



# TOWN OF TRURO

## Select Board Agenda Item

**DEPARTMENT:** Administration

**REQUESTOR:** Darrin Tangeman, Town Manager, and Jarrod Cabral, Public Works Director

**REQUESTED MEETING DATE:** October 17, 2024

**ITEM:** Discussion and Vote on 25 South Highland Unauthorized Demolition of Walsh Cottage Next Steps

**EXPLANATION:** The Town of Truro was notified that our General Contractor (GC), Cape Cod Builders, Inc., hired by the Town for the rehabilitation of the Cottage House Relocation and Upgrades Project located at 25 South Highland Road, went outside the Scope of the Project and demolished the Walsh Cottage without consulting the Town or the Town's Construction Administration Consultant, Weston & Sampson Engineer.

Immediately upon notification from the public, the Town's Department of Public Works (DPW) conducted a site visit the morning of Monday, October 7, 2024. Staff and the Construction Administration Team approached the GC, and the GC identified concerns with the structure that the Town, via Weston & Sampson Engineers, had been made previously aware of. Based on Weston & Sampson Engineers' Walsh Way Property Assessment Report from March 2022, the Town understood that the 25 South Highland Road Walsh Cottage required significant rehabilitation. As purported in the Weston & Sampson Engineers' Assessment Report, the cottage was a Sears and Roebuck Company kit home constructed between 1900 and 1940, and the structure was meant for seasonal summer occupancy, having uninsulated walls and attics and lacking heat entirely. Lacking continuous occupation, upkeep, and needed repairs, it was not habitable without substantial repair and renovations. Option #3: Phase Construction and Renovation, of the Assessment was selected, as it was the most feasible, cost effective, and least environmentally impactful option.

Currently, the demolition materials from the 25 South Highland Road Walsh Cottage are being delivered to MA Department of Environmental Protection (DEP) permitted facilities. There are three permitted facilities on the Cape and one off the Cape. Typically, the smaller

facilities on the Cape transport materials to an off Cape permitted facility. DPW found no asbestos insulation in the walls or on pipes and no lead lining in the chimneys. None of the material in containers at 25 South Highland Road is presently hazardous and will be tarped.

At today's special meeting, staff members will respond to Board and community questions to the best of their ability. Board members submitted questions through the Town Manager in advance of the meeting, which are outlined below:

**COSTS AND FUNDING: (Specifically, which grants are for which work, which grants have we received, which are pending and how much came from Housing Trust.)**

A \$900,000 Underutilized Properties Grant was secured in 2022 and executed in 2023 to address the following scope of work:

*The Town of Truro will demolish and remove blighted cottages from 69.9 acre Walsh Property, allowing for maximum housing development on the parcel. The most viable cottage will be preserved and will be relocated to existing Town-Owned property at 25 South Highland Road for use as Town of Truro workforce housing as an accessory dwelling unit, providing for 5-bedrooms on the 25 South Highland Road site. A second structure (a dwelling donated to the Town) will also be moved to the same parcel to serve as the primary dwelling on site to maximize housing by-right on the parcel. The scope of work includes: 1) move the viable cottage from the Walsh Property and the donated property to 25 South Highland Road ; 2) demolish remaining properties on the Walsh property and remove to clear way to maximum development; 3) perform all necessary sitework to ready 25 South Highland to receive the Walsh cottage and the donated dwelling; 4) construct new foundations; 5) perform all interior and exterior renovation/additions to the two dwellings; 6) run water, septic, and electric to the site and through two dwellings; 7) add new decks and stairs; 8) construct driveway, walkway and landscaping/ hardscaping; and 9) perform related design, construction administration, Secretary of Interiors Historic design compliance and roadway access survey/ other site survey.*

Additionally, \$433,824 of Truro Affordable Housing Trust Funds were granted by the Trustees (the Select Board) at the September 23, 2022 Truro Select Board meeting and an additional \$384,713.84 was granted at the May 14, 2024 Select Board meeting. Based on the bid amounts provided, these funds were projected to cover the cost of the move of both cottages to South Highland, the renovation of the Walsh cottage moved to South Highland, and the demolition and removal of the remaining Walsh cottages. Staff also submitted a grant for \$1,041,000 through the Community One Stop grant program, which, if awarded, would cover the costs of the Dennis cottage rehabilitation, thus completing the 25 South Highland

project and the clearing of the Walsh Property of the blighted cottages. The application status is currently in “final review” as of October 15, 2024 for the grant and staff is expecting a decision on the application in the coming days.

The funding plan was: The \$900K grant’s planned use was for the demo of the remaining Walsh property cottages, and the remodeling/rebuilding of Walsh the located at 25 So Highland. Septic, well, electrical service were included in that figure, as well as design and engineering. The \$818,537.84 from the AHTF was planned to be used for the Dennis studio, site investigation, house move, partial clearing and grubbing, design and engineering. The latest grant that is pending would be used for the Dennis studio. Design and bid documents are completed.

<b><i>Funding Sources:</i></b>	<b><i>\$900,000</i></b>	<b><i>Underutilized Properties Grant</i></b>
	<b><i>\$433,824</i></b>	<b><i>Truro Affordable Housing Trust Funds</i></b>
	<b><i>\$384,713.84</i></b>	<b><i>Truro Affordable Housing Trust Funds</i></b>
	<b><i>\$1,041,000</i></b>	<b><i>Potential Funding: Community One Stop</i></b>
<b><i>Total:</i></b>	<b><i>\$2,759,537.84</i></b>	

**Did we receive a MassWorks grant for the project? If yes, for what amount.**

No, we did not receive a MassWorks grant for this project. We received an Underutilized Properties Grant from MassDevelopment. Both MassWorks and the Underutilized Properties Grant are grants within the Community One Stop program, but they are from different funding agencies.

**To my knowledge, we have not signed a contract for renovation of the Dennis cottage. Where does that project stand? How much is that expected to cost and what is the planned financial source for that renovation work?**

See above.

**Are there any restrictions on the grant money used for the Walsh cottage and is that expenditure in jeopardy due to the demolition?**

The scope of work above is taken from the grant contract. Based on the language above, staff has placed a call to the grant manager from MassDevelopment to ask if the rebuild required by the unauthorized demolition would be an applicable use of the funds. We are awaiting a response.

**Are there are income restrictions attached to the AHTF allocation?**

Monies in the Affordable Housing Trust Fund come from two sources typically: CPA funds allocated at Town Meeting and Room Occupancy receipts that come into the Affordable Housing Stabilization Fund as authorized by Town Meeting and are then transferred into the Affordable Housing Trust Fund by Town Meeting. While CPA funds can be used only for housing serving residents at 100% AMI or less, there is no similar AMI requirement associated with the Room Occupancy receipts. Those two sources are tracked when they enter the AHTF and through their expenditures to ensure that the fund uses comply with the requirements. The funds allocated for this project were specifically tracked as the Room Occupancy receipts.

**How much did the move cost for both houses and how was that paid?**

The Walsh House was funded with part of the 900K state grant for \$75,555. The Dennis studio was funded with part of our AHTF request for \$108,955.

**What is the breakdown of renovation costs for each of the cottages: Walsh and the Dennis cottage?**

The Walsh cottage with the sub bids included \$1,139,234. The Dennis Studio with sub bids \$825,538.

**Was the Walsh cottage given a thorough inspection within a few months prior to the move — not the original W&S inspection? If so, was it still considered viable for renovation?**

The Walsh property and the Dennis studio were evaluated prior to the move by Weston & Sampson and again separately with the movers. (Report from Weston & Sampson attached).

**The contract the Select Board approved in June for the work was pro forma. Was there anything in the RFP that led the contractor to believe it had the authority to demolish the structure without permission? Was there any communication with the town about the need to demolish any part of the cottage prior to the demolition? Walk me through the timeline and communication between the Town and the contractor leading up to the demolition of the property. Date range of Monday September 30 through Tuesday, October 8th.**

We had nothing in our invitation for bid that would indicate complete demolishing of the Walsh Cottage with Town permission. At our biweekly team meeting on October 1, we discussed partial demolition that included an exterior wall and the kitchen. We requested submittals before it could be done – sketch/how/move. On Monday morning, October 7<sup>th</sup>,

the building was gone, we held a conference call with CCB to discuss their reasoning. They cited unsafe conditions, mold, dry rot, different size framing or no framing floor 4" out of level and out of square, and claimed it wouldn't fit on foundation properly. CCB supplied pictures.

**What are the options going forward for replacing this cottage? Who will do the work and for what amount of money?**

CCB has committed to rebuild the Walsh cottage while incorporating any reusable wood from the unauthorized demo into the new cottage with the with the remaining funds under the existing contract balance: \$712,684.

**Did the original Walsh committee opine on saving this cottage and, when was cottage designated as a historical building and worthy of preserving? Who (which Board, Committee or Society) made this designation?**

Originally the Walsh Committee had discussed saving the cottages which led us to do a more in-depth evaluation of the cottages by W&S in March of 2022. From that evaluation and subsequent site visits with W&S and the mover it was noted that #13 would be the best to move.

**What date was the building was evaluated, decision made to be moved, and what date was the building actually moved?**

In March 2022, Weston & Sampson completed the Walsh Way Property Assessment Report. At the August 23, 2022 Select Board meeting, the Board designated 25 South Highland Road for the permanent placement of Town-owned housing structures for the purposes of Town of Truro employee transitional and seasonal housing. At the February 13, 2024 Select Board meeting, the Board approved and signed the building move permits. The move took place on February 21 and 22, 2024 for both cottages.

**What specifically was salvaged for use, and what are the issues which made the rest of the building not salvageable?**

Some of the interior and exterior wood framing and floor joists can be restored and reused and incorporated into the new structure. The materials that were not salvageable were dry rotted, moldy, not square, or not compliant with framing or joist size needed.

**Why was this situation brought up during public comment rather than as part of Town Manager report?**

Staff discussed this and felt that because of the public interest and the fact that the Town Manager's report is at the end of the meeting (when public participation and viewing can sometimes wane), more of the public would receive the information if it was presented in public comment at the top of the meeting.

**What is the contractor's liability?**

As part of the bid announcement CCB was required to submit Commercial General liability Insurance that includes property damages. The bid announcement also includes a Bid Bond which secures the total amount of the contract unless there is a change order that requires an increase in cost that both the Town and contractor agree on.

**FINANCIAL SOURCE (IF APPLICABLE):** See above.

**IMPACT IF NOT APPROVED:** If no direction is provided at this meeting, the project will be on hold until the Board determines how it will proceed at a subsequent meeting.

**SUGGESTED ACTION:** MOTION TO direct staff to send Cape Cod Builders Inc a Notice of Violation, and, upon confirmation from MassDevelopment that the work is within the scope of the grant, to work with Town Counsel to pursue a change order with the contractor requiring a rebuild of the cottage at a cost not to exceed the original contract amount.

**ATTACHMENTS:**

1. Weston & Sampson Walsh Way Property Assessment Report: [https://www.truro-ma.gov/sites/g/files/vyhlf9766/f/uploads/walsh\\_way\\_property\\_assessment\\_report\\_-\\_weston\\_sampson\\_3-2022\\_0.pdf](https://www.truro-ma.gov/sites/g/files/vyhlf9766/f/uploads/walsh_way_property_assessment_report_-_weston_sampson_3-2022_0.pdf)
2. Press Release: *25 South Highland Road Walsh Cottage Unauthorized Demolition (October 10, 2024)*