

Shaker Lane School Project

September 2, 2025

Project Financial Overview

The presentation details the overall financial plan and budget for the Shaker Lane School project, providing transparency on project costs.

Anticipated MSBA Grant and Other Funding

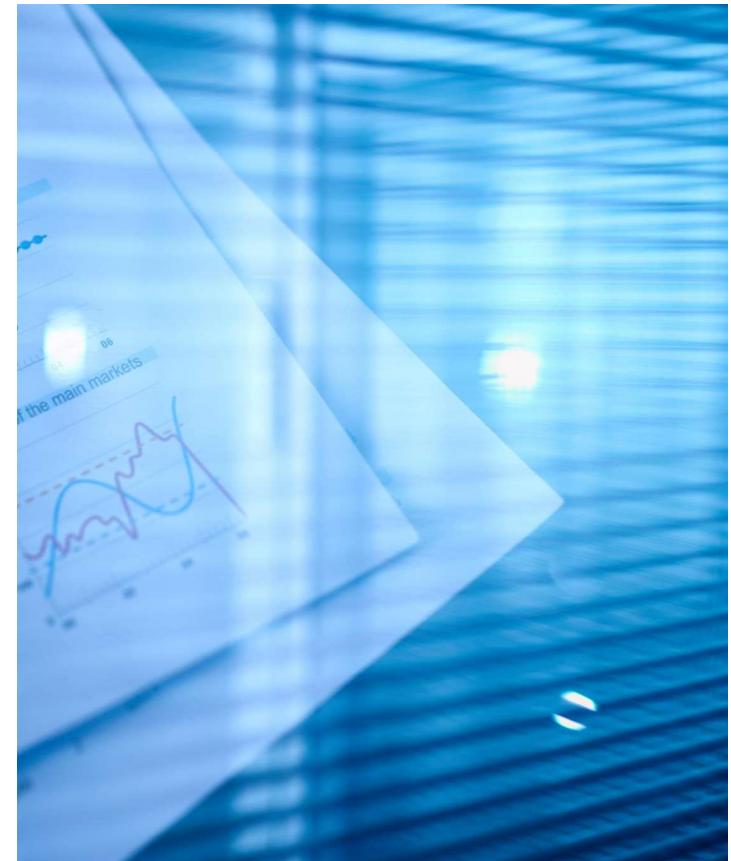
Key offsets are detailed that will reduce the size of the overall bond that the Town issues.

Property Tax Impact

The project's affect on property taxes is reviewed, estimating possible changes for residents.

What If ...

What happens if the project fails to advance.



Project Updates

as of September 2, 2025



Project budget approved by MSBA Directors on August 27, 2025



MSBA Grant finalized at \$38.2 million up from previous estimate of \$29.4 million.



Interest rates have increased from last update in May (+25 bp)

Bond coupon rates have stayed steady
Bond premium reduced from \$3.5 million estimate in May to \$2 million due to bond yield increase and a decrease in the size of the bond



Town Meeting Article & Ballot vote language ready

Town Meeting Article



MSBA requires specific language to be voted by Town Meeting



Bond Authorization Includes:

The entire project cost including feasibility study costs, already approved by Town Meeting, must be included in article and borrowing authorization.



Actual Bond issued will be reduced by the MSBA Grant and bond premium as well as the Town's School Building Stabilization fund.

Town Meeting Motion

- This article appropriates the sum of Ninety-Nine Million Seven Hundred Four Thousand One Hundred Fifty-One Dollars and Zero Cents (\$99,704,151.00) for the full program though the sum of One Million Eighty-Five Thousand Dollars (\$1,085,000) has been previously appropriated and further reduction in project expenses of Five Hundred Thirty-Nine Thousand Two Hundred Dollars and Zero Cents (\$539,200) netting a final appropriation amount of Ninety-Eight Million Seventy -Nine Thousand Nine Hundred Fifty One Dollars and Zero Cents (\$98,079,951).
- That the Town appropriate the amount of \$ 99,704,151.00 (ninety-nine million seven hundred four thousand one hundred fifty-one dollars and zero cents for the purpose of paying costs for the design, construction, equipping, and furnishing of a new replacement facility for the existing Shaker Lane Elementary School Project located at 35 Shaker Lane, inclusive of all building and mechanical systems and associated site work improvements including the payment of all costs incidental or related thereto (the "Project"), which school facility shall have an anticipated useful life as an educational facility for the instruction of school children for at least 50 years and for which the Town may be eligible for a grant from the Massachusetts School Building Authority ("MSBA"), said amount to be expended under the direction of the Littleton School Building Committee.
- To meet this appropriation the Treasurer, with the approval of the Select Board, is authorized to borrow said amount under M.G.L. Chapter 44, or pursuant to any other enabling authority. The Town acknowledges that the MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any project costs the Town incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the Town; provided further that any grant that the Town may receive from the MSBA for the Project shall not exceed shall not exceed 54.02 % of eligible, approved project costs, as determined by the MSBA; provided that *any appropriation hereunder shall be subject to and contingent upon an affirmative vote of the Town to exempt the amounts required for the payment of interest and principal on said borrowing from the limitations on taxes imposed by M.G.L. 59, Section 21C (Proposition 2½); and that the amount of borrowing authorized pursuant to this vote shall be reduced by any grant amount set forth in the Project Funding Agreement that may be executed between the Town and the MSBA. Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with M.G.L. c.44, §20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.*

Town Meeting Motion

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Shaker Lane School Project Reconciliation

		Costs	Total
Total Project Budget	per Town Meeting Motion	\$99,704,151.00	
Less: Feasibility Study	approved at previous Town Meetings	(1,085,000.00)	
Net Project		98,619,151.00	
Less: Project Reductions	identified project cuts	(539,200.00)	
Net Total Project	per Town Meeting Motion		98,079,951.00
MSBA Grant	per MSBA Board vote 8/27/2025	38,192,408.00	
Add: MSBA Potential Grant on Contingencies		662,401.00	
Less: Feasibility Study - to be added to School Building Stab fund		(586,117.00)	
Less: reimbursable items removed in above cuts		(123,003.00)	
Net MSBA Grant			38,145,689.00
Net Project Costs - Town			59,934,262.00
Construction Offsets			
School Building Stabilization Fund			
	FY2025 actual	1,180,000.00	
	FY2026 actual	1,600,000.00	
	FY2026 actual - school free cash	30,000.00	
	FY2026 actual - school capital	400,000.00	
	FY2026 STM - Feasibility Study Grant	586,117.00	
	FY2027 Est - regular contribution	1,000,000.00	
	FY2027 Est - school capital	455,000.00	
	FY2027 Est - adjusted Capital Stab contribution	200,000.00	
	FY2028 Est - regular contribution	1,000,000.00	
	FY2028 Est - school capital	65,000.00	
	FY2028 Est - adjusted Capital Stab contribution	200,000.00	
	Est Interest	439,000.00	
Sch Bldg Stab subtotal			7,155,117.00
Bond Issuance Amount			53,441,546.00
Less Estimated Premium			2,054,145.00
Net Project Bond			\$50,725,000.00

Project Budget- Final

Budget Item	Cost	Grant	Net Amount
Feasibility Study	\$1,085,000	\$586,117	\$498,883
Project Administration	\$2,796,053	\$897,659	\$1,898,394
Architecture & Engineering	\$9,295,000	\$3,075,229	\$6,219,771
Pre Construction Services	\$225,000	\$121,545	\$103,455
Construction	\$81,747,698	\$32,731,414	\$49,016,284
Miscellaneous Project Costs	\$311,770	\$99,937	\$211,833
Furniture, Fixtures & Equipment (FF&E) & Technology	\$1,252,000	\$563,969	\$688,031
<i>Subtotal Project Budget</i>	\$96,712,521	*\$38,069,405	*\$58,543,116
Construction Contingency	\$1,634,954		
Owner's Contingency	\$817,476		
Potential Total Contingency Grant Funds		\$662,401	\$1,790,029
Total Project Budget	\$99,164,951	\$38,731,806	\$60,433,145
Less Feasibility Study above - already funded	\$1,085,000	\$586,117	\$498,883
Net Total Project - Town	\$98,079,951	\$38,145,689	\$59,934,262

* Adjusted Grant amount subtracting ineligible building area \$6,465

Ballot Question

November 1, 2025

- Shall the Town of Littleton be allowed to exempt from the provisions of Proposition two-and-one-half, so called, the amounts required to pay for the bonds issued in order to design, construct, furnish and equip a new Shaker Lane Elementary School located at 35 Shaker Lane, Littleton, Ma, to replace the existing Shaker Lane School located at 35 Shaker Lane.

Estimated Residential Tax Impact

Estimated tax calculations based on FY25's \$694,868 average home value on the SPLIT tax rate.
Updated values for FY26 will be known in November 2025

Final bond amount is reduced by the bond premium received and the Town's contribution from the School Building Stabilization fund

Additional future contributions from the Debt Exclusion Stabilization Fund are based on the Debt Exclusion Financial Plan voted by Select Board, Finance Committee and School Committee in April 2025

Estimated Residential Tax Impact

Property value increases are based on past average annual increases.
FY26 is a revaluation year (values as of Jan 1, 2025).

No estimated new growth is used in property value assumptions, specifically from the 550 King Street development.

Not possible *at this time* to earmark any tax revenues from 550 King Street to this project.
Unknown future impact to the operating budget.

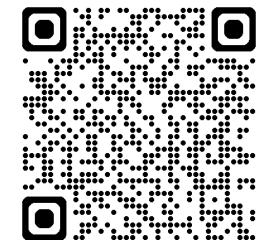
Residential Tax Impact Estimate

- Bond amount \$50,725,000 - payments begin FY30
- Based on FY25 values and estimates future value increases
- Average residential home value FY25 - \$694,868
- Reflects estimated future split tax rates
- Debt Exclusion Stabilization fund pays 14.35% of debt

	<i>Principal</i>	<i>Interest</i>	<i>Total Payment</i>	<i>Debt Exclusion Stabilization Usage</i>	<i>Estimated Split Tax Impact</i>
Year 1 (FY30)	\$2,536,250	\$2,285,795	\$4,822,045	\$1,141,313	\$ 719.20
Years 1 - 5	12,681,250	10,160,852	22,842,102	4,438,438	\$ 3,584.56 \$716.91 / year
Years 6 - 10	12,681,250	6,990,539	1,9671,789	2,384,075	\$ 3,295.68 \$659.14 / year
Years 11-20	25,362,500	5,823,864	31,186,364	3,756,820	\$ 5,199.22 \$511.92 / year
Total 20 Years	\$50,725,000	\$22,975,255	\$73,700,255	\$10,579,333	\$11,999.46 \$599.97 / year

Residential Tax Impact Estimate

Calculate
Your tax
Impact



Year 1
\$719.20
\$179.80 / qtr.

Debt Exclusion Stabilization fund pays 14.35% of debt over the 20 years



Shaker Lane Project Timeline

As of August 6, 2025

Total process 2nd application to project closeout

- 2020 to May 2030
- approximately 10 years

Total process 1st application to project closeout

- 2017 to May 2030
- approximately 13 years

Date(s)	Description
2017	Original Application to MSBA - denied
2020	2 nd Application to MSBA
2022	Application approved
June 2022	Project begins
July 2023 - May 2024	OPM and Architect selected
June 2024 - Aug 2024	Preliminary design phase
Dec 2024 - Feb 2025	Preferred Schematic Design phase
Feb 2025 - Aug 2025	Schematic Design phase
August 27, 2025	Project approved by MSBA Board
October 28, 2025	Town Meeting Vote
November 1, 2025	Debt Exclusion Ballot Vote
Dec 2025 - Dec 2027	Final design and project bidding
Dec 2027 - Dec 2029	Construction of school
Jan 2030 - May 2030	Project Closeout - bond issued

What If ...

If Project fails at upcoming Town Votes

Re-apply to MSBA in 2027 - Best Case

School not constructed until Dec 2036

10 years of cost escalation compounded at a 5% annual increase:

\$99,164,951 project cost of today becomes \$161,529,256 in 10 years

2027 to May 2037 (project closeout)

approximately 10 years start to finish or 12 years from the failed vote

Date(s)	Description
2027	Re-apply to MSBA
2029	Application approved
June 2029	Project begins
July 2030 - May 2031	OPM and Architect selected
June 2031 - Aug 2031	Preliminary design phase
Dec 2031 - Feb 2032	Preferred Schematic Design phase
Feb 2032 - Aug 2032	Schematic Design phase
August 2032	Project approved by MSBA Board
October 2032	Town Meeting Vote
November 2032	Debt Exclusion Ballot Vote
Dec 2032 - Dec 2034	Final design and project bidding
Dec 2034 - Dec 2036	Construction of school
Jan 2037 - May 2037	Project Closeout - bond issued

What if ..

Continue to Utilize Existing Shaker Lane School



Building Code Upgrades would be required when repairs exceed \$2.73 million over a 5-year period.



Code upgrades include life safety, energy, accessibility etc.



Does NOT solve space issues or meet District's Educational Plan



No MSBA Grant funds for building code upgrades



Estimated cost of code upgrades (July 2025) \$44 million

What If . . .

*Continue to Utilize Existing Shaker Lane School
Add Additional Space Through Modulars*

- Estimate of 11 Modular classrooms would be needed to provide added space necessary for Shaker Lane School
 - Estimated cost of \$6 million
 - Lose Most Play Area Around School Building
 - Does NOT Solve the Educational Needs Identified
 - No MSBA Funding
 - Some of the cost could be covered with School Building Stabilization Funds



What If ...

*Continue to Utilize Existing Shaker Lane School
Code Upgrade Process*

POSSIBLE SCENARIOS (Page 6)

The Project team has assembled a sample list of possible scenarios listed below. In most cases if one or two of these scenarios occur, project costs would exceed both the 521 CMR and the MGL CH 148 thresholds, adding to the project cost, full building compliance with 521 CMR (accessibility) and installation of a fire suppression system.

1. Boilers fail beyond repair and require replacement
2. Air conditioning units or generator fails
3. Fire control panel fails or ages out of replacement parts
4. Health Department escalates from citations to enforcement and requires finishes and equipment upgrades/installation
5. Modular classrooms are installed (including covered walk that does not connect to existing building)
6. Existing lift breaks and new code compliant elevator installed.
7. Roof fails beyond minor patching areas, requiring full roof replacement.

B F BUILDING,
FIRE &
A ACCESS, INC.

57 Brian Road • Lancaster, MA 01523



Image Credit - Building Fire & Access Inc.

SHAKER LANE ELEMENTARY SCHOOL
35 SHAKER LANE - LITTLETON, MA 01460
Triggering Report for Code Thresholds

Schematic Design

Prepared For:

Studio G Architects, Inc.
179 Boylston Street
Jamaica Plain, MA 02130

BFA # SGA 24-273

June 23, 2025

What If ...

*Continue to Utilize Existing Shaker Lane School
Code Upgrade Process*

- Building Code Upgrades would be required when repairs exceed \$2.73 million over a 5-year period.
- Need to relocate 414 children during building upgrade
 - Not something that can be done over summer vacation
 - Do we
 - Utilize modular classrooms for entire school? Location?
 - Shift grades to other schools to make room at Russell St for Pre-K to Grade 2 students? Impacts 1,700 students not just 414 from Shaker Lane
 - Resulting building would still be too small for educational plan
 - 22 Modular Classrooms would be needed to house 414 students at an estimated cost of \$12 million



What If ...

*Continue to Utilize Existing Shaker Lane School
Code Upgrades are Done*

- Cost of Code Upgrade - Debt Exclusion Override w/ No MSBA Grant Funds
 - \$44 million for building upgrade
 - \$12 million for 22 Modular Classrooms
 - \$56 million total project
- Less:
 - \$2 million bond premium
 - \$3 million School Building Stabilization Fund
 - \$51 million 10-year bond to be issued



What If ...

*Continue to Utilize Existing Shaker Lane School
Code Upgrades are Done*

Comparison of Alternatives

Code Upgrade w/ Modular Classrooms	\$51.0 million 10 Yr bond
New Construction	\$50.7 million 20 Yr bond
Code Upgrade w/ Modular Classrooms	1 st Year Tax Impact \$1,494.77
New Construction	1 st Year Tax Impact <u>\$719.20</u>
	1 st year variance \$775.57



- Need for new facility does not go away
- Additional debt exclusion (20 years) for new facility would still need to follow this 10-year period

Tax Assistance

Information on these programs can be found on both the Assessor's and Elder and Human Services department's webpages.

The Town offers several programs to assist residents that may qualify for tax relief.

- Tax Deferrals
- Real Estate Tax Exemptions
- CPA Tax Exemption
- Elderly, Surviving Spouse or Minor Child
- Senior Exemption
- Blind Persons Exemption
- Veteran's Exemption
- Senior Tax Work-off Program
- Tax Relief for Elders and the Disabled (TREAD) Fund.