



FIRE & HIGHWAY FACILITY PROJECT FREQUENTLY ASKED QUESTIONS



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Answers to Frequently Asked Questions

1. Why do we need a new building for the Fire and Highway Departments?

The existing Fire Department garage at 93 Main Street is in poor condition and is not large enough to house the Department's apparatus. The existing Highway Garage up the hill is also not large enough to contain the entirety of the Department's fleet and other equipment. Both buildings, in use since at least the 1940s, are costly to heat and maintain. **Ultimately, the Town will only be undermining its important investments in equipment upgrades for these departments if it does not provide the facilities needed to protect those assets.**

2. What's the plan for replacing these buildings?

This project aims to right-size and modernize our Town's Fire and Highway facilities. A newly configured municipal campus would protect our assets and extend the useful life of our trucks, plows, backhoes, and roadwork materials, as well as improve the efficiency of our Fire Department services. Facing deteriorating conditions in both WWII-era garages, the need for this new facility is critical for the Town to care for roadways and property, as well as to provide the necessary emergency response services for residents.

The proposal discussed at November's Special Town Meeting calls for a consolidated Fire and Highway facility at the Highway Department's **yard on Chester Road**. The site allows ample space for the new building with minimal impacts to abutters. With limited properties available to the Town, the Building Committee determined that this was the best option for delivering a cost-effective solution to the challenges these Departments and the Town now face as the result of decades of deferred maintenance on the existing facilities.

3. What happened to just retrofitting the Highway Garage to serve as the Fire Station?

In May 2022, Weston & Sampson completed a **feasibility study** comparing the scenario of renovating the existing Highway building to serve as the Fire Station vs. demolishing that structure and constructing a new Fire Station. That study revealed that the cost to demolish the existing structure and build new was actually *lower* than retrofitting.

After a review of the **potential financial impact** of an approach which called for the construction of two new buildings on two separate sites, it was determined by the Building Committee that a consolidated, single new build on the property that currently houses the Highway Department salt barn was ultimately a better option.

Discussions continue as to whether the highway portion of the structure should be planned for and phased in at a later date given that replacement of the firehouse remains the top priority. In the long-run, design and construction of a facility for both departments simultaneously would likely save the Town money.

4. Is the Highway yard site close enough to the center of Town for timely emergency response?

Normal drivetimes between our volunteer firefighters' home addresses and the two sites were reviewed by the Town Administrator. A-back-of-the-envelope comparison showed that travel from home

addresses to the Highway yard site added an average of three minutes. Keep in mind that this comparison used Google Maps drivetimes which are based on cell phone data that generally reflect driving in non-emergency situations. Massachusetts General Law allows a private firefighter vehicle to travel in excess of the posted speed limit while responding to an emergency call so long as its emergency vehicle lights are illuminated. Additionally, these differences in drivetimes may change as the makeup of our volunteer firefighting force shifts.

While a central location for Fire facilities would be ideal, the Town has to make use of its available properties. **The preferred location will still ensure timely emergency response as indicated by the backing it has received from our Interim Fire Chief and members of the volunteer force.**

5. What other Town-owned sites were evaluated for the new facility?

Years ago, the Post Office (former Town Hall) was considered as a possible site for a new Fire garage. The Fire Department currently operates its office and training center out of this building, and it is one of the few Town-owned sites that is centrally located. However, the acreage of the site is fairly limited, and it closely abuts residential properties. Further, issues with the septic system on the site would make retrofitting or new construction more costly. **Essentially all other Town-owned sites either already have a dedicated active use, or are unsuitable due to size, topography and/or location.**

6. What about acquiring privately-owned land?

Other sites that have been discussed include privately-owned properties with abandoned homes and back-tax issues. These would each require additional study and ultimately acquisition by the Town, extending the process of identifying an optimal site and potentially adding costs including negotiations with private owners, deed searches and site testing. Privately held land would also increase construction costs as there would need to be demolition of any existing structures as well as sitework to make the land usable. Construction on a portion of the Blandford Fairgrounds has also been discussed but the Union Agricultural Society has not indicated an interest in pursuing an agreement to make this site a viable option at this time. The Town was also approached by a resident about a private parcel of land, but this was deemed infeasible due to the high level of sitework needed stemming from the steep and wooded nature of the property and concerns around a challenging road curve and nearby wetlands. While the Building Committee has undertaken a preliminary review of several other sites, **none have met the high bar that the potential costs of developing privately-owned land merit for deeper consideration.**

7. Is the current state of the fire station really so bad? Why wasn't it maintained?

In the past, other spending priorities for the Town always came before repairs and maintenance of the fire station. Little problems that had been ignored turned into major structural repairs. On numerous occasions, firefighters would make repairs on their own time and would even buy materials out of their own pocket just to try to keep the building in usable shape. The unfortunate result of past neglect is a structure that is hard to justify maintaining much longer. At the Special Town Meeting in November 2022, the Town had to authorize nearly \$30,000 in repairs to address issues with the building's steps, doors, and ramp. **While the Town has turned a page and now carefully builds up reserves to keep our physical assets in good order, the time when this particular structure could be made to work for the Fire Department has passed.**

8. How much would this cost?

A final construction cost estimate will not be available until the schematic design phase of the project is complete. Rough cost estimates have ranged between a mid to high seven-digit figure through the course of the project depending on timing and the specific proposal being discussed. The Building Committee believes that a single, consolidated building will substantially reduce costs when compared to a two-building alternative though whether space for both departments should proceed simultaneously remains a source of debate. The most recent proposed design services contract was \$650,000 and the associated fee from the Owners' Project Manager (OPM) to complete work through design was roughly \$45,000.

9. How would the Town pay for the design of the building?

A number of funding options are being explored. For the design phase, a portion of the \$650,000 designer services fee can be covered by the nearly \$700,000 in the Town's **Building Project Stabilization Fund**. The previous fiscal year's **Free Cash**, certified this October, totals over \$750,000 and a portion of this can be used as well. The availability of these pay-as-you-go options mean the Town is positioned to cover the design phase of the project without the need to borrow.

For later phases of design, the Town is pursuing a Rural and Small Town Development Fund grant of \$300,000. To this end, an expression of interest (EOI) was submitted in March 2023. Feedback on the EOI from MassDevelopment, the quasi-state agency responsible for administering the Fund, confirmed that this project would be eligible for funding. Other Western Massachusetts communities have had success with this approach, with Williamstown successfully obtaining a \$400,000 grant for design of their proposed fire department facility. In Blandford's case, funds would be used to assist the Town in obtaining the necessary permits/approvals for the project as well as completing design development.

10. How would the Town pay for the construction of the building?

For the construction phase of the project, there are at least three sources of outside funding that have been identified.

First, the U.S. Department of Agriculture's (**USDA**) Rural Development agency's **Community Facilities Direct Loan & Grant Program**. Funds from this program can be used to purchase, construct, and/or improve essential community facilities, to purchase equipment, and to pay related project expenses for any community with a population below 20,000. Under this program for example, the City of Greenfield recently received nearly \$1 million in grant funds for equipment associated with the construction of a new fire station. A loan from this program could enable the Town to lock in a low interest rate and make greater use of pay-as-you-go capital sources such as the Building Project Stabilization account and Free Cash. A Community Facilities grant could potentially be used as well to offset a portion of the cost of equipment associated with the project as well. Nearby Sheffield received a grant of more than \$50,000 through this program just a few years ago.

Next, the U.S. Department of Housing and Urban Development (HUD) has in recent years expended between 40% and 50% of Community Development Block Grant (**CDBG**) funds on public infrastructure and services. For example, in the CDBG FY20 round when Blandford received nearly half-a-million dollars for housing rehabilitation and an Americans with Disabilities Act (ADA) transition plan, other communities received millions for public infrastructure improvements

Beyond these major sources of outside funding and financing, project proponents are always on the lookout for opportunities to fund **individual elements** of the project. State Green Communities funding for example could potentially be used for energy efficiency components of the building. Inclusion of this project in plans around hazard mitigation, vulnerability preparedness and transportation planning could further open up the prospect of funding pieces of the project through state and federal programs. And there are always **bills in the state legislature and U.S. Congress** that contemplate more direct funding of these kinds of projects. Examples include Massachusetts bills that would fund firehouse construction in a manner similar to schools. Federal legislation identified by a resident member of the Building Committee would create a \$750 million grant program aimed at emergency service facilities.

Ultimately, projects of this magnitude always involve **debt**. However, with multiple potential federal and state funding sources, as well as strategic use of the Town's reserves and annual Free Cash, the burden on Blandford taxpayers can be effectively mitigated. Further, the Town in recent years has enjoyed hundreds of thousands in annual Payments-In-Lieu-of-Taxes (PILOT) from solar developments. With a townwide Capital Improvement Plan (CIP) in development, Blandford will be able to lay out a schedule for the use of these types of funds and effectively plan for how to offset debt on our large capital projects.

11. How would a project of this magnitude fit into Blandford's current **debt schedule**?

The Town of Blandford has a few sources of excluded and short-term debt that will see their obligations conclude in the next handful of years, potentially making way for new borrowings to address the costs of the facility as well as key equipment purchases. Excluded debt includes the annual payments on the Gateway Regional renovations, paying back the state's School Building Authority for the closure of the elementary school, as well as the capping of the Town landfill. These obligations will all have concluded by Fiscal Year 2025. Short-term debt includes the road repair Bond Anticipation Note (BAN) authorized in 2019 just shy of \$500,000 as well as borrowing associated with the buildout of the town's broadband network. The former will be paid off from annual installments by Fiscal Year 2026. With the Municipal Light Plant now fully established as an Enterprise Fund, and roughly \$1 million over the next ten years from the federal Connect America Fund II (CAF II) to be injected into Blandford's budget, the latter obligation will be handled going forward by Broadband Retained Earnings, operating funds, and anticipated state and federal monies.

There are of course other capital needs that will have to be planned for including Gateway's anticipated \$3 million roof replacement (on the horizon for Fiscal Year 2027) as well as potential capital costs associated with the Hilltown Community Ambulance Association. These expenses would be shared across the six member communities but other as of yet undetermined costs pertaining to Town buildings and infrastructure would fall on Blandford alone. Still, with strategic use of the revenue generated by PILOT agreements with photovoltaic developments, the Town can position itself to meet obligations stemming from the community's needs for effective Fire and Highway services.

12. How would **solar PILOT monies or other revenues** offset the project's costs?

The Town has entered into Payments-In-Lieu-of-Taxes (PILOT) agreements with three solar development projects to date and is billing yet another solely for personal property taxes. These PILOT agreements hinge on the "nameplate capacity" of the developments, the maximum rated output in megawatts, and are usually contingent on the project reaching mechanical completion. If all of these projects were to go

into operation at their projected nameplate capacity amounts, the Town would be looking at revenues in excess of a quarter of a million dollars annually for the next two decades.

Since the advent of major photovoltaic arrays in Blandford, Town finance team members have counseled that PILOTs from these developments should be used for capital rather than operating budget expenses. Because these PILOT agreements have a sunset date and are often subject to mechanical completion of a project, they should not be built into the operating budget of the Town which will outlive them. The Town can then use a portion of these funds to offset debt or other costs associated with the project.

The Town must also diversify its revenue portfolio and has already started to do so. Cannabis cultivation and delivery operations in the town are one example. The Town's Select Board and Treasurer-Collector have also contemplated a tax title auction which would fall mostly on out-of-town second home and vacant land parcel owners. Use of the resources from the Town's nearly 1,000 acres of forested land could also be considered.

13. Why did we have to hire an owners' project manager (OPM), and pay for designer services?

The Commonwealth places requirements on communities of all sizes when it comes to procurement of design and construction services for public works. Before contracting for design services in connection with a public building that is estimated to cost \$1.5 million or more, **every jurisdiction must contract with or assign a qualified OPM** to serve as the jurisdiction's agent during the planning, design, and implementation of the contract.

Further, Towns are required to follow the **state's designer selection law** in awarding any contract for design services for any building construction, reconstruction, alteration, remodeling, or repair project when the design fee is \$30,000 or more and the estimated construction cost of the project is \$300,000 or more.

From the start, there has been no scenario or plan where the Town's construction and design costs were below these thresholds. The Town has been careful to follow these state requirements throughout the process and has benefitted from the expertise of our qualified OPM, City Point Partners, as well as the selected design team, Weston & Sampson. Ultimately, this approach will allow the Town to deliver on a critical investment for the community that is above board, thoroughly vetted and fully eligible for state and federal funding.

14. Why have the cost estimates increased so much since the project started?

It is no secret that costs for all commodities have risen dramatically since the start of the pandemic. Construction costs in particular have increased at a pace that could not have been foreseen. These upwardly spiraling costs underline the need to act so that a solution can be implemented and prices locked in before the project becomes difficult for the Town to afford.

15. What happened to the initial funding authorized at the Town Meeting in March 2021?

A good portion of the initial \$120,000 in funding that was transferred out of the Building Projects Stabilization account has been expended as the Building Committee continually worked to streamline the project and bring the overall cost as low as possible while still doing needed due diligence for

Blandford's taxpayers. The above-mentioned issues with rising prices, as well as dissatisfaction with the performance of the initially selected design team, added to the hurdles the OPM was asked to address by the Committee.

16. What happened at **Special Town Meeting in November** and what's happened since?

At Special Town Meeting in November, the Building Committee asked for authorization to **transfer funds out of the Building Project Stabilization Fund as well as Free Cash** to cover the cost of the continued contract with City Point Partners, and fund the review and confirmation of the project concept as well as **schematic design** by Weston & Sampson. Funding for this portion of the design phase would amount to \$180,000 transfer out of Free Cash and \$75,000 out of the Building Project Stabilization account. A range of views were heard at the meeting but ultimately the two-thirds majority needed to transfer the funds for the project through schematic design was not reached. Concerns included the distance of the fire facility from the center of town as well as the overall projected cost.

In the months following the meeting, the Building Committee reassembled with two residents added and former Select Board Chair/current Interim Fire Chief Adam Dolby joining. The Committee reviewed the past approaches explored for meeting the departments' needs, alternative sites (both Town and non-Town-owned) and discussed ways to improve communication with residents.

17. What's the **next step** for the project?

At the upcoming garage open house, the project team will have a chance to speak with residents and share updates on this effort. At the "mini" Town Meeting on May 22, the project team will present an approach for the facility and allow voters to decide on continued funding at Annual Town Meeting to be held on June 5.