not limited to, a bus service such as Lexpress). The new section would assess an annual fee for fifty years, or a consolidated one-time payment, on developments in Lexington that meet certain criteria. The fee would apply to all developments with 10,000 square feet or more of gross floor area, and to all residential developments having 50 or more units. Owners of developments meeting these criteria would pay into a stabilization fund for town-wide transportation based on a set formula, in addition to any other negotiated contribution to the Transportation Demand Management (TDM) Fund. This would provide a long-term source of funding for town-wide public

⁶ *Ledgemont Research Park, Ledgemont III, Lexington Massachusetts Fiscal Impact Analysis*, Connery Associates, September 2008

⁷ *The Lexington We Want* – Lexington Planning Board, 2002

transportation. The payments under the proposed bylaw would be non-negotiable and would become a “cost of doing business” in Lexington.

The formula for commercial development is applied to new gross square footage and new parking spaces at a rate of \$0.05/gross square foot plus \$15 per parking space. It does not apply to existing square footage or to previously existing parking spaces in any current commercial development. The residential fee is set at \$0.05/gross square foot added. There is no additional fee for parking spaces in residential construction.

Proponents of this article see this as a needed contribution to finance public transportation in Lexington. A town-wide transportation service provides many benefits to the town and the proponents are concerned that our current transportation service, Lexpress, does not receive adequate and reliable funding from TDM payments. Currently, Lexpress is not a self-sustaining service; in addition to fares it relies heavily on Town support through the tax levy and, to a lesser degree, through TDM payments that are routed through the TDM Stabilization Fund as well as a subsidy from the MBTA (see page V-18 of the Brown Book).

Opponents are concerned this requirement could directly reduce the amount of money that developers will be willing to pay for TDM when they are negotiating special permits and/or rezoning requests. They view this as a “piece-meal” system where developers make various payments to different town interests. They would prefer to have “one-stop shopping” where developers pay only one amount into the TDM fund.

This proposal raises a number of issues with respect to both philosophy and implementation that, in our opinion, need to be addressed. The most important of these issues is whether it is essentially a tax rather than a fee. This is reinforced by the proposal’s very broad applicability and by its specification of payments that depend entirely on floor area as opposed to a direct measure of traffic impact. For example, the owner of a new 50,000 sq.ft. laboratory building would be required to make the same payments as the owner of a new 50,000 sq.ft. retail establishment even if the number of vehicle trips to and from each would be quite different.

The motion states that payments are legally contingent on the town providing access to some form of town-wide transportation service. This language raises concern as to whether the Town, by virtue of collecting payments, would then be obligated to provide transportation services to areas of the town not presently served by Lexpress. Would there be requirements on the type, levels, and duration of the Town’s obligations? The owners of developments in areas of the town not near present Lexpress routes, or at locations where alternate transportation services are more appropriate, could well expect the Town to provide a level of service comparable to that typically provided by Lexpress along its routes. If a developer chooses to make a one-time payment, would that obligate the Town to provide transportation services to that site for fifty years?

The motion does not specify who is liable for any payments due after a building permit or certificate of occupancy is issued.

If this bylaw change is approved, it will apply to the development proposed in Article 49.

The Committee did not take a position on this article before the publication of this report.

Article 49: Amend Zoning By-Law – CRO and RO to CD, 95-99 Hayden Avenue 124-128 Spring Street	Funds Requested	Funding Source	Committee Recommendation
	None	n/a	Pending

This article requests Town Meeting approval to rezone the property located at the intersection of Spring Street and Hayden Avenue, known as Ledge-mont Center, from the present CRO business and RO residential districts to a Planned Commercial Development District. Approval of the requested rezoning will permit construction of a new building on the site that includes both office/R&D space and indoor parking. The applicant, Beal Companies, intends to lease to businesses involved in research and development, although at present it has no commitments or agreements, written or oral, with any prospective tenants. If such preferred tenants are unavailable, it will lease at least some portions of the premises for general office use.

The Appropriation Committee met with representatives of Beal Companies on April 6, 2009, to discuss the proposed project and its financial impact on the Town. We have also reviewed the *Fiscal Impact Analysis* prepared by Connery Associates for the proponents, the Memorandum of Understanding (MOU) dated March 19, 2009, between Beal Companies and the Town that is an agreement in regard to traffic mitigation contributions, and other information.

In FY 2008 the property, with the existing Ledge-mont I and Ledge-mont II buildings, yielded property taxes, not including the tax revenue from any so-called personal property on the site, of approximately \$1,206,000. With the addition of the new building, Connery Associates predicts that the Town can reasonably anticipate revenues -- based on current property tax rates -- to increase by approximately \$531,000, to \$1,737,000. Connery Associates also predicts that an additional amount, estimated at approximately \$78,000, will be collected from the business personal property tax. This figure assumes substantial occupancy of the new building. It also assumes that 50% of the building will be assessed for research purposes. In order to encourage research uses within the Commonwealth, the Massachusetts Department of Revenue usually grants a personal property tax exemption for such uses. If there is no such exemption, then the estimated annual business personal property tax would double to \$156,000.

Connery Associates estimates, based upon a pro-rated FY 2009 cost of public safety services (police and fire) provided by the Town to its currently existing commercial and industrial taxpayers, that annual costs to the Town for services required by the new building will amount to approximately \$137,000. Thus Connery Associates' estimates imply that the construction of the proposed third building will result in a net annual income to the Town of approximately \$472,000 (\$531,000 + \$78,000 - \$137,000).

While this Committee is satisfied that these figures are more or less sound, we note that any estimates of future revenues and expenses are uncertain in a number of respects. One cannot at this time say, for example, what the commercial tax rate will be in future fiscal years; whether the general commercial real estate market will be strong or weak; what kind of rents the owners will be able to charge (relevant since the income method is used by the Assessors to determine values for commercial buildings like this one); how the assessed value will change in time over 10 or 20 years; and, on the expenses side, what measures the Town might need to implement in response to the construction and occupation of the building, for example improvements to street infrastructure. Given such uncertainties, we suggest that the net revenue that the Town would gain if this article is approved would vary from year to year within a range of something like \$300,000 to \$700,000. This range illustrates the possible uncertainties. In any case, it seems likely that the project would produce a substantial amount of revenue over an interval of many years that would certainly not be forthcoming if the rezoning is denied, and that the tax revenue the development actually produces for the Town will far exceed its costs to the Town.

The Town would not start receiving tax revenue from this proposed project for a few years, certainly not before FY 2012. It could be later, especially if the construction were to be delayed for any reason.

The Beal Companies anticipates that the construction of the building will cost \$45,000,000. This construction is projected to take between 18 months and 2 years. Over this period, the Town can expect to receive \$675,000 in building and construction permit fees.

As documented in the signed MOU, Beal Companies has agreed to make a number of voluntary payments to or directly benefiting the Town. These include:

(1) prior to the issuance of a building permit, a payment of \$500,000 to the Town's Traffic Mitigation Stabilization Fund, and

(2) prior to issuance of a certificate of occupancy, a payment of \$300,000 which will comprise:

\$200,000 for the Traffic Demand Management/Public Transportation Stabilization Fund to benefit Lexpress,

\$80,000 for the Traffic Mitigation Stabilization Fund, and

\$20,000 for the Lexington Nature Trust Fund to support trail work at the site.

The MOU also has a number of non-financial provisions.

The Committee believes that the Town should seriously consider the proposed rezoning in light of the likelihood that it would yield a total of as much \$3,000,000 to \$7,000,000 in new revenue over a 10 year period.

The potential traffic increase is the only negative aspect of the project that, in our opinion, may rise to a level of significance that would call approval of the rezoning into question. However, only a relatively small number of people would work in the proposed new building and their impact upon traffic volumes would not be large. Indeed the traffic impact will be smaller than that of similar-sized developments at other locations within Lexington because the Hayden Ave./Spring St. site is particularly close to entrances and exits from Route 2 and thereby Route 95/128.

Given that our discussions did not delve very far into the traffic analysis, there was some hesitation about making a strong recommendation in favor of approval of this article rather than merely stating, as we have above, that approval would likely result in substantial new revenue net of expenses. However, all of the members of our Committee who were present, having individually weighed the potential fiscal benefits against the traffic and other implications of the proposal, stated that they were in favor of approval of the rezoning. Discussion of the exact form of our recommendation will continue the week of April 27.

Appendix 1: Update of Committee Positions

The Committee adopted a number of positions on the articles covered in our first report dated March 25, 2009 after that report was printed. In order to make the record of our recommendations easy to find, below we summarize those positions:

Article 4, Appropriate FY2010 Operating Budget, line 2130 Insurance: The Committee offered an amendment to ask that the Town endorse a resolution asking the State to pass legislation giving the Town certain powers to make unilateral changes in health insurance for Town employees and retirees. The text of the resolution is:

“Whereas Lexington’s escalating health care costs have been and are continuing to consume a significant proportion of Lexington’s allowable 2 1/2 percent increase in the tax levy, and

Whereas options for realizing savings in health care costs for municipalities and towns are severely limited by current state law, and

Whereas the Commonwealth of Massachusetts is exempt from any requirement to negotiate and receive approval to implement significant changes in its health insurance plans through its Group Insurance Commission (GIC), and

Whereas the Commonwealth of Massachusetts and all its cities and towns face an unprecedented economic crisis that will dramatically impact public finances for at least the next two years,

Now, therefore, the Town of Lexington petitions the Governor of Massachusetts and the Senate and House of Representatives to enact legislation to allow municipalities to modify health care plan design without the requirement of collective bargaining such that municipalities can, in a timely manner, either (1) join the GIC; or (2) offer health care plans to employees that are comparable to the offerings of the GIC, provided that the copayments and deductibles of such plans do not exceed those of the GIC.”

The Committee was unanimously in favor of the amendment.

Article 11, Appropriate the FY2010 Community Preservation Committee Operating Budget and for CPA Projects: The Appropriation Committee supported, by a vote of 8-0, parts (a), (h) and (l) that were listed as pending in the first report. In regard to part (c), one member changed their position prior to the Town Meeting action so that the final tally of Committee members was 4 in favor and 5 against. The Committee took no position on part (m), as the land acquisition was done under Article 12.

Article 12, Land Purchase – Off Vine Street: The Committee supported this purchase by a vote of (7-0-1).

Article 15, appropriate for Municipal Capital Projects and Equipment: The Appropriation Committee supported, by a vote of 8-0, part (k) that was listed as pending in the first report.

Article 43, Health Benefits (Citizen’s Petition): The motion was changed from that anticipated at the time of our first report. It requested that a committee be formed solely to study the relation between the percentage contribution by town employers and the fraction of married employees that take the insurance as opposed to obtaining insurance through a spouse’s employer. Four members of the Committee were in support and four opposed the motion as presented.

The Committee did not object to motions for indefinite postponement on Articles 13, 14, 19(e), and 28.