

Taxpayer Costs Associated with Town Offices and Library Options

Holding Costs

1) Holding Cost to Move Town Offices to Lahey and Lease Modular Units for Library

	Gross Cost	Annual Cost to Average Taxpayer*	
Total Cost to Purchase and Renovate Lahey (\$1M in principal)**	\$ 1,950,000	\$ 44.59	a
Annual Cost to Maintain Lahey	\$ 25,269	\$ 17.34	b
Annual Cost to Lease Modulares	\$ 33,880	\$ 23.24	c
Annual Cost to Maintain Modulares	\$ 7,749	\$ 5.32	b
Annual Insurance Increase for Vacant Building Coverage	\$ 18,311	\$ 12.56	b
		\$ 103.05	

2) Holding Cost to Keep Town Offices and the Library in Current Building

Annual Cost to Maintain Existing Town Hall/Library	\$ 37,078	\$ 25.44	b
Cost to borrow \$600,000 to Address Health, Safety and Security Issues	\$ 645,000	\$ 88.50	d
Annual Cost for Emergency Repairs to Failing Building	??	??	
		\$ 113.94	+

Capital Costs

1) Capital Cost to Purchase/Renovate Lahey and Build New Library on Some Other Site

Cost to Purchase and Renovate Lahey (\$1M in principal)**	\$ 1,950,000	\$ 44.59	a
New Library at Present Fire Station Site w/ 50% State Grant (\$2.994M in principal)††	\$ 5,837,910	\$ 133.51	a
Without Grant for New Library (\$5.988M in principal)††	\$ 11,675,820	\$ 267.01	a
Total Cost / Cost Per Year w/Grant	\$ 7,787,910	\$ 178.10	
Total Cost / Cost Per Year without Grant	\$ 13,625,820	\$ 311.60	

2) Capital Cost to Keep Town Offices and Library in Current Building

Initial \$600,000 in Health, Safety and Security Work	\$ 645,000	\$ 88.50	d
Cost of Renovation, Including Necessary Addition (\$10.188M in principal)‡	\$ 19,866,795	\$ 454.33	a
Total Cost / Cost Per Year	\$ 20,511,795	\$ 542.83	

* The average taxpayer has an assessed property value of \$515,462.

** Above analysis assumes that North Shore Technical High School students are available to help renovate Lahey.

† Cost of Town Offices/Library at 24 Martin less \$1.5M since top floor would not be needed for Town Offices.

‡ Based upon 2012 preliminary construction estimates by Reinhardt Associates.

a = 30-year borrowing, b = annual operating budget, c = permanent override to annual budget, d = 5-year borrowing