

SELECT BOARD MEETING

Monday, December 8, 2025

Select Board Meeting Room, 1625 Massachusetts Avenue, Lexington, MA 02420 - Hybrid Participation*
6:30 PM

AGENDA

PUBLIC COMMENTS

Public comments are allowed for up to 10 minutes at the beginning of each meeting. Each speaker is limited to 2 minutes for comment. Members of the Board will neither comment nor respond, other than to ask questions of clarification. Speakers are encouraged to notify the Select Board's Office at 781-698-4580 if they wish to speak during public comment to assist the Chair in managing meeting times.

SELECT BOARD MEMBER CONCERNS AND LIAISON REPORTS

1. Select Board Member Announcements and Liaison Reports
2. Lexington High School Project Update to Board

TOWN MANAGER REPORT

1. Town Manager Weekly Update

CONSENT AGENDA

1. Approve: Battle Green Use Request - Lexington History Museums
 - Historical Reenactment of Lexington Tea Party - Saturday, December 13, 2025
2. Accept: Select Board Committee Resignation
 - Housing Partnership Board - Charles Hornig
 - Transportation Advisory Committee - Nisahnth Veeragandham
 - Vision for Lexington - Daniel Joyner
3. Approve: Select Board Committee Appointments
 - Housing Partnership Board - Sandra Hackman
 - Housing Partnership Board - Michael Schanbacher
4. Approve: Town Manager Committee Appointment
 - Conservation Commission - Thomas Oliver
5. Approve: 2026 Common Victualler License Renewals
 - Akame Nigiri and Sake - 1707 Massachusetts Avenue #2
 - Alexander's Pizza - 180 Bedford Street
 - Aloft Hotel - 727 Marrett Road
 - Beijing Chinese Dining - 1709 Massachusetts Ave
 - Bruegger's Bagels - 413 Waltham Street
 - Clay Oven Indian Restaurant - 1666 Massachusetts Avenue
 - Coco Fresh Tea and Juice - 1764 Massachusetts Avenue
 - Craft Food Hall - 10 Maguire Road
 - Dunkin Donuts - 10 Woburn Street

- Dunkin Donuts - 141 Massachusetts Avenue
- Dunkin Donuts - 277 Bedford Street
- Element Hotel - 727 Marrett Road
- Fiorella's Trattoria - 25 Waltham Street
- il Casale - 1727 Massachusetts Avenue
- Inn at Hastings Park - 2013-2027 Massachusetts Avenue
- Inspire Bowl n Tea - 1686 Massachusetts Avenue
- Fruitee Yogurt - 1707 Massachusetts Avenue
- Lexington Golf Club - 55 Hill Street
- Love at First Bite Thai Kitchen - 1710 Massachusetts Avenue
- Mario's Italian Restaurant - 1733 Massachusetts Avenue
- McDonald's - 690 Marrett Road
- Pine Meadows Golf Club - 255 Cedar Street
- Post 1917 - 27 Waltham Street
- Qdoba Mexican Eats - 46 Bedford Street
- Rancatore's Ice Cream and Yogurt - 1752 Massachusetts Avenue
- Revival Café + Kitchen - 1729 Massachusetts Avenue
- Revolution Hall - 3 Maguire Road
- Royal India Bistro - 7 Meriam Street
- Starbucks #7553 - 60 Bedford Street
- Taipei Gourmet - 211 Massachusetts Avenue
- Tatte Bakery & Cake - 1777 Massachusetts Avenue
- The Hangar (Chef Louie's) - 103 Hartwell Ave
- The Upper Crust - 41 Waltham Street
- The Vintage Tea and Cake Company - 21 Muzzey Street
- Wicked Bagel - 171 Massachusetts Avenue

6. Approve: 2026 Entertainment License Renewals

- Aloft Hotel - 727 Marrett Road
- Beijing Chinese Dining - 1709 Massachusetts Avenue
- Clay Oven Indian Restaurant - 1666 Massachusetts Avenue
- Element Hotel - 727 Marrett Road
- Il Casale - 1727 Massachusetts Avenue
- Inn at Hastings Park - 2013-2027 Massachusetts Avenue
- Love at First Bite Thai Kitchen - 1710 Massachusetts Avenue
- Post 1917 - 27 Waltham Street
- Revolution Hall - 3 Maguire Road
- Spirit of India - 321 Marrett Road
- Starbucks #7553 - 60 Bedford Street
- Thai Room - 182 Bedford Street
- The Upper Crust - 41 Waltham Street

7. Approve: 2026 Class I/II/III License Renewals

Class I:

- Lexington Toyota - 409 Massachusetts Avenue

Class II:

- A to Z Auto Wholesale - 20 Vine Street
- Auto and Diesel Sales - 75 Westview Street
- Auto Engineering - 436 Marrett Road
- Lexington Auto Center, Inc. - 1095 Massachusetts Avenue
- Lexington Auto Service, Inc. - 39 Bedford Street

- Mabuchi Motorcars - 401 Lowell Street
- Minutemen Auto Haus - 6 Fulton Road

Class III:

- John P. Carroll Company Inc. - 700 Waltham Street

8. Approve: 2026 Common Carrier License Renewal

- Boston Hidden Gems, Inc - 21 Cawfield Street, Boston MA

9. Approve: 2026 Innholder License Renewals

- Aloft Lexington - 727 Marrett Road A
- Element Lexington - 727 Marrett Road B
- Inn at Hastings Park - 2013-2027 Massachusetts Avenue

10. Approve: 2026 Liquor License Renewals

All Alcohol Restaurants

- Beijing Cuisine - 1709 Massachusetts Avenue
- Clay Oven - 1666 Massachusetts Avenue
- Il Casale - 1727 Massachusetts Avenue
- Ixtapa Cantina - 177 Massachusetts Avenue
- Love at First Bite - 1710 Massachusetts Avenue
- Post 1917 - 27 Waltham Street
- Revolution Hall - 3 Maguire Road
- Royal India - 7 Meriam Street

All Alcohol Innholder

- Aloft Hotel - 727 Marrett Road - A
- Element Hotel - 727 Marrett Road - B
- Inn at Hastings Park - 2013-2027 Massachusetts Avenue

Wine/Malt Restaurants

- Akame Nigiri & Sake - 1707 Mass Ave Unit 2
- Daikanyama - 43 Waltham Street
- Fiorellas - 25 Waltham Street
- Marios 1733 Mass Ave
- Taipei Gourmet - 211 Mass Ave
- Upper Crust - 41 Waltham Street
- The Vintage Tea and Cake Company - 21 Muzzey Street

Package Stores

- Berman's - 55 Massachusetts Ave
- Lexington Wine & Spirits - 186 Bedford Street, unit
- Liberty Wine and Spirits - 335 Woburn Street
- Vinebrook Bottle - 131 Massachusetts Ave
- Neillio's - 55 Bedford Street

Clubs

- Lexington Golf Club - 55 Hill Street
- Lexington Elks - 959 Waltham Street
- Knights of Columbus - 177 Bedford Street

11. Approve: Tax Bill Insert - Senior Tax Deferral Program

ITEMS FOR INDIVIDUAL CONSIDERATION

1. Presentation: Nexus Study Non-Residential Development Surcharge for Affordable Housing 6:45pm
2. Application: Liquor License Change of Manager Amendment - Fiorella's Lexington LLC 8:05pm
3. Status: Article 97 Filing for Lexington High School Project 8:10pm

ADJOURN

1. Anticipated Adjournment 8:15pm

Meeting Packet: <https://lexington.novusagenda.com/agendapublic/>

*Members of the public can attend the meeting from their computer or tablet by clicking on the following link at the time of the meeting: <https://lexingtonma.zoom.us/j/82013535294?pwd=mGvKYC9PHOT8ByUHHa0a18jNRhRXpf.1>

Phone +1 646 876 9923

Meeting ID: 820 1353 5294

Passcode: 848540

An Act Relative to Extending Certain State of Emergency Accommodations:
<https://www.mass.gov/the-open-meeting-law>

The next Select Board will be held on Monday, December 15, 2025 at 6:30pm via hybrid participation.

Hearing Assistance Devices Available on Request

All agenda time and the order of items are approximate and subject to change.



AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Select Board Member Announcements and Liaison Reports

PRESENTER:

Jill Hai, Select Board Chair

ITEM NUMBER:

LR.1

SUMMARY:

Under this item, Select Board Members can provide verbal updates, make announcements, as well as comment on any additional points or concerns.


SUGGESTED MOTION:

FOLLOW-UP:

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

ATTACHMENTS:

Description	Type
 12082025_Select Board Announcements and Liaison Reports	Backup Material

Select Board Announcements and Liaison Reports – December 8, 2025

Jill Hai, Chair

The sustainable Lexington committee sent an email requesting that we submit a letter of support regarding three sustainability-related bills that are currently pending in the legislature.

Maggie Peard, our Sustainability Director, has reviewed the bills and is also in support. In order to expedite the letter, Mr. Bartha will draft and send it on behalf of the Town.

(request letter attached)

Nov 5, 2025

Dear members of the Select Board,

There are a handful of complementary bills being proposed in this session of the Massachusetts legislature that together would strengthen local control over utility work, save money by improving coordination with municipal infrastructure projects, and prepare communities for a cleaner, more affordable energy future. The Sustainable Lexington Committee recommends that the Select Board support these measures and help ensure that our town has a clear voice in how utilities operate within our streets, can plan more efficiently across departments, and can potentially participate in new clean-thermal initiatives in the future without taking on new administrative burdens or forming a municipal light plant.

The bills are summarized as follows:

- **S.2248 / H.3446 – “An Act Relative to Municipal Voices in Gas Utility Work”**
 - Strengthens local authority over gas-utility street work by requiring utilities to share detailed project data, align schedules with municipal infrastructure plans, and restore streets promptly. Gives towns the right to condition consent and petition the Department of Public Utilities (DPU) if utilities fail to comply.
- **H.3564 – “An Act Relative to Infrastructure Replacement Projects”**
 - Expands coordination between municipalities and utilities on gas and related infrastructure replacement projects. Aims to reduce redundant excavation, improve safety, and ensure replacement work aligns with local paving, sewer, and broadband efforts.
- **S.2249 / H.3539 – “An Act Relative to a Tactical Transition to Affordable, Clean Thermal Energy”**
 - Establishes a pathway for communities to transition from fossil-gas systems to clean, non-emitting thermal networks (e.g., networked geothermal). Encourages municipal participation in pilot projects and partnerships with utilities to lower heating costs and emissions.

Supporting **S.2448/H.3446**, **H.3564**, and **S.2249/H.3539**, gives municipalities a practical toolkit to manage the state’s energy transition on their own terms. Together, these bills empower towns to better coordinate infrastructure work, protect local roads and trees, and participate in the shift toward cleaner, more efficient heating. **S.2448/H.3446** ensures that when gas companies open streets or replace aging pipes, towns receive detailed project information and have the authority to align that work with local paving, sewer, or broadband schedules. **H.3564** builds on that by requiring utilities to coordinate broader infrastructure replacement projects with municipalities, reducing redundant excavation and saving taxpayer money. These two bills alone create a level of transparency and planning control that simply doesn’t exist today.

S.2249/H.3539, co-sponsored by Lexington’s House delegation, extends those same benefits into the future by preparing the groundwork for clean, non-emitting thermal networks —

neighborhood-scale systems that provide heating and cooling through shared underground loops. While Lexington has already participated in one feasibility study for thermal networks, this bill would allow Lexington to build on that and more easily partner with utilities, developers, or regional energy cooperatives to host pilot projects, attract state funding, and reduce dependence on fossil gas infrastructure. By supporting this bill, Lexington can better position our town to participate in the transition to affordable, clean heating options — lowering energy costs and making residents eligible for emerging incentives tied to the Commonwealth's decarbonization goals.

Taken together, these bills shift energy planning from something done *to* municipalities to something done *with* them. They give towns a seat at the table, stronger tools for coordination, and new opportunities to pilot sustainable infrastructure without creating new administrative burdens. Enacting **S.2448/H.3446**, **H.3564**, and **S.2249/H.3539** means gaining leverage to protect local assets, reducing wasteful utility disruptions, and ensuring that as Massachusetts transitions its energy systems, our town and residents can benefit can help shape the path — not simply react to it.

The Sustainable Lexington Committee feels that this is an important opportunity for the Town of Lexington to advocate for municipal empowerment that is especially in support of our climate goals. The Committee advises the Select Board to provide a brief letter of support for these bills to the Joint Committee on Telecommunications, Utilities and Energy (TUE) via email to Senate TUE staff Benjamin Minerva at ben.minerva@masenate.gov and House TUE staff at HC194onTelecommunicationsUtilitiesandEnergy@mahouse.gov.

Respectfully,
Cindy Arens
Chair, Sustainable Lexington Committee

AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Lexington High School Project Update to Board

PRESENTER:

Joe Pato

ITEM NUMBER:

LR.2

SUMMARY:

Under this standing item, the Select Board will share general updates on the Lexington High School Project, including progress reports, key milestones, and upcoming actions. This item is intended to provide regular updates to the community on the project's status and next steps.

Public comment will not be taken on this item.

For additional information and live updates, visit the project website: www.lhsproject.lexingtonma.org

SUGGESTED MOTION:

FOLLOW-UP:

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Town Manager Weekly Update

PRESENTER:

Steve Bartha, Town Manager

**ITEM
NUMBER:**

TM.1

SUMMARY:

Under this item, the Town Manager can provide verbal updates, make announcements, as well as comment on any additional points or concerns.

SUGGESTED MOTION:

FOLLOW-UP:

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Approve: Battle Green Use Request - Lexington History Museums

PRESENTER:

Jill Hai, Select Board Chair

ITEM NUMBER:

C.1

SUMMARY:

Category: Decision-Making

The Lexington History Museums, in collaboration with Lexington Minute Men, have requested permission from the Select Board for use of the Battle Green on Saturday, December 13, 2025 from 12:00pm to 1:30pm as part of a Reenactment of Lexington's historic 1773 Tea Burning as follows:

- Lexington Minute Men (LMM) Members march from the Visitors Center Lawn to the Common to conduct a musket drill of marching and aiming weapons (weapons will not be fired during this drill) and complete the manual of arms between approximately 12:00pm and 12:30pm;
- LMM parade around the Common, re-form ranks, conduct memorial and honor salute for "Lexington's Ten", following a roll call of names;
- LMM parades back to the Visitors Center Lawn for Tea Burning Reenactment.

A Special Event Permit application has been submitted to the Town Manager's Office by the Lexington History Museums for the use of the Visitors Center Lawn on Saturday, December 13, 2025.

The Town Manager's Office, Police Department, Department of Public Works, and the Fire Department have no objections to this request.

SUGGESTED MOTION:

To approve the request of the Lexington History Museums, in collaboration with Lexington Minute Men, to use the Battle Green on Saturday, December 13, 2025 from 12:00pm to 1:30pm for the Lexington Minute Men to perform a musket drill, as well as perform marching and other demonstrations on the Common.

Move to approve the consent.

FOLLOW-UP:

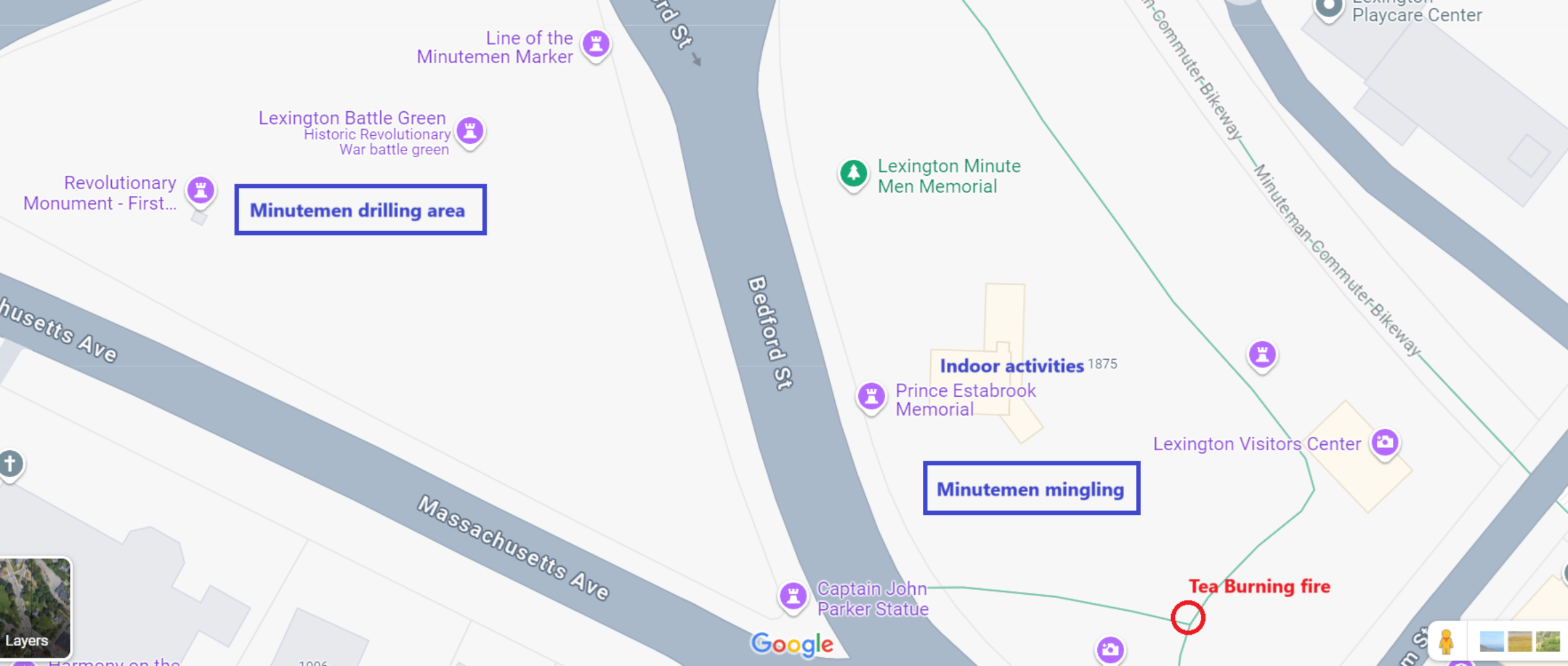
Select Board Office.

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

ATTACHMENTS:

Description	Type
 Tea Burning Diagram	Backup Material



Revolutionary Monument - First...

Lexington Battle Green
Historic Revolutionary War battle green

Minutemen drilling area

Line of the Minutemen Marker

Bedford St

Lexington Minute Men Memorial

Prince Estabrook Memorial

Indoor activities 1875

Minutemen mingling

Lexington Visitors Center

Captain John Parker Statue

Tea Burning fire

Lexington Playcare Center

Massachusetts Ave

Massachusetts Ave

Google



AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Accept: Select Board Committee Resignation

PRESENTER:

Jill Hai, Select Board Chair

ITEM NUMBER:

C.2

SUMMARY:

Category: Decision-Making Resignation:

Hanscom Area Town Committee (HATS)

The Select Board is being asked to accept the resignation of Charles Hornig from the Hanscom Area Town Committee effective immediately.

Housing Partnership Board

The Select Board is being asked to accept the resignation of Charles Hornig from the Housing Partnership Board effective immediately.

Transportation Advisory Committee

The Select Board is being asked to accept the resignation of Nisahnth Veeragandham from the Transportation Advisory Committee effective immediately.

Vision for Lexington

The Select Board is being asked to accept the resignation of Daniel Joyner from the Vision for Lexington Committee effective immediately.

SUGGESTED MOTION:

To accept the resignation of Charles Hornig from the Hanscom Area Town Committee & the Housing Partnership Board, effective immediately.

To accept the resignation of Nisahnth Veeragandham from the Transportation Advisory Committee & Daniel Joyner from the Vision for Lexington Committee, effective immediately.

Move to approve the consent.

FOLLOW-UP:

Select Board Office.

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

ATTACHMENTS:

Description		Type
📎	2025.11.21 Charles Hornig - HanscomArea Towns Committee	Backup Material
📎	2025.11.21 Charles Hornig - Housing Partnership Board	Backup Material
📎	2025.11.13 Nisahnth Veeragandham- Transportation Advdory Committee	Backup Material
📎	2025.12.02 Daniel Joyner - Vision for Lexington	Backup Material



Outlook

HATS planning board member

From Charles Hornig (Town) <|>
Date Thu 11/20/2025 4:44 PM
To Mark Sandeen <>; Clerk's Office <Clerk@lexingtonma.gov>
Cc Select Board
<selectboard@lexingtonma.gov>

I hereby resign as the Planning Board's representative to the Hanscom Area Towns Committee, effective immediately.



Outlook

HPB planning board member

From Charles Hornig (Town) <>

Date Thu 11/20/2025 4:46 PM

To 'Wendy Manz' <>; Clerk's Office <Clerk@lexingtonma.gov>

Cc Select Board
<selectboard@lexingtonma.gov>

I hereby resign as the Planning Board's representative to the Housing Partnership Board, effective on November 21, 2025.

The Planning Board nominated Michael Schanbacher to replace me at their meeting of November 19, 2025.

Dear Select Board,

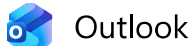
I am writing to formally resign from the Transportation Advisory Committee, effective immediately. Unfortunately, I am not attending college within a reasonable proximity to be involved in town affairs as I'm attending college in San Luis Obispo California.

It has been my privilege for the past three years to contribute to meaningful discussions and initiatives addressing transportation challenges at the school district, town, and regional levels. The opportunity to collaborate with such thoughtful, dedicated members has deepened my understanding of civic engagement and strengthened my appreciation for the important role that transportation plays in shaping an inclusive and accessible community.

Even though I am stepping away from this role, my commitment to supporting safe, reliable, and equitable public transportation remains strong regardless of the area I live in. For years to come, I will continue to be an advocate for equitable, sustainable, and community-driven transportation solutions within Lexington and beyond.

I am deeply grateful to have been given the chance to work on this committee, and I look forward to seeing what's next for transportation within the town of Lexington.

Sincerely,
Nishanth Veergandham



Re: Resignation from Vision for Lexington Committee

From: Dan J <daniel.joyner@lexingtonma.gov>
Sent: Wednesday, November 26, 2025 9:00 AM
To: Select Board <selectboard@lexingtonma.gov>; Vision for Lexington <visionforlex@lexingtonma.gov>
Cc: Town Manager <Manager@lexingtonma.gov>; Margaret Coppe
Subject: Resignation from Vision for Lexington Committee

Dear Jill and Margaret,

I am writing to formally resign from my position on the Vision For Lexington Committee, effective December 1, 2025. This decision comes as I will be relocating for employment reasons.

It has been an honor and privilege to serve on this committee for the past five years. During this time, I have had the opportunity to work alongside dedicated individuals who share a deep commitment to Lexington's future. One of the highlights of my service was participating in the hiring process for the Communications Director—an experience that reinforced my appreciation for the thoughtful, collaborative approach this committee brings to important decisions.

I am grateful for the opportunity to contribute to the vision and direction of our community, and I leave with great confidence in the committee's continued work. The insights I've gained and relationships I've built during my tenure will stay with me.

Thank you for your leadership and for the opportunity to serve the Town of Lexington in this capacity. I wish the committee and the Select Board continued success in all future endeavors.

Best Regards,
Daniel Joyner

On Thu, Feb 11, 2021 at 10:26 AM Dan J <daniel.joyner@lexingtonma.gov> wrote:

To whom it may concern,

Im excited to submit my application for the 20/20 Vision Committee. I do like to think strategically, have a broad range of analytic skills, enjoy working with a diverse group of residents with complementary skills, and am willing to commit the time to committee activities. I have purported to find precisely this kind of group through my involvement with ABCL and the Human Rights Committee. I am pleased to know that such a group as the 20/20 vision committee exists and am excited to submit my application. Please see it and my resume attached.

Regards, Daniel Joyner

AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Approve: Select Board Committee Appointments

PRESENTER:

Jill Hai, Select Board Chair

ITEM NUMBER:

C.3

SUMMARY:

Category: Decision-Making

Appointment:

Housing Partnership Board

- In accordance with the HPB Charge, the Council on Aging has recommended Sandra Hackman for consideration of appointment to the HPB. The HPB has reviewed Ms. Hackman's application and feels she would be a welcome asset to the committee. The Select Board is being asked to appoint Sandra Hackman to the Housing Partnership Board to fill an unexpired term ending on September 30, 2028.

Housing Partnership Board

- The Planning Board has recommended Michael Schanbacher to fill the Planning Board member seat on the Housing Partnership Board. The Select Board is being asked to appoint Michael Schanbacher to the Housing Partnership Board to fill the unexpired term ending on September 30, 2027, previously held by Charles Hornig.

SUGGESTED MOTION:

To appoint Sandra Hackman to the Housing Partnership Board to fill a term ending on September 30, 2028, effective immediately.

To appoint Michael Schanbacher to the Housing Partnership Board to fill the term ending on September 30, 2027, effective immediately.

Move to approve the consent.

FOLLOW-UP:

Select Board Office.

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

ATTACHMENTS:

Description	Type
☐ HPB Feedback - Hackman	Backup Material
☐ COA Nomination - Hackman	Backup Material
☐ Planning Board Recommendation - M. Schanbacher	Backup Material

Online Form Submittal: Contact Us - Select Board

From noreply@civicplus.com <noreply@civicplus.com>

Date Thu 11/6/2025 12:24 PM

To Select Board <selectboard@lexingtonma.gov>

Contact Us - Select Board

Your Name	WendyManz
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Your Email	
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Subject	Appointment of Sandra Hackman to the Housing Partnership Board
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Message	Lexington Housing Partnership Board 1625 Massachusetts Avenue Lexington, MA 02420
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Lexington Select Board 1625 Massachusetts Avenue
Lexington, MA 02420

November 6, 2025

To the Select Board:

The Council on Aging has nominated Sandra Hackman for the COA's designated seat on the Housing Partnership Board. Since the resignation of John Zhao from this position, Sandra has been attending the HPB meetings as an informal liaison. Prior to moving to Lexington, she served for a number of years on the Bedford Planning Board and in other community roles, and she has knowledge and experience related to housing issues. She has been an active participant (non-voting) on the HPB, and we would be pleased to welcome her as a full member of our Board.

Sincerely yours,

Wendy Manz, Chair Lexington Housing Partnership Board

Attach a File (Optional)	<i>Field not completed.</i>
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Outlook

RE: Confirmation: COA Nomination to Housing Partnership Board Appointment

From Julie Shapiro <jas@shapiro.com>

Date Wed 12/3/2025 9:13 AM

To Samantha Lino <slino@lexingtonma.gov>; johnzhaol@lexingtonma.gov <johnzhaol@lexingtonma.gov>

Hi Samantha,

Yes, the COA voted and has nominated Sandra Hackman to be a full voting member of the HPB.

Thank you very much, and please let us know if you need anything else.

Julie-Ann Shapiro

From: Carolyn Morrison <cmorrison@lexingtonma.gov>

Sent: Thursday, November 20, 2025 4:26 PM

To: Lisa M. Maguire <lmaguire@lexingtonma.gov>; Kim Katzenback <kkatzenback@lexingtonma.gov>;
Samantha Lino <slino@lexingtonma.gov>

Cc: Abigail McCabe <amccabe@lexingtonma.gov>

Subject: Planning Board HATS and HPB liaison reassignments

Hi Lisa, Kim, and Sam,

At the Planning Board meeting last night (11/19), Charles Hornig stated his intent to resign from the Housing Partnership Board (HPB) and Hanscom Area Towns Committee (HATS). The Board unanimously voted to recommend Michael Schanbacher complete Mr. Hornig's term on both these committees.

Thanks!

Carolyn Morrison
Planning Coordinator

Town of Lexington
1625 Massachusetts Avenue
Lexington, MA 02420
781-698-4565

AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Approve: Town Manager Committee Appointment

PRESENTER:

Jill Hai, Select Board Chair

ITEM NUMBER:

C.4

SUMMARY:

Category: Decision-Making

The Town Manager, at the suggestion of the Conservation Administrator and Chair of the Commission, would like the Select Board to approve the appointment of Thomas Oliver to the Conservation Commission. Mr. Oliver's term is effective immediately and will expire March 31, 2028.

SUGGESTED MOTION:

To confirm the Town Manager's appointment of Thomas Oliver to the Conservation Commission with a term set to expire March 31, 2028.

FOLLOW-UP:

Town Manager's Office.

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

ATTACHMENTS:

Description	Type
□ T. Oliver	Backup Material

Application Form

Profile

Attendance to a regularly scheduled meeting of the board or committee of interest is strongly encouraged when considering applying for membership. All committee meetings are open to the public and are posted at least 48 hours in advance of the meeting in our www.lexingtonma.gov/calendar.

If you are appointed to the board or committee for which you have applied, information from this application will be used to contact you regarding your appointment from the appointing authority as well as the Town Clerk’s Office. Please do not offer information on this application you would prefer we not use.

Applications will be kept on file and considered as vacancies occur for up to six months unless otherwise noted.

If you have any questions or need more information regarding the completion of the application, please contact either the Select Board Office at 781-698-4580 or the Town Manager’s Office at 781-698-4540.

Thomas	T	Olivier
First Name	Middle Initial	Last Name

Nickname

Tom

Preferred Title (i.e. Mr., Ms., Mx., Dr., Rev)

Mr.

[Redacted]

Email Address

Alternate Email Address (Optional)

[Redacted]	
Home Address	Suite or Apt

Lexington	MA	02420
City	State	Postal Code

Length of Residence in Lexington (Note: ZBA requirement is a minimum of 8 years)

28 years

What Precinct do you live in?

☒ Precinct 1

Mobile: [Redacted]	
Primary Phone	Alternate Phone

Retired

Employer

Job Title

Work Address

Which Boards would you like to apply for?

Conservation Commission: Submitted

Interests & Experiences

Please tell us about yourself and why you want to serve.

Special Training and/or Qualifications

Over 30 years as environmental attorney at US Environmental Protection Agency, enforcing environmental statutes and regulations. Four years as law firm associate in land use, real estate, and town counsel practice.

Upload a Resume

Why are you interested in serving on a board or commission?

Lexington's open space and wetlands are invaluable resources that need management and protection. I think the Conservation Commission's work is essential, and I would like to be of assistance now that I am retired from EPA.

How did you hear about the board or commission for which you are applying?

As part of my work as an attorney, I am aware of the role and functions of town conservation commissions, and have represented clients before conservation commissions and other town bodies.

Have you recently attended any meetings of the board or committee for which you are applying?

☒ Yes ☐ No

Have you confirmed your availability to attend the board or committee's meetings? (i.e. can attend at the time the committee regularly meets)

☒ Yes ☐ No

Do you currently serve on another board or committee?

☐ Yes ☒ No

If yes, please list date of most recent Conflict of Interest Law Training.

AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Approve: 2026 Common Victualler License Renewals

PRESENTER:

Jill Hai, Select Board Chair

ITEM NUMBER:

C.6

SUMMARY:

Category: Decision-Making

The Select Board is being asked to approve the 2026 Annual Common Victualler License renewals. The Select Board Office is in receipt of all of the required documentation and departmental reviews with sign-offs for the renewals of the following businesses holding a Common Victualler License:

- Akame Nigiri and Sake - 1707 Massachusetts Avenue #2
- Alexander's Pizza - 180 Bedford Street
- Aloft Hotel - 727 Marrett Road
- Beijing Chinese Dining - 1709 Massachusetts Ave
- Bruegger's Bagels - 413 Waltham Street
- Clay Oven Indian Restaurant - 1666 Massachusetts Avenue
- Coco Fresh Tea and Juice - 1764 Massachusetts Avenue
- Craft Food Hall - 10 Maguire Road
- Dunkin Donuts -10 Woburn Street
- Dunkin Donuts - 141 Massachusetts Avenue
- Dunkin Donuts - 277 Bedford Street
- Element Hotel - 727 Marrett Road
- Fiorella's Trattoria - 25 Waltham Street
- il Casale - 1727 Massachusetts Avenue
- Inn at Hastings Park - 2013-2027 Massachusetts Avenue
- Inspire Bowl n Tea - 1686 Massachusetts Avenue
- Fruitee Yogurt - 1707 Massachusetts Avenue
- Lexington Golf Club - 55 Hill Street
- Love at First Bite Thai Kitchen - 1710 Massachusetts Avenue
- Mario's Italian Restaurant - 1733 Massachusetts Avenue
- McDonald's - 690 Marrett Road
- Pine Meadows Golf Club - 255 Cedar Street
- Post 1917 - 27 Waltham Street
- Qdoba Mexican Eats - 46 Bedford Street
- Rancatore's Ice Cream and Yogurt - 1752 Massachusetts Avenue
- Revival Café + Kitchen - 1729 Massachusetts Avenue
- Revolution Hall - 3 Maguire Road
- Royal India Bistro - 7 Meriam Street
- Starbucks #7553 - 60 Bedford Street

- Taipei Gourmet - 211 Massachusetts Avenue
- Tatte Bakery & Cake - 1777 Massachusetts Avenue
- The Hangar (Chef Louie's) - 103 Hartwell Ave
- The Upper Crust - 41 Waltham Street
- The Vintage Tea and Cake Company - 21 Muzzey Street
- Wicked Bagel - 171 Massachusetts Avenue

SUGGESTED MOTION:

To approve the 2026 Annual Common Victualler License Renewals for the following businesses:

- Akame Nigiri and Sake - 1707 Massachusetts Avenue #2
- Alexander's Pizza - 180 Bedford Street
- Aloft Hotel - 727 Marrett Road
- Beijing Chinese Dining - 1709 Massachusetts Ave
- Bruegger's Bagels - 413 Waltham Street
- Clay Oven Indian Restaurant - 1666 Massachusetts Avenue
- Coco Fresh Tea and Juice - 1764 Massachusetts Avenue
- Craft Food Hall - 10 Maguire Road
- Dunkin Donuts -10 Woburn Street
- Dunkin Donuts - 141 Massachusetts Avenue
- Dunkin Donuts - 277 Bedford Street
- Element Hotel - 727 Marrett Road
- Fiorella's Trattoria - 25 Waltham Street
- il Casale - 1727 Massachusetts Avenue
- Inn at Hastings Park - 2013-2027 Massachusetts Avenue
- Inspire Bowl n Tea - 1686 Massachusetts Avenue
- Fruitee Yogurt - 1707 Massachusetts Avenue
- Lexington Golf Club - 55 Hill Street
- Love at First Bite Thai Kitchen - 1710 Massachusetts Avenue
- Mario's Italian Restaurant - 1733 Massachusetts Avenue
- McDonald's - 690 Marrett Road
- Pine Meadows Golf Club - 255 Cedar Street
- Post 1917 - 27 Waltham Street
- Qdoba Mexican Eats - 46 Bedford Street
- Rancatore's Ice Cream and Yogurt - 1752 Massachusetts Avenue
- Revival Café + Kitchen - 1729 Massachusetts Avenue
- Revolution Hall - 3 Maguire Road
- Royal India Bistro - 7 Meriam Street
- Starbucks #7553 - 60 Bedford Street
- Taipei Gourmet - 211 Massachusetts Avenue
- Tatte Bakery & Cake - 1777 Massachusetts Avenue
- The Hangar (Chef Louie's) - 103 Hartwell Ave
- The Upper Crust - 41 Waltham Street
- The Vintage Tea and Cake Company - 21 Muzzey Street
- Wicked Bagel - 171 Massachusetts Avenue

FOLLOW-UP:

Select Board Office.

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Approve: 2026 Entertainment License Renewals

PRESENTER:

Jill Hai, Select Board Chair

ITEM NUMBER:

C.6

SUMMARY:

Category: Decision-Making

The Select Board is being asked to approve the 2026 Annual Entertainment License renewals. The Select Board Office is in receipt of all of the required documentation for the renewals of the following businesses holding an Entertainment License:

- Aloft Hotel - 727 Marrett Road
- Beijing Chinese Dining - 1709 Massachusetts Avenue
- Clay Oven Indian Restaurant - 1666 Massachusetts Avenue
- Element Hotel - 727 Marrett Road
- Il Casale - 1727 Massachusetts Avenue
- Inn at Hastings Park - 2013-2027 Massachusetts Avenue
- Love at First Bite Thai Kitchen - 1710 Massachusetts Avenue
- Post 1917 - 27 Waltham Street
- Revolution Hall - 3 Maguire Road
- Spirit of India - 321 Marrett Road
- Starbucks #7553 - 60 Bedford Street
- Thai Room - 182 Bedford Street
- The Upper Crust - 41 Waltham Street

SUGGESTED MOTION:

To approve the 2026 Annual Entertainment License Renewals for the following businesses:

- Aloft Hotel - 727 Marrett Road
- Beijing Chinese Dining - 1709 Massachusetts Avenue
- Clay Oven Indian Restaurant - 1666 Massachusetts Avenue
- Element Hotel - 727 Marrett Road
- Il Casale - 1727 Massachusetts Avenue
- Inn at Hastings Park - 2013-2027 Massachusetts Avenue
- Love at First Bite Thai Kitchen - 1710 Massachusetts Avenue

- Post 1917 - 27 Waltham Street
- Revolution Hall - 3 Maguire Road
- Spirit of India - 321 Marrett Road
- Starbucks #7553 - 60 Bedford Street
- Thai Room - 182 Bedford Street
- The Upper Crust - 41 Waltham Street

FOLLOW-UP:

Select Board Office.

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Approve: 2026 Class I/II/III License Renewals

PRESENTER:

Jill Hai, Select Board Chair

ITEM NUMBER:

C.7

SUMMARY:

Category: Decision-Making

The Select Board is being asked to approve the 2026 Annual Class I/II/III License renewals. The Select Board Office is in receipt of all of the required documentation and departmental reviews with sign-offs for the renewals of the following businesses holding a Class I/II/III License:

Class I:

- Lexington Toyota - 409 Massachusetts Avenue

Class II:

- A to Z Auto Wholesale - 20 Vine Street
- Auto and Diesel Sales - 75 Westview Street
- Auto Engineering - 436 Marrett Road
- Lexington Auto Center, Inc. - 1095 Massachusetts Avenue
- Lexington Auto Service, Inc. - 39 Bedford Street
- Mabuchi Motorcars - 401 Lowell Street
- Minutemen Auto Haus - 6 Fulton Road

Class III:

- John P. Carroll Company Inc. - 700 Waltham Street

SUGGESTED MOTION:

To approve the 2026 Annual Class I/II/III License Renewals for the following businesses:

Class I:

- Lexington Toyota - 409 Massachusetts Avenue

Class II:

- A to Z Auto Wholesale - 20 Vine Street
- Auto and Diesel Sales - 75 Westview Street
- Auto Engineering - 436 Marrett Road
- Lexington Auto Center, Inc. - 1095 Massachusetts Avenue
- Lexington Auto Service, Inc. - 39 Bedford Street
- Mabuchi Motorcars - 401 Lowell Street
- Minutemen Auto Haus - 6 Fulton Road

Class III:

- John P. Carroll Company Inc. - 700 Waltham Street

FOLLOW-UP:

Select Board Office.

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Approve: 2026 Common Carrier License Renewal

PRESENTER:

Jill Hai, Select Board Chair

ITEM NUMBER:

C.8

SUMMARY:

Category: Decision-Making

The Select Board is being asked to approve the 2026 Annual Common Carrier License renewal of Boston Hidden Gems, Inc. The Select Board Office is in receipt of all of the required documentation and departmental reviews with sign-offs for the renewal of Boston Hidden Gems, Inc Common Carrier License for the purpose of operating their tours through Lexington.

SUGGESTED MOTION:

To approve the 2026 Annual Common Carrier License Renewals for Boston Hidden Gems, Inc to provide bus tours through Lexington.

FOLLOW-UP:

Select Board Office.

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Approve: 2026 Innholder License Renewals

PRESENTER:

Jill Hai, Select Board Chair

ITEM NUMBER:

C.9

SUMMARY:

Category: Decision-Making

The Select Board is being asked to approve the 2026 Annual Innholder License Renewals. The Select Board Office is in receipt of all of the required documentation and departmental reviews with sign-offs for the renewal of the following businesses holding an Innholder License:

INNHOLDER

- Aloft Lexington - 727 Marrett Road A
- Element Lexington - 727 Marrett Road B
- Inn at Hastings Park - 2013-2027 Massachusetts Avenue

SUGGESTED MOTION:

To approve the 2025 Annual Innholder License Renewals for the following businesses:

INNHOLDER

- Aloft Lexington - 727 Marrett Road A
- Element Lexington - 727 Marrett Road B
- Inn at Hastings Park - 2013-2027 Massachusetts Avenue

Move to approve the consent

FOLLOW-UP:

Select Board Office.

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Approve: 2026 Liquor License Renewals

PRESENTER:

Jill Hai, Select Board Chair

ITEM NUMBER:

C.10

SUMMARY:

Category: Decision-Making

The Select Board is being asked to approve the 2026 Annual Liquor License renewals. The Select Board Office is in receipt of all of the required documentation for the renewals of the following businesses:

ALL ALCOHOL/ RESTAURANTS

Beijing Cuisine - 1709 Massachusetts Avenue
Clay Oven - 1666 Massachusetts Avenue
Il Casale - 1727 Massachusetts Avenue
Ixtapa Cantina - 177 Massachusetts Avenue
Love at First Bite - 1710 Massachusetts Avenue
Post 1917 - 27 Waltham Street
Revolution Hall - 3 Maguire Road
Royal India - 7 Meriam Street

ALL ALCOHOL/ INNHOLDER

Aloft Hotel - 727 Marrett Road - A
Element Hotel - 727 Marrett Road - B
Inn @Hastings Park - 2013-2027 Massachusetts Avenue

WINE/MALT RESTAURANTS

Akame Nigiri & Sake - 1707 Mass Ave Unit 2
Daikanyama - 43 Waltham Street
Fiorellas - 25 Waltham Street
Marios 1733 Mass Ave
Taipei Gourmet - 211 Mass Ave
Upper Crust - 41 Waltham Street
Vintage Tea and Cake - 21 Muzzey Street

PACKAGE STORES

Berman's - 55 Massachusetts Ave
Lexington Wine & Spirits - 186 Bedford Street, unit
Liberty Wine and Spirits - 335 Woburn Street
Vinebrook Bottle - 131 Massachusetts Ave
Neillio's - 55 Bedford Street

CLUBS

Lex. Golf Club - 55 Hill Street

Lexington Elks

Knights of Col. - 177 Bedford Street

SUGGESTED MOTION:

to approve 2026 Liquor License Renewals for the following:

ALL ALCOHOL/ RESTAURANTS

Beijing Cuisine - 1709 Massachusetts Avenue

Clay Oven - 1666 Massachusetts Avenue

Il Casale - 1727 Massachusetts Avenue

Ixtapa Cantina - 177 Massachusetts Avenue

Love at First Bite - 1710 Massachusetts Avenue

Post 1917 - 27 Waltham Street

Revolution Hall - 3 Maguire Road

Royal India - 7 Meriam Street

ALL ALCOHOL/ INNHOLDER

Aloft Hotel - 727 Marrett Road - A

Element Hotel - 727 Marrett Road - B

Inn @Hastings Park - 2013-2027 Massachusetts Avenue

WINE/MALT RESTAURANTS

Akame Nigiri & Sake - 1707 Massachusetts Ave Unit 2

Daikanyama - 43 Waltham Street

Fiorellas - 25 Waltham Street

Marios 1733 Massachusetts Ave

Taipei Gourmet - 211 Massachusetts Ave

Upper Crust - 41 Waltham Street

Vintage Tea and Cake - 21 Muzzey Street

PACKAGE STORES

Berman's - 55 Massachusetts Ave

Lexington Wine & Spirits - 186 Bedford Street

Liberty Wine and Spirits - 335 Woburn Street

Vinebrook Bottle - 131 Massachusetts Ave

Neillio's - 55 Bedford Street

CLUBS

Lex. Golf Club - 55 Hill Street

Lexington Elks - 959 Waltham Street

Knights of Col. - 177 Bedford Street

FOLLOW-UP:

Select Board Office

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Approve: Tax Bill Insert - Senior Tax Deferral Program

PRESENTER:

Carolyn Kosnoff, Assistant Town
Manager for Finance

ITEM NUMBER:

C.10

SUMMARY:

This is an annual request to approve a tax bill insert to promote the Senior Tax Deferral Program to Lexington taxpayers. If approved, this insert will be included the the FY2026 third quarter tax bills which will be mailed at the end of December 2025.

SUGGESTED MOTION:

Move to approve the attached Senior Tax Deferral information slip and add to the FY2026 third quarter tax bill mailing.

FOLLOW-UP:

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

ATTACHMENTS:

Description	Type
 FY2026 Tax Deferral Insert	Exhibit



Attention Seniors!

Lexington Property Tax Deferrals are Safe and Affordable



If you are a Lexington Senior aged 65 or older with a **2024 gross household income of \$109,000 or less, you can postpone paying all or any part of your property tax bill and let the value of your house pay the tax bill later.**

- Fiscal Year 2026 deferrals will enjoy a low ***simple* interest rate of 4.19%**
- Each year's deferral is like an individual loan that doesn't have to be repaid during your lifetime or your spouse's lifetime unless home ownership is transferred or you choose to pay it off.
- For detailed qualifying information on the Property Tax Deferral Program and other State and local tax programs call the Town Assessor's Office at 781-698-4578.
- A brochure describing all property tax exemptions and deferrals is available at the Assessor's Office, the Lexington Community Center and on-line at: www.lexingtonma.gov/168/Elderly-Other-Tax-Relief
- For general inquiries on financial assistance programs please contact Human Services at 781-698-4840.

AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Presentation: Nexus Study Non-Residential Development Surcharge for Affordable Housing

PRESENTER:

Karl Seidman, Seidman Consulting

ITEM NUMBER:

I.1

SUMMARY:

"Lexington Town Meeting adopted Article 36 of Annual Town Meeting 2021, to Authorize Special Legislation- Development Surcharge for Affordable Housing. On December 30, 2024, the state legislature enacted the Town's petition to impose a surcharge on commercial development activities over 30,000 square feet for the purpose of funding community housing, pursuant to the 2021 Annual Town Meeting vote. A report, or "nexus study" is required of the Town within 12 months in order to set a surcharge fee." (page 3)

"Recommendations. Given current market conditions and the difficult development environment, Lexington is unlikely to see new non-residential development and revenue from a new housing contribution for some time. Consequently, it should consider deferring implementation of a housing contribution, either by approving the fee and deferring its application or taking no action and reconsidering establishing a fee when market conditions improve. If and when Lexington established a housing contribution, a rate between \$4.50 and \$9.50 is recommended, which is unlikely to deter new non-residential development. Other policy and administrative recommendations for a housing contribution are:

- Set the project size threshold at 30,000 SF;
- Apply the housing contribution to all non-residential uses without an exemption;
- Establish a uniform fee across uses and for all areas within Lexington;
- Require payment of the one-time fee collected in two installments with the first (50%) payment at the time of the certificate of occupancy and the balance paid at its one-year anniversary;
- Adjust the fee annually based on either the Boston CPI or a construction cost index; and
- Review and reset the fee every 5 to 7 years based on changes in market conditions and the expected level and type of non-residential development." (pages 4-5)

SUGGESTED MOTION:

Based on the recommendations included in the report, the Board may wish to consider one of the following actions:

1. Take no action.
2. Set the contribution at \$0 per square foot (PSF) and revisit the topic when the non-residential development market conditions improve.
3. Set the contribution at [a rate between \$4.50 and \$9.50] PSF and delaying implementation until [future fiscal year].

4. Set the contribution at [a rate between \$4.50 and \$9.50] PSF and implement effective [near term date].

FOLLOW-UP:

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025 6:45pm

ATTACHMENTS:

Description		Type
	Nexus Study Presentation	Presentation
	Nexus Study Report	Backup Material

Lexington Nexus Study

Select Board Presentation

December 8, 2025

Nexus Study Scope and Analysis

- Forecast 10-year development subject to linkage, tenant industries and jobs
- Estimate impact of new jobs on affordable housing demand
- Calculate funding gap to build housing to meet demand
 - **Maximum and alternative linkage fees to fill funding gap**
- Assess impact of fee options on Lexington's economic competitiveness
- Recommend linkage fees and policies

Boston Metro Office & Lab Market Conditions

- Office: declining demand with historic levels of available space & negative absorption
 - 44.8 million SF available (23.6%) as March 2025
 - Negative absorption of 1.8 million SF in 2024 & 444,000 in 2025, Q1
 - 128/Mass Pike area: 5.3 million available SF (26.3%); +158,000 net absorption in 2025 Q1
- Lab: Weakening demand and extensive overbuilding has generated large oversupply
 - 28.8% available space (16.3 million SF) in 2025, Q1; increase of 1.1 million in quarter
 - Negative absorption of 599,000 SF in 2025 Q1 vs. -311,000 in all of 2024
 - Suburban market: 8.1 million SF available (29.5%) with 1.6 million in 128-Mass Pike area
 - 128-Mass Pike available space = 5 to 6 years of peak period absorption**
- Federal policy shift and actions risk further decline in life sciences industry and lab demand

Source: Colliers Office and Lab Market Viewpoints, 2025, Quarter 1 and 2024, Q4

Lexington Market Data

- Office: Colliers lists 2.27 million SF of office space—decline of 419,000 SF since 2015
 - 14% is vacant/available space (325,000 SF)
 - Annual net absorption averaged 21,500 from 2015 to 2024
- Lab: Inventory of 2.78 million SF of lab & GMP manufacturing space in 2025 Q1
 - 1.2 million SF increase in supply since 2015
 - 22.9% is available space (638,000 SF); large increase (390,000 SF) in 2024
 - Net absorption was positive in 8 of 10 years, averaging 115,000 SF
 - Highest annual absorption from 2017 to 2020, averaging 187,000 SF
- **Absorption of existing available lab space likely to take at least 5 years**

Source: Colliers Market Data

Lexington Recent Non-residential Development & Pipeline

Non-residential Development, 2015-2025 by Use

Use	SF Amount	SF Percent
Lab	366,500	17.2%
Lab/office	929,852	43.5%
Assisted Living	832,095	39.0%
Retail	7,500	0.4%
Total	2,135,947	100%

Non-Residential Development Pipeline May 2025

Address	Use	SF	Status
12-18 Hartwell Ave	Lab/Office/Retail	280,800	Approved/Pre-construction
95/99 Hayden Ave	Lab/Office	757,262	Approved/Pre-construction
1-3-5 Hartwell	Lab/Office	93,250	Approved/Pre-construction
Total		1,131,312	

Summary

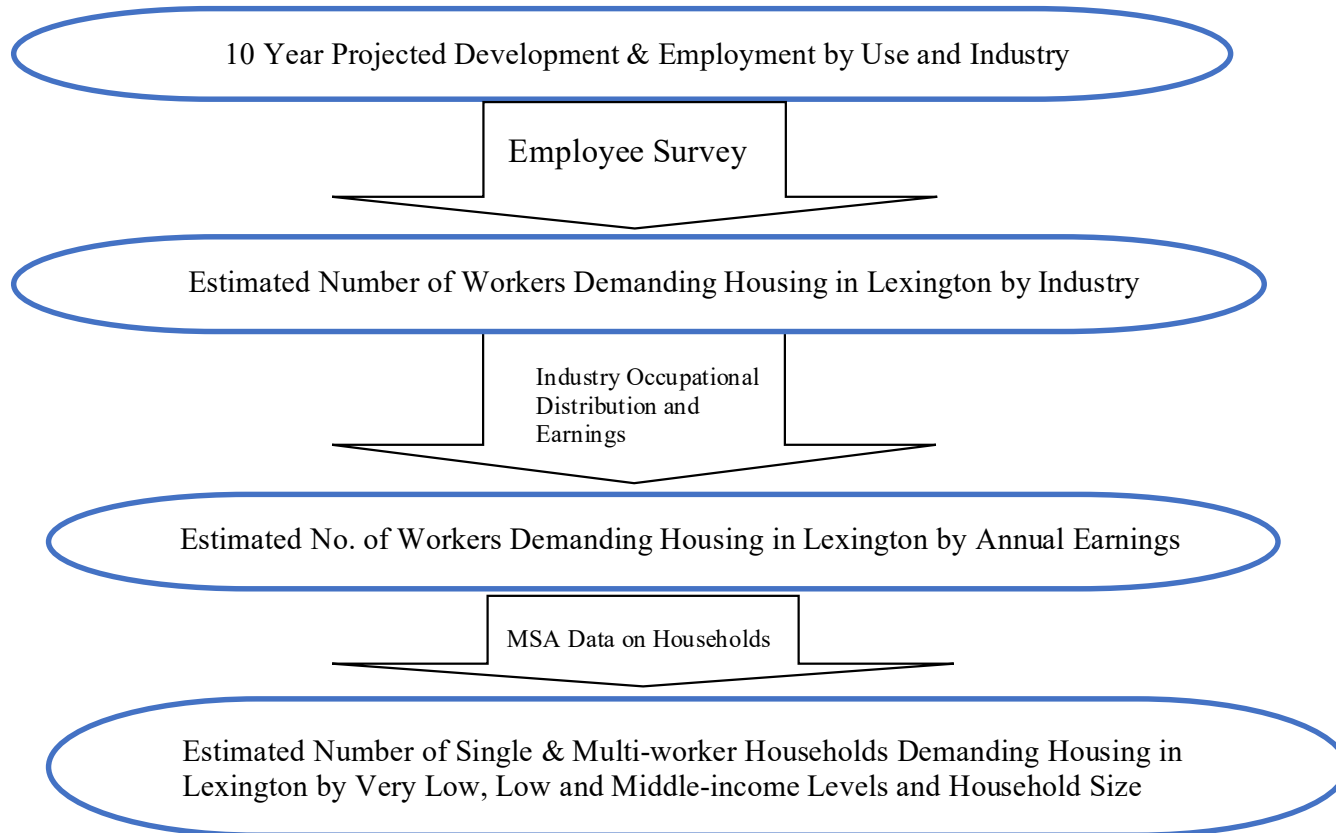
- Difficult development market with oversupply of office and lab space, limited demand for new office space and weakened lab demand
- Life science/lab development is viewed as strongest market with long-term growth and demand
 - New development will follow substantial absorption of regional over supply, likely 5+ years
- Lexington is an established life science industry cluster with locational strengths
 - Recent & current non-residential pipeline dominated by life science projects
 - Future new life science development likely after market stabilizes

10 Year Development & Employment Projection

Potential Project	Use	Estimated SF	Occupied SF (90%)
95/99 Hayden - phase 1	Lab/office	159,634	143,671
95/99 Hayden - phase 2	Lab/office	193,232	173,909
1-3-5 Hartwell Place	Lab/office	93,250	83,925
Lincoln Labs "Lincubator"	Maker/incubator space	40,000	36,000
Total		486,116	437,505

Industry	Occupied SF	SF/Employee	Estimated Number of Employees
Life Science	401,505	450	892
Scientific Research & Development	36,000	400	90
Total	437,505		982

Methodology for Affordable Housing Demand Estimate



Affordable Housing Household Income Levels

Income Level	Household Size			
	1	2	3	4
Very Low-income ($\leq 50\%$ AMI)	\$57,900	\$66,200	\$74,450	\$82,700
Low-Income (50% to 80% AMI)	\$92,650	\$105,850	\$119,100	\$132,300
Middle-Income (80% to 120% AMI)	\$135,156	\$154,464	\$173,772	\$193,080

AMI is Area Median Income

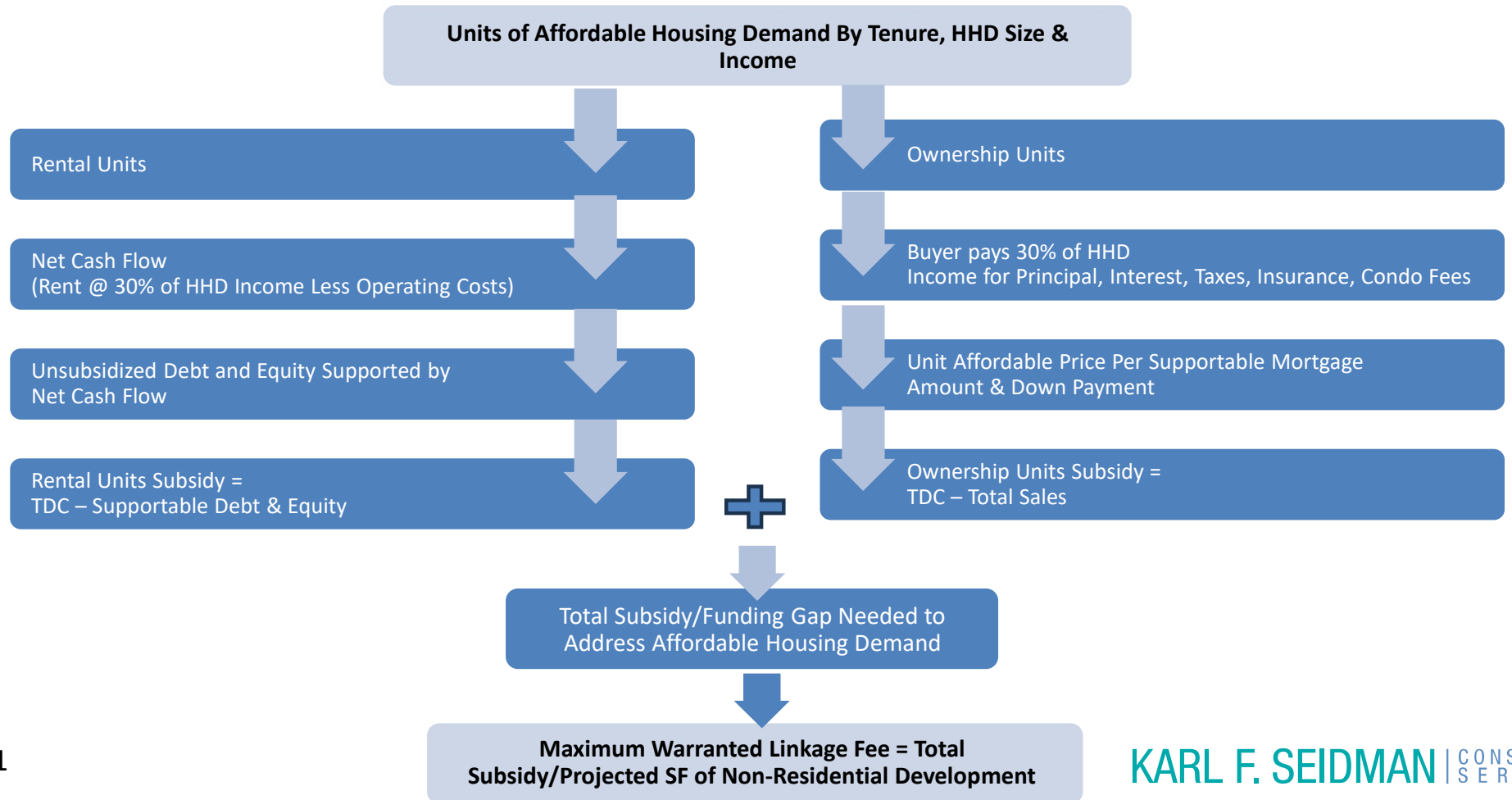
Source: Town of Lexington Restricted Rents, Sales Prices and Income Limits (2025)

Estimated Housing Demand by Income and Household Size. All Industries

Income Category	1 person HHD	2 Person HHD	3 Person HHD	4 or More HHD	Total	Percent by Income
Very Low- Income	1	1	0	1	3	2.3%
Low-Income	7	4	7	6	24	18.3%
Middle-Income	47	30	9	18	104	79.4%
Total	55	35	16	25	131	100.0%
% by Household Size	42.0%	26.7%	12.2%	19.1%	100.0%	

Tenure	Very-Low Income	Low-Income	Middle Income
Percent Rental Units	100%	70%	50%
Percent Ownership Units	0%	30%	50%

Methodology for Calculating Maximum Warranted Linkage Fee



Subsidy Required per SF of Commercial Development

	Renter and Ownership Units
Units	131
Unit TDC	\$652,855
TDC	\$85,524,000
Subsidy Required	\$44,766,000
<i>Percent Subsidy</i>	52.3%
Non-Residential SF	486,116
Max Fee	\$92.09
Note: TDC = Total Development Costs.	
Source: Karl F. Seidman Consulting Services and ConsultEcon, Inc.	

Illustrative Linkage Fee Scenarios for the Town of Lexington

Linkage Fee Scenarios - Lexington Per Foot Share of Subsidy	Scenario Fee	Lexington Percentage Share of TDC
5%	\$4.60	2.6%
10%	\$9.21	5.2%
15%	\$13.81	7.9%
25%	\$23.02	13.1%
35%	\$32.23	18.3%
Note: TDC = Total Development Costs.		
Source: Karl F. Seidman Consulting Services and ConsultEcon, Inc.		

Potential Fee Impact on Rents

Location	Lab Asking Rent	Differential from Lexington
Lexington	\$75	
128-MassPike	\$75	\$0.00
Inner Suburbs	\$75	\$0.00
West Cambridge	\$88	\$13.00
Boston-Seaport	\$100	\$25.00
East Cambridge	\$110	\$35.00
Boston-Fenway	\$108	\$33.00
Source: CBRE. LPC, CREDA Boston Metro Lab Reports 1Q25		

Linkage Fee Level	Potential Impact on Annual Per Square Foot Rent*	Percent of Lexington Lab Rent (\$75)
\$4.60 per square foot	\$0.46	0.6%
\$9.21 per square foot	\$0.92	1.2%
\$13.81 per square foot	\$1.38	1.8%
\$23.02 per square foot	\$2.30	3.1%
92.09 per square foot	\$9.21	12.3%
*Fee cost amortized over a 10 year lease		

Analysis of Impact on Developer and Equity Returns

Developer Returns

- 150,000 SF project under 2 total PSF cost scenarios (\$1000 & \$1600)
- 10% vacancy and \$75/sf annual rent used to estimate net rental income
- Developer return on cost = $\text{net rental income} / \text{total development costs (TDC)}$
- Fee increases TDC but not income, reducing developer return on cost

Equity Investor Returns

- Same project cost scenarios with equity investment at 40% of TDC
 - Analysis for 17% and 20% equity return threshold
- Fee fully funded by investor, increasing the required equity investment
- Investor return amount does not change, lowering % return on investment

Potential Fee Impact on Developer Returns

Development at \$1600 PSF	No Fee	\$92.09 Fee	\$4.60 Fee	\$9.21 Fee	\$13.81 fee	\$23.02 Fee
Total Development Costs	\$240,000,000	\$253,813,500	\$240,690,000	\$241,381,500	\$242,071,500	\$243,453,000
Estimated Gross Rental income	\$11,250,000	\$11,250,000	\$11,250,000	\$11,250,000	\$11,250,000	\$11,250,000
Vacancy (10%)	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000
Net Rental Income	\$10,125,000	\$10,125,000	\$10,125,000	\$10,125,000	\$10,125,000	\$10,125,000
Return on Cost	4.22%	3.99%	4.21%	4.19%	4.18%	4.16%
Differential		-0.23%	-0.01%	-0.02%	-0.04%	-0.06%
Development at \$1000 PSF	No Fee	\$92.09 Fee	\$4.60 Fee	\$9.21 Fee	\$13.81 fee	\$23.02 Fee
Total Development Costs	\$150,000,000	\$163,813,500	\$150,690,000	\$151,381,500	\$152,071,500	\$153,453,000
Estimated Gross Rental income	\$11,250,000	\$11,250,000	\$11,250,000	\$11,250,000	\$11,250,000	\$11,250,000
Vacancy (5%)	\$562,500	\$562,500	\$562,500	\$562,500	\$562,500	\$562,500
Net Rental Income	\$10,687,500	\$10,687,500	\$10,687,500	\$10,687,500	\$10,687,500	\$10,687,500
Return on Cost	7.13%	6.52%	7.09%	7.06%	7.03%	6.96%
Differential		-0.60%	-0.03%	-0.07%	-0.10%	-0.16%

Developer return on cost thresholds ranged from 7% to 12%

Potential Fee Impact on Equity Investor Returns

\$1000 PSF Cost Project	No Fee	\$92.09 Fee	\$4.60 Fee	\$9.21 Fee	\$13.81 fee	\$23.02 Fee
Equity Investment	\$60,000,000	\$73,813,500	\$60,690,000	\$61,381,500	\$62,071,500	\$63,453,000
Initial Equity Return @17%	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000
Adjusted Return with Fee		13.82%	16.81%	16.62%	16.43%	16.07%
Differential		-3.18%	-0.19%	-0.38%	-0.57%	-0.93%
Initial Equity Return @ 20%	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
Adjusted Return with Fee		16.26%	19.77%	19.55%	19.33%	18.91%
Differential		-3.74%	-0.23%	-0.45%	-0.67%	-1.09%
\$1600 PSF Cost Project	No Fee	\$92.09 Fee	\$4.60 Fee	\$9.21 Fee	\$13.81 fee	\$23.02 Fee
Equity Investment	\$96,000,000	\$109,813,500	\$96,690,000	\$97,381,500	\$98,071,500	\$99,750,000
Initial Equity Return @17%	\$16,320,000	\$16,320,000	\$16,320,000	\$16,320,000	\$16,320,000	\$16,320,000
Adjusted Return with Fee		14.86%	16.88%	16.76%	16.64%	16.36%
Differential		-2.14%	-0.12%	-0.24%	-0.36%	-0.64%
Initial Equity Return @ 20%	\$19,200,000	\$19,200,000	\$19,200,000	\$19,200,000	\$19,200,000	\$19,200,000
Adjusted Return with Fee		17.48%	19.86%	19.72%	19.58%	19.25%
Differential		-2.52%	-0.14%	-0.28%	-0.42%	-0.75%

Equity estimated at 40% of TDS; Equity return threshold ranges from 17% to 20%

Linkage Policies in Other Communities

City	Year Established	Exaction/Linkage Fee Rate (per SF)	Project Size Threshold (SF)	Exemption (SF)
Boston	1983	Housing: \$26.00 for labs & \$19.33 fr other uses	50,000	50,000
	1986	Jobs: \$4.78 for labs and \$3.76		
Cambridge	1988	Housing: \$36.36	30,000	30,000 for projects less than 60,000 SF
Everett	2021	\$1,000 per dwelling unit; Non-residential: \$2.00 for first 30,000 SF; \$3.00 for 30,001-60,000 SF; \$4.00 above 60,000 SF	All residential projects 15,000 - non-residential	
Somerville	1990	Housing: \$23.79; 50% of fee paid for project between 15,000 and 30,000 SF	15,000 for housing	15,000 for housing
	2017	Jobs: \$3.10; 50% of fee paid for project between 15,000 and 30,000 SF	15,000 for jobs	15,000 for jobs
Watertown	2023	Housing: \$11.50	30,000	0

Timing to Establish Fee Given Development Environment

- New non-residential development is unlikely in the next 5 years
- First wave of projects may already be approved and not subject to fee
 - Housing contribution unlikely to generate funding for some time
- Concern about adding to development costs during a difficult investment environment
- Should action on establishing a housing contribution be deferred?
 - Pro: wait until environment is better and new development likely
 - Con: Fee is already in place for when market conditions improve
 - Avoid risk that developers will seek approval early to avoid fee

Linkage Policy/Administration Recommendations*

- Project Size Threshold: 30,000 SF
- Exemption: no exemption
- Exempt Uses- none: given predominance of lab development
- Fee Variation by Use: no need given limited type of new development
- Fee Payment Timing: two payments at CoO and one year anniversary
- Rate Adjustment: Annual CPI or construction cost index adjustment; review/reset fee every 5 to 7 years

* If/when Lexington proceeds to establish housing contribution fee

Lexington Non-Residential Development Nexus Study

Final Report

to

Town of Lexington

Submitted by:

Karl F. Seidman Consulting Services
ConsultEcon, Inc.

October 7, 2025

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Executive Summary

Lexington Town Meeting adopted Article 36 of Annual Town Meeting 2021, to Authorize Special Legislation-Development Surcharge for Affordable Housing. On December 30, 2024, the state legislature enacted the Town's petition to impose a surcharge on commercial development activities over 30,000 square feet for the purpose of funding community housing, pursuant to the 2021 Annual Town Meeting vote. A report, or "nexus study" is required of the Town within 12 months in order to set a surcharge fee.

The Town of Lexington commissioned this study to assess the impact of future non-residential development on affordable housing demand and the potential for a housing contribution fee¹ to be paid by development projects to mitigate the cost to develop this housing. This report provides a nexus study to assist Lexington in deciding whether to establish a housing contribution fee and, if established, the appropriate fee level and policies. The report quantifies the impact of future non-residential development on the demand for affordable very low-income, low-income, and middle-income housing in Lexington. It then analyzes the proportionate housing contribution to mitigate these impacts. The report considers the impact of different fee levels on future non-residential development and Lexington's competitiveness in attracting such development. Finally, it reviews linkage fees in other Massachusetts communities, discusses fee policy options and recommends fee options and policies for implementation of a new linkage fee.

Housing Demand. Based on projected new non-residential development of 486,000 square feet (SF) over the next ten years, all of which is expected to be lab/office space for life science firms, 982 new jobs are estimated to be generated in Lexington. Information on the occupations and earnings of these new employees, in combination with data on the distribution of households by size and number of workers and survey results on the share of employees who moved to or sought housing in Lexington when they obtained a job in Lexington, was used to estimate the demand for new affordable housing units from the projected new development and employment. This analysis projected the need for 131 new affordable housing units to address this demand, including 3 very low-income units, 24 low-income units and 104 middle-income units².

Development Costs and Needed Subsidy. A separate analysis of the development costs and needed subsidy for rental and homeownership units was conducted based on 60 ownership units and 71 rental units³. Development costs were estimated based on the costs for recent comparable affordable housing developments built in Lexington and other Boston area communities. For rental projects, the needed subsidy was calculated as the difference between total development costs and the amount of debt and equity that could be supported by the housing cash flow using affordable rents at 30% of household income and comparable operating costs. For ownership projects, the needed subsidy was calculated as the difference between total development costs and the

¹ Housing contribution is used in this report and is often referred to as an affordable housing linkage fee in other communities.

² For this study, a very low-income unit is for a household with income at or less than 50% of the Boston area median income (AMI) [as calculated by the U.S. Department of Housing and Urban Development](#), a low-income unit is for a household between 50% and 80% of Boston AMI and a middle-income unit is for a household between 80% and 120% of Boston AMI.

³ This mix is based on all the low-income units developed as rental units, 70% of moderate-income units built as rental and 30% as ownership, and 50% of the middle-income units built as rental and 50% as ownership.

affordable purchase price based on home mortgage payments, insurance and property taxes at 30% of household income and a 5% down payment. The results of this analysis are:

- Total development costs of \$85.5 million; and
- Total needed subsidy of \$44.8 million with \$2 million for the very low-income units, \$11 million for the low-income units and \$31.8 million for the middle-income units.

The housing contribution needed to provide the full \$44.8 million in subsidy is \$92.09 per square foot on new non-residential development. However, very low-income and low-income housing development leverages public subsidies from federal and state sources in addition to those provided by local government. The local funding share to produce affordable rental housing in other communities varies from 6% in Somerville to 39% for rental projects in Cambridge. On average, local funds have represented 11% of the total project costs for rental projects in the Massachusetts Housing Partnership (MHP) portfolio built from FY2016 to FY2020. Middle-income ownership units do not qualify for these subsidies so Lexington would have to cover the full subsidy for these units.

Impact on Competitiveness. An important consideration for Lexington in establishing a housing contribution is its potential impact on attracting new non-residential development and tenants. A new housing contribution will increase development costs, which can impact project economics in several ways depending on a variety of factors. Consequently, housing contribution options were analyzed for their potential impact on tenant rents, developer returns and equity investor returns. Housing contribution rates between \$4.60 and \$9.21 PSF had a modest impact on developer and investor returns, reducing developer returns by no more than 7 basis points⁴ and lowering the return on investment for equity investors by 45 basis points or less.

Recommendations. Given current market conditions and the difficult development environment, Lexington is unlikely to see new non-residential development and revenue from a new housing contribution for some time. Consequently, it should consider deferring implementation of a housing contribution, either by approving the fee and deferring its application or taking no action and reconsidering establishing a fee when market conditions improve. If and when Lexington established a housing contribution, a rate between \$4.50 and \$9.50 is recommended, which is unlikely to deter new non-residential development. Other policy and administrative recommendations for a housing contribution are:

- Set the project size threshold at 30,000 SF;
- Apply the housing contribution to all non-residential uses without an exemption;
- Establish a uniform fee across uses and for all areas within Lexington;
- Require payment of the one-time fee collected in two installments with the first (50%) payment at the time of the certificate of occupancy and the balance paid at its one-year anniversary;
- Adjust the fee annually based on either the Boston CPI or a construction cost index; and

⁴ A basis point is one-hundredth of a percentage point (.01%).

- Review and reset the fee every 5 to 7 years based on changes in market conditions and the expected level and type of non-residential development.

Glossary

The following are definitions of terms used in the report.

Availability rate (real estate) – the percentage of spaces in buildings of a particular type (e.g., industrial, lab, office) that is available for lease either as vacant space or offered for sub-lease by a tenant that is no longer using it.

Basis point – 1/100th of a percentage point (.01%)

Debt coverage ratio (DCR) – the ratio of a property’s annual net income or cash flow to its annual debt principal and interest payments

Developer return – the annual financial receipts that a developer receives from a property expressed as a percentage of their investment in the property.

Exemption – the amount of space in a development project that is not subject to the housing contribution

Gross annual rent – total annual rent revenue that a housing project generates for leasing all its dwelling units before deductions for vacant units and annual operating costs

Gross square footage – the total building space in a project measured in square feet

Inventory (real estate) – the total amount of developed building space of a particular type (e.g. industrial, lab, office, etc.) in a specific geographic area.

Investor return – the annual financial receipts that an equity (i.e., non-lender) investor receives from a property expressed as a percentage of their investment in the property.

Housing contribution or linkage fee – an impact fee charged by a local government on certain developments to raise funds to offset the impacts of that development. For this study, the impacts are the demand for affordable housing due to new non-residential development.

Housing contribution or linkage fee rate – the dollar amount of a housing contribution charged per square foot of non-residential space.

Very low-income household – a household with annual income less than or equal to 50% of the Boston metropolitan area median household income.

Low income household – a household with annual income more than 50% and less than or equal to 80% of the Boston metropolitan area median household income.

Middle income household – a household with annual income more than 80% and less than or equal to 120% of the Boston metropolitan area median household income.

Mortgage constant – a figure used to determine annual debt service payments for a mortgage based on the amount financial terms of a mortgage loan.

Net absorption (real estate) – the net increase in the amount of leased space for a particular property type (e.g. industrial, lab, office, etc.) during a specific period, typically a quarter or year. It equals the total amount of newly leased space less the amount of space that has become newly vacant during the period.

Net operating income – the income that a property generates after subtracting lost income from vacancies and operating expenses but before any debt service costs.

Project size threshold – the minimum size of a development project that is subject to payment of a linkage fee.

Return on cost – an annual financial return measure that developers use to assess project feasibility that is the ratio of a project's net income to its total development costs.

Return on equity – the annual financial receipts that an investor providing equity capital (i.e., non-debt capital provided in exchange for a share of ownership) to a project receives from the property expressed as a percentage of their equity investment in the property.

Total development costs – the total costs to develop a project, inclusive of land acquisition, site and building construction and non-construction soft costs (e.g., legal, design, government fees, and borrowing/interest costs during the development period).

Introduction

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The Town of Lexington commissioned a study to assess the impact of future non-residential development on affordable housing demand and the potential for a housing contribution to be paid by development projects to mitigate the cost to develop this housing. This report provides a nexus study to assist Lexington in deciding whether to establish a housing contribution fee and, if established, the appropriate fee level and policies. The report quantifies the impact of future non-residential development on the demand for affordable very low-income, low-income, and middle-income housing in Lexington. It then analyzes the proportionate housing contribution fee rate to mitigate these impacts. The report considers the impact of different fee levels on future non-residential development and Lexington's competitiveness in attracting such development in comparison to competing cities and towns. Finally, it reviews linkage fees in other Massachusetts communities, discusses fee policy options and recommends housing contribution fee options and policies for implementation of a new housing contribution fee.

I. Lexington Development Potential and Future Development

Lexington is a suburban community that has attracted significant office and lab development due to its good highway access to I-95 and Route 2 and the presence of Hanscom Airforce Base and MIT's Lincoln Lab research center. Lexington's non-residential development is concentrated in three areas: (1) the Hayden Avenue corridor which runs parallel to Route 2 near its intersection with I-95; (2) the Hartwell Avenue area near Lincoln Lab and the I-95/Route 225 intersection; and (3) Lexington Center. Most recent and larger scale development has occurred in the Hayden and Hartwell Avenue areas while Lexington Center is the Town's "Main Street" commercial center with retail, restaurant and service businesses in smaller and older mixed-use buildings.

Ten non-residential projects with at least 30,000 square feet (SF) were completed from 2015 to mid-2025 with a combined size of 2.1 million SF⁵. All ten projects are listed in **Table 1-1** with development by use summarized in **Table 1-2**. Over the past decade, new non-residential development was concentrated in two uses: assisted living facilities (39%) and lab or lab/office buildings for life science firms (60.7%).

Table 1-1. Lexington Completed Non-residential Development Projects, 2013-2023

Address	Project Square Feet	Date Completed	Description
10 Maguire Road	292,142	5/14/2024	Biotech/Lab
4 Maguire Road	50,544	1/11/2022	KSQ Therapeutics, Inc.
1050 Waltham Street	157,000	9/13/2023	Lab/Life Science
53-55 Watertown Street	331,200	10/20/2022	Residential/Healthcare/Assisted Living
440 Bedford Street	336,000	5/12/2025	Lab
1010 Waltham Street	455,895	4/6/2022	Residential/Healthcare/Assisted Living
400 Shire Way	215,166	6/6/2022	Biotech/Lab
300 Shire Way	38,000	9/7/2021	Pharmaceutical
75 Hayden Avenue	215,000	11/2/2020	Biotech/Lab
56 Watertown Street	45,000	4/25/2022	Residential/Healthcare/Assisted Living
Total	2,135,947		

Source: Lexington Land Use, Housing & Development Department

Table 1-2. Lexington New Non-residential Development, 2015 -2025 by Use

Use	Size in Square Feet	Square Feet Percentage
Lab	366,500	17.2%
Lab/office	929,852	43.5%
Assisted Living	832,095	39.0%
Retail	7,500	0.4%
Total	2,135,947	100%

Source: Lexington Land Use, Housing & Development Department

⁵ For this study, projects were included in the development pipeline if they were at least 30,000 SF in size and were either: (1) new construction; (2) renovation of a property for a new non-residential use; or (3) an addition to an existing building.

Lexington has a pipeline of three non-residential projects over 30,000 SF that have been approved for development. These projects, listed in **Table 1-3**, are all lab/office buildings intended for the life science industry, with one project including ground floor retail space.

**Table 1-3. Lexington Pipeline of Non-residential Development Projects Over 30,000 SF
June 2025**

Address	Use	Square Feet	Status
12-18 Hartwell Ave	Lab/Office/Retail	280,800	SPR Approved/ Pre-construction
95/99 Hayden Ave	Lab/Office	757,262	SPR Approved/ Pre-construction
1-3-5 Hartwell Place (previously 91 Hartwell)	Lab/Office	93,250	SPR Approved/ Pre-construction
Total		1,131,312	

Source: Lexington Land Use, Housing & Development Department

Regional Real Estate Market Conditions

New development in Lexington over the next decade, and the resulting employment and demand for affordable housing, will depend on market demand and absorption of new real estate space by employers in the Greater Boston region and Lexington's success in attracting this business growth. This section reviews market conditions in the regional office, lab and industrial real estate markets and their implications for Lexington's future non-residential development outlook.

Office and Lab Markets

Market conditions have changed significantly in recent years with the pandemic's impact on work from home and the slowdown in the regional life science cluster. Rapid growth in the life science cluster from 2020 to 2022 was a major driver of new non-residential development in the region, leading to a 16.4 million SF increase in the region's supply of new lab space from 2023 through the first quarter of 2025⁶. This scale of new lab development outpaced demand, as life science industry growth has slowed with reduced venture capital investment and fewer firms raising capital through initial public offerings of stock⁷. These trends have reduced the demand for office and lab space and increased the availability of vacant space and sub-leased space. Changes in federal policy and medical research funding risk further reductions in the demand for lab space. These conditions will likely slow new development activity over the next several years, including in Lexington.

The regional office market has been especially hard hit, resulting in historic levels of available space and negative absorption⁸. Over 44.8 million SF was available for lease (23.6%) as of March, 2025. Net absorption of space was negative 1.8 million SF during 2024 and negative 444,000 SF in the first quarter of 2025, meaning there was a net reduction in occupied space by 2.24 million SF over this 15-month period. This followed negative absorption of almost 6.4 million SF for

⁶ Colliers. *Greater Boston Life Science Report, 2022, Q4 and 2025, Q1*.

⁷ CBRE, *The Life Science Market Reset: Boston Metro Lab Report, Q3, 2023*.

⁸ Data in this paragraph is from Colliers Office Market Viewpoint, 2025 Quarter 3.

2023. The suburbs had a 23.6% availability rate (25.2 million SF) in 2025 Quarter 1 (Q1), the highest in 20 years and accounted for most of the negative absorption in 2024 and 2025 Q1. The 128-MassPike market area, which includes Lexington, fared better with 158,000 positive net absorption in 2025 Q1 following positive absorption of 86,000 SF in 2024. However, overall available space for lease was still very high at 5.3 million SF, or 26.3%.

Lexington's supply of office space declined during the past decade and trended toward negative net absorption in recent years. For-lease office space in Lexington declined by 419,000 SF since 2015 to 2.27 million SF at year end 2024 (see **Table1- 4**), according to data from the real estate firm Colliers. Overall vacant/available space in 2024 was 228,815 SF, or 14.3%, well below the rates for the Boston Suburbs and the 128/MassPike market area. However, the on-line commercial real estate site LoopNet lists a larger level of available space (308,000 SF) in 15 buildings. Net annual absorption of office space in Lexington over the past ten years varied considerably with positive absorption in four years and negative absorption in six years, including the last five.

Table 1-4. Lexington Office Space Supply, Availability and Net Absorption, 2015 to 2024

Year	Supply	Occupied SF	Available SF	Available Rate	Net Annual Absorption
2015	2,688,934	2,146,374	509,687	20.2%	416,168
2016	2,730,034	2,216,870	505,503	18.8%	70,496
2017	2,566,156	2,062,800	428,729	19.6%	-154,070
2018	2,566,156	2,084,815	423,465	18.8%	22,015
2019	2,384,160	2,151,850	201,272	9.7%	67,035
2020	2,339,160	2,144,865	153,644	8.3%	-6,985
2021	2,278,928	2,090,164	124,792	8.3%	-54,701
2022	2,278,928	2,058,549	142,109	9.7%	-31,615
2023	2,269,928	2,043,973	142,280	10.0%	-14,576
2024	2,269,928	1,945,248	228,815	14.3%	-98,725
Average	2,437,231	2,094,551	286,030	13.8%	21,504

Source: Colliers

New multi-tenant leased general office development is unlikely in Lexington over the next decade given recent trends in demand and the large amount of available space in Lexington and the 128-MassPike market area. The absence of any new development of non-life science office projects during the past decade also indicates that Lexington is not attracting such development.

Lab market conditions have weakened considerably since 2022 with a large increase in supply, high space availability rates and reduced absorption. **Table 1-5** presents the supply and availability rates for lab space in Boston, Cambridge and the region's suburbs and the Route 128/MassPike market area while **Table 1-6** shows net annual absorption of lab space during this same period. The Boston region's inventory of lab space grew by 26.5 million SF, or 88%, from year end 2019 to the end of 2024. Lab space in the 128/MassPike market area grew at a faster rate (134%) adding over 2.6 million SF. Boston and Cambridge outpaced this growth, both adding over 5 million SF between 2019 and 2024, with Boston reaching a rate of 32.4% of its lab space unoccupied and available for lease.

Table 1-5. Lab Market Supply, Boston Region, Boston, Cambridge, and Rt 128/MassPike Market Area, 2019 to 2024

Year	Total Inventory (SF)	Total Availability Rate	Boston Inventory (SF)	Boston Availability Rate	Cambridge Inventory (SF)	Cambridge Availability Rate	Rte 128/Mass pike Inventory (SF)	Rte 128/Mass pike Availability Rate
2019	30,190,652	7.1%	5,430,355	4.8%	12,740,504	2.4%	1,979,298	24.5%
2020	31,095,177	5.9%	5,617,522	8.3%	12,773,504	1.6%	2,055,283	9.7%
2021	32,204,367	0.9%	5,842,522	0.3%	12,887,249	0.0%	2,265,782	1.3%
2022	40,401,282	8.0%	7,378,444	3.8%	13,942,410	7.5%	3,327,729	6.3%
2023	50,421,981	16.9%	9,535,251	19.0%	15,995,263	13.6%	4,658,682	21.8%
2024	56,661,979	26.90%	11,188,182	32.40%	17,926,036	21.60%	4,631,962	25.30%

Source: Colliers Lab Market Viewpoint, 2019 to 2024, Q4

Through 2021, lab demand absorbed all the new space, resulting in almost no available space for lease in Boston, Cambridge, and the 128/MassPike market area. Annual net absorption of lab space increased almost fourfold from 611,000 SF in 2019 to over 2.3 million SF in 2021. Extremely high rents and limited space availability in Cambridge and Boston generated increased demand for suburban lab space with the suburbs accounting for 73% of net absorption in 2022 and 57% in 2023. However, the growth in the supply of new lab space in the past three years far outpaced demand, resulting in the current high availability rates across the region. Furthermore, net absorption of lab space turned negative in 2024 to negative 312,000 SF across the region with the 128/MassPike area accounting for almost half of this amount at negative 157,000 SF.

Table 1-6. Net Absorption of Lab Space, Boston, Cambridge and Suburbs, 2019 to 2024

Year	Total	Boston	Cambridge	Suburbs	Rte 128/Mass pike
2019	610,972	178,433	222,184	210,355	31,098
2020	1,242,691	98,762	384,183	759,746	361,486
2021	2,037,676	609,966	316,011	1,111,699	350,621
2022	2,326,141	773,140	-136,427	1,689,428	647,222
2023	3,906,345	616,082	1,087,620	2,202,643	41,685
2024	-311,792	-38,911	223,094	-495,975	-156,895
Total	9,812,033	2,237,472	2,096,665	5,477,896	1,275,217
Average, 6 years	1,635,339	372,912	349,444	912,983	212,536

Source: Colliers Lab Market Viewpoint

As evident from development activity, Lexington's supply and absorption of space for life science firms increased over the past decade. Colliers reports an inventory of 2.78 million SF of lab and Good Manufacturing Practice (GMP) manufacturing space in 2024, an 1.2 million increase since 2015. Annual net absorption averaged positive 67,000 SF over the decade, and was positive for eight years, with an average of 115,000 SF. Lexington established itself as a desirable life science industry location before the post-pandemic boom in lab space demand during 2017 to 2020, when its net annual absorption of lab space averaged 187,000 SF.

However, Lexington has a large oversupply of vacant lab space found elsewhere in the region. Almost one-quarter (22.9%) of lab space was vacant at year end 2024, totaling 638,000 SF. One property, Tramell Crow’s lab building at 440 Bedford Street, accounts for 53% of the vacant space.

Table 1-7. Lexington Lab Space Supply, Availability and Net Absorption, 2015 to 2024

Year	Supply	Occupied SF	Available SF	Available Rate	Net Annual Absorption
2015	1,608,159	1,458,801	84,209	9.3%	35,486
2016	1,608,159	1,361,149	247,010	15.4%	-97,652
2017	1,833,038	1,617,751	196,428	11.7%	256,602
2018	1,833,038	1,695,849	107,813	7.5%	78,098
2019	2,015,034	1,818,344	167,314	9.8%	122,495
2020	2,228,924	2,108,314	120,610	5.4%	289,970
2021	2,234,510	2,162,010	13,500	3.2%	53,696
2022	2,288,924	2,015,840	160,000	11.9%	-146,170
2023	2,471,624	2,076,599	186,352	16.0%	60,759
2024	2,781,819	2,096,652	488,200	24.6%	20,053
Average	2,090,323	1,841,131	177,144	11.5%	67,334

Source: Colliers

The imbalance between supply and demand in the lab market will defer the development of new lab projects for several years or longer, regionally and in Lexington. New suburban lab development⁹ is unlikely to occur until most of the available space is absorbed and occupied, which will take at least 5 years. Based on the region’s average net annual absorption from 2019 to 2024, the 16.3 million SF of available lab space in the Greater Boston region will take seven to eight years to absorb. For the 128/Mass pike market area, five to six years is needed to absorb the 1.6 million SF of available lab space, based on the market area’s average net annual absorption from 2019 to 2025. Consequently, Lexington is unlikely to see new lab development within the next 4 to 5 years.

Regional Industrial Market

In contrast to the office and lab market, the region’s industrial real estate market is healthy with balanced supply and demand. The region’s availability rate was 11.8% in the 1st quarter of 2025, below historical averages, with the rate for the 128-MassPike market area lower at 8.9%. Regional annual net absorption of industrial space peaked at 4.7 million SF in 2021 and slowed to 3.6 million SF in 2024. Very large build to suit projects dominate recent development (e.g., large distribution centers for Home Depot and UPS). Demand for small flex space, needed by smaller manufacturing firms, is growing but there is less new construction being built to serve this market¹⁰.

Lexington does not have an active industrial space market and is unlikely to see new industrial development over the next decade. According to Colliers, Lexington has 202,500 SF of for-lease

⁹ New projects may occur in Cambridge and Boston for buildings that can be substantially pre-leased, likely by large pharmaceutical firms.

¹⁰ Colliers Industrial Market Viewpoint, 2024, Q4.

industrial space with no change in its supply since 2015. While 69,000 SF became available in 2022 and is still on the market, Lexington had no available industrial space for lease (and thus no absorption) in 7 of the last 10 years.

Future Development and Employment Projection

With an established Lexington life science cluster, recent development focused on life science projects, and several new lab projects permitted for development, Lexington's non-residential development over the next decade is expected to continue be lab/office projects for life science firms. However, given current market conditions, this new development is not likely to occur until the later years of the decade.

Based on Lexington's existing development pipeline, real estate market conditions and interviews with developers, property owners and brokers, 486,116 SF of new non-residential development in four projects over 30,000 SF is projected to be built over the next ten years (see **Table 1-8**). These projects include three lab/office buildings for the life sciences industry and an "Lincubator" project at Lincoln Lab¹¹ to foster new enterprises seeking to commercialize innovative research and inventions at the labs:

- Phase 1 and Phase 2 buildings at 95/99 Hayden Avenue that are already approved for development with combined SF of 352,866 SF;
- the permitted 93,250 lab/office building at 1-3-5 Hartwell Place; and
- the Lincubator project, projected at 40,000 SF.

Table 1-8. Projected Non-residential Development by Use, 2025-2034¹²

Projected Project	Use	Estimated SF	Occupied SF (90%)
95/99 Hayden - phase 1	Lab/office	159,634	143,671
95/99 Hayden - phase 2	Lab/office	193,232	173,909
1-3-5 Hartwell Place	Lab/office	93,250	83,925
Lincoln Labs "Lincubator"	Maker/incubator space	40,000	36,000
Total		486,116	437,505

Source: Karl F. Seidman Consulting Services

All the projected development projects are expected to serve firms undertaking research and development. To determine the expected number of jobs from this new development, the typical square feet per employee for this was applied to the projected SF of development. The life science lab/office projects are assumed to have one employee per 450 SF¹³ with 400 SF used for the Lincubator project, as it will likely require less extensive lab space and thus a higher employee

¹¹ This project is included based on a June interview with Lincoln Lab on their development plans. The timing and ultimate implementation of this project may change based on available funding, including federal research priorities.

¹² Projects included in this list are based on estimated absorption of 440,000 to 450,000 SF of new lab space and the likelihood that smaller scale developments will be more viable given the market and financing environment. For these reasons the 12-18 Hartwell Avenue development at 280,800 SF is not included.

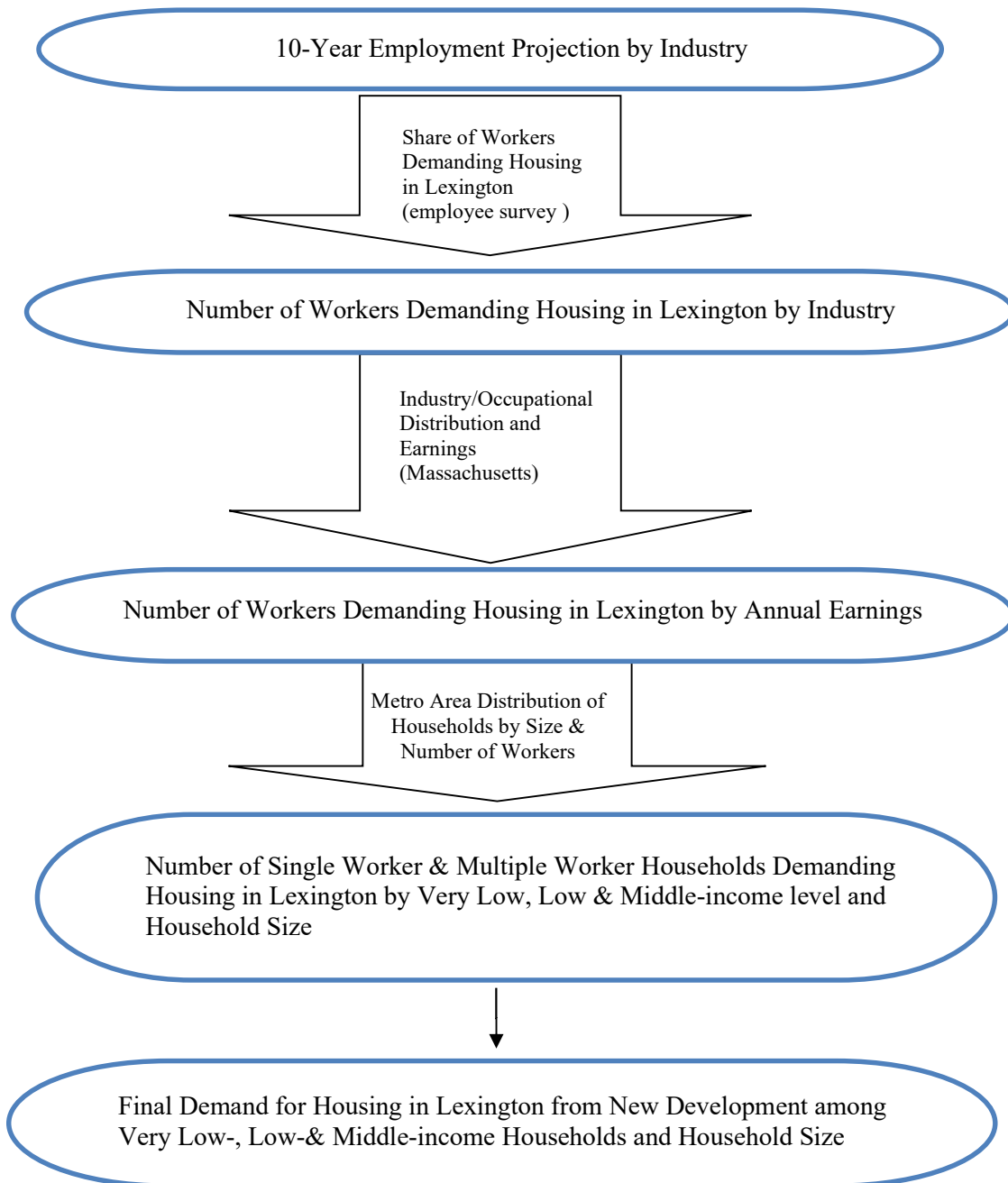
¹³ This figure is based on data from transportation planning surveys.

density. Applying these ratios results in an estimated total employment impact from the new development of 982 jobs, with 892 jobs from the three lab/office projects and 90 jobs at the Lincoln Lab Lincubator.

II. Impact of Large-Scale Development on Affordable Housing Demand

Using the 10-year development scenario and employment projections summarized in Table 9, this section forecasts the demand for affordable housing in Lexington that will result from this development. Since this analysis utilizes several data sources and assumptions to prepare the forecast, a full explanation of the methodology used is provided along with the results. **Figure 2-1** provides an overview of the analytical steps and data sources for the housing demand projections.

Figure 2-1. Methodology and Data Sources for Housing Demand Analysis



Since demand for affordable housing is tied to household income, the distribution of new jobs by occupation and earnings was estimated. The number of new jobs in 15 occupational categories was calculated using Bureau of Labor Statistics 2024 data on the occupational distribution of jobs in Massachusetts' Biological & Physical Sciences Research and Development industry.¹⁴ Earnings for these occupations were based on Massachusetts' 2024 median annual earnings for the respective occupation in this industry adjusted for inflation by the Boston region Consumer Price Index to estimate earnings as of May 2025—corresponding to the year of income figures used to define the annual levels for very low, low and middle-income households. These calculations yielded the projected number of jobs at different annual earning levels by occupation and industry.

Since new employees will live in a variety of communities, it is necessary to determine the share that are expected to demand housing in Lexington. The percentage of new employees who will demand housing within the Town was estimated from a survey of employees in large commercial and lab buildings conducted from June through late July 2025. This survey measured demand by asking employees whether, because of obtaining a job in Lexington, they either moved to the town or sought housing in Lexington but did not move there due to housing costs. Based on the survey results¹⁵, the percentage of new employees who are expected to demand housing in Lexington is 30 percent. This percentage was multiplied by the gross number of new jobs (983) to estimate the number of new workers who will demand housing in Lexington which equals 295. The occupations and earnings for these 295 workers were then estimated using data from the Bureau of Labor Statistics. Due to the rounding of calculation for each occupation, the estimate for the number of workers demanding housing increased slightly to 297. **Table 2-1** shows the distribution of these projected 297 new workers by occupation and earnings.

Table 2-1. Estimated Occupations and Earnings for Workers in New Developments Demanding Housing in Lexington

Occupations by Major Group	MA Median Wage for Bio/Phy Science R & D Industry, May 2025	Jobs in New Development	Number Demanding Housing in Lexington
Management	\$229,540	226	68
Business & Finance Operations	\$132,434	98	30
Computer & Mathematics	\$136,039	98	30
Architecture & Engineering	\$132,764	108	32
Life, Physical & Social Science	\$106,675	295	89
Legal	\$134,368	10	3
Art. Design, Media	\$104,028	10	3
Health Care Practitioner & Technical	\$102,153	29	9
Health Care Support	\$60,357	10	3
Protective Services	\$48,162	10	3
Buildings & Grounds	\$53,734	0	0
Sales & Related	\$132,537	10	3
Office & Administrative	\$77,166	49	15
Installation, Maintenance & Repair	\$101,762	10	3
Production	\$83,088	20	6
Total		983	297

Source: BLS Occupational Employment and Wage Statistics and Karl F. Seidman Consulting Services

¹⁴ North American Industry Classification Code (NAICS) 541710

¹⁵ Summary data from this survey is provided in Appendix A.

The next step to project demand for affordable housing units among the 297 employees who are expected to seek housing in Lexington requires estimating the distribution of households for these workers by both the number of wage-earners and size. Since the employees in Lexington’s new developments will be drawn primarily from the greater Boston area, data for the distribution of households by number of earners and household size in the Boston metropolitan area were used to estimate the type of households for these employees¹⁶. Workers in each occupation expected to demand housing in Lexington were first divided into one-, two-, three- and four-or-more-person households based on the metro area distribution¹⁷. Then each household size group was divided into one-, two- and three-worker households, using the American Community Survey metro area percentages (see **Table 2-2**).

**Table 2-2. Household Size by Number of Wage-Earners,
Boston-Cambridge-Nashua MA-NH NECTA**

Number of Workers	One Worker	Two Workers	Three Workers	Total
One-person households	100.0%	0.0%	0.0%	100.0%
Two-person households	39.8%	60.2%	0.0%	100.0%
Three-person households	30.0%	48.7%	21.3%	100.0%
Four-person or larger households	22.5%	48.1%	29.4%	100.0%

Source: US Census 2019-2023 Five-Year American Community Survey

For single-earner households, the median wage for the occupation was used to estimate their household income and determine if they fell below the very low-income, low-income, or middle-income thresholds for their respective household size. Among the single earner households who are expected to demand Lexington housing, three are estimated to be very low-income (less than 50% of area median income), 24 are projected to be low-income (between 50% and 80% of area median income) and 82 are estimated as middle-income (80% to 120% of area median income) for a total demand of 109 affordable housing units. Projecting affordable housing demand among multiple-earner households required estimating the earnings for the additional wage earners. To simplify this analysis, it was assumed that the second or third worker’s earnings equaled the median annual wage for all workers in the Metro Southwest Workforce Area, which was \$67,645 adjusted for inflation to May 2025. This resulted in an additional 22 dual worker households from new development that will demand housing in Lexington, all in the middle-income category. All three-worker households exceed the maximum income for the very low- income, low-income and middle-income ranges.

Across all household sizes and income groups, the total number of affordable housing units needed to meet the demand generated by new lab, office, institutional and retail development is 131 units. **Table 2-3** summarizes the total projected demand for new housing by household size and among very-low income, low-income, and middle-income households.

¹⁶ This data was from the 2021 five-year American Community Survey for the Boston-Cambridge-Newton MA-NH Metropolitan Area.

¹⁷ From the 2021 five-year ACS, the ratios are: 27.6% one-person, 33.1% two-person 16.6% three-person and 22.7% four or more.

Table 2-3. Estimated Affordable Housing Demand in Lexington from New Large Non-Residential Developments by Income Type and Household Size, 2020 to 2029

Income Group	One-person Households	Two-person Households	Three-person Households	Four-person Households	Total
Very low-income	1	1	0	1	3
Low-income	7	4	7	6	24
Middle-income	47	30	9	18	104
Total	55	35	16	25	131

III. Subsidy Required to Address Impact of Large-Scale Development

This section builds upon the framework established in the earlier sections to project the total subsidy required to address the projected increased demand for affordable housing generated by large-scale developments in Lexington. Housing affordability is a function of household income and the cost of available rental and for-sale housing units in each real estate market. The Town of Lexington and the entire Boston region suffer from a well-known and demonstrated lack of sufficient affordable housing. This section reviews housing conditions in Lexington and calculates subsidy needed to create new affordable housing that satisfies the demand generated by new workers in new non-residential development by comparing the total development cost of new affordable housing units to the housing prices that can be supported by very low-income, low-income, and middle-income households. Before calculating the projected subsidy required, current housing conditions in Lexington are reviewed to provide background and context.

Housing Conditions in Lexington

Recent legislation like the MBTA Communities Act has opened doors to new multi-family development. One thousand units have been permitted, with many development proposals for smaller units, particularly one-bedroom units. Lexington is in the midst of determining occupancy needs of residents and if certain types of housing should be prioritized (i.e., senior housing).

The Town of Lexington is experiencing an affordable housing shortage because the demand for affordable units is outstripping the supply of housing affordable to very low-, low-, and middle-income households. The demand for affordable housing is high, particularly for renters with limited inventory and high prices. Potential homebuyers are challenged by the limited inventory of smaller homes amenable for young families and downsizing empty nesters along with the currently high interest rates.

Housing Stock Key Drivers

Important drivers of housing demand in Lexington are employment and household composition as households continue to grow smaller, and families are looking for housing for their elderly relatives. In 2023, Lexington had 34,000 residents. According to the American Community Survey, there were 13,000 residential units in the town in 2023, and 97 percent of the units were occupied. The split between renter- and owner-occupied units is predominately owner-occupied units at 81 percent and renter-occupied units at 19 percent.

Lexington Buyer and Household Demographics

Lexington benefits from the amenities of urban living, its proximity to Boston and the suburban benefits of quality schools. It attracts affluent residents and professionals due to its proximity to several schools, major universities like Harvard University and MIT, and major biotech and pharmaceutical companies (the median age of Lexington residents is 46.6 years old). The Town has a high percentage of immigrants or first-generation Americans with higher levels of educational attainment in comparison to the larger Boston region. The largest age group in the

population of Lexington are Gen Xers in their mid-40s to early 50s. In addition, Lexington has a high senior population as residents seek housing for their elderly relatives or merge households to become eligible for affordable housing.

Household compositions are changing as household sizes continue to decrease, causing a demand for one and two-bedroom units. The median household income for households in Lexington was \$219,400 (2023 ACS 5-Year Estimate), which is significantly higher than Middlesex County and the Commonwealth of Massachusetts. Lexington’s renters and owners are generally affluent, with the median renter income of \$96,000 and median owner income of \$250,000 or more in 2023.

Lexington Home and Condominium Sales

The median price for single-family homes in Lexington increased substantially by 16.9 percent compared to Middlesex County and the Commonwealth that had smaller increases of 4.4 and 3.2 percent, respectively, between July 2024 and July 2025 year to date (YTD). The Town’s median single-home price was \$1.9 million by July 2025 YTD, double the median of the County, and nearly triple the median cost in Massachusetts.

Lexington’s median condominium prices are 37.6 percent higher in July 2025 YTD than the median price for Middlesex County and 66.3 percent higher than for Massachusetts, demonstrating that median condo prices grew faster at the Town level than for the County or Commonwealth. The July 2025 YTD median price for a condo in Lexington was \$915,000, which was higher than Middlesex’s median price for a single-family home at \$875,000. Data in **Table 3-1** illustrate the median prices for single-family homes and condominiums in July 2024 and July 2025 YTD.

Table 3-1
Median Prices for Single-Family Homes and Condominiums

	Lexington		Middlesex County		Massachusetts	
	Single-Family	Condo	Single-Family	Condo	Single-Family	Condo
July 2024 YTD	\$1,600,000	\$839,000	\$838,000	\$650,000	\$619,900	\$545,000
July 2025 YTD	\$1,870,000	\$915,000	\$875,000	\$665,000	\$640,000	\$549,900
% Increase	16.9%	9.1%	4.4%	2.3%	3.2%	0.9%

Note: Complete FY25 data was not available so both data sets reflect YTD in July for consistent comparison.
Source: Warren Group

Lexington For-Sale Market

Data on recently sold and currently on sale condominiums in the town of Lexington are shown in **Table 3-2**. Recently sold condominiums ranged from \$348,000 on July 9, 2025 to \$2.2 million on May 23, 2025. The sold units’ size ranged from 655 to 3,956 SF. Current listings (as of August 28, 2025) ranged from 988 to 3,492 SF with list prices between \$730,000 and \$2.4 million.

Table 3-2
Listed for Sale and Recently Sold Condominiums in Lexington

Address	Sales Date	List Price	Beds	Baths	Square Feet	Year Built	HOA Fees	Price per SF
Current Listings								
9 Lisbeth St Unit 9, Lexington, MA 02420	NA	\$730,000	2	1.5	988	2013	\$200	\$739
22 Common Ct Unit 22, Lexington, MA 02421	NA	\$2,295,000	5	5	3,432	2025	\$500	\$669
26 Common Ct Unit 26, Lexington, MA 02421	NA	\$2,350,000	5	5	3,492	2025	\$500	\$673
Recently Sold								
87 Fifer Ln Unit 87, Lexington, MA 02421	Aug 5, 2025	\$800,000	3	2	1,145	1978	\$744	\$699
30 Bow St Unit 1, Lexington, MA 02420	Aug 1, 2025	\$440,000	1	1	687	1925	\$0 1/	\$640
837 Massachusetts Ave Unit 1, Lexington, MA 02420	Jul 31, 2025	\$660,000	2	2	1,044	1770	NA	\$632
108 Emerson Gardens Rd Unit 108, Lexington, MA 02420	Jul 18, 2025	\$410,000	1	1	655	1965	\$417	\$626
4 Emerson Gardens Rd Unit 4, Lexington, MA 02420	Jul 15, 2025	\$695,000	2	1.5	1,428	1965	\$540	\$487
1475 Massachusetts Ave Apt 342, Lexington, MA 02420	Jul 9, 2025	\$347,575	1	1	680	1985	\$268	\$511
1505 Massachusetts Ave Unit 6, Lexington, MA 02420	Jun 9, 2025	\$960,000	2	2.5	1,400	1975	\$756	\$686
28 Courtyard Pl, Lexington, MA 02420	May 30, 2025	\$1,610,000	3	2.5	2,875	2011	NA	\$560
510 Waltham St Unit 1, Lexington, MA 02421	May 23, 2025	\$2,200,000	5	5.5	3,956	2025	\$215	\$556
2 Muster Ct Unit 2, Lexington, MA 02420	May 2, 2025	\$1,000,000	3	2.5	1,582	1978	\$598	\$632

1/ No formal condo fee. Unit owners split costs for water/sewer, master insurance & landscaping.

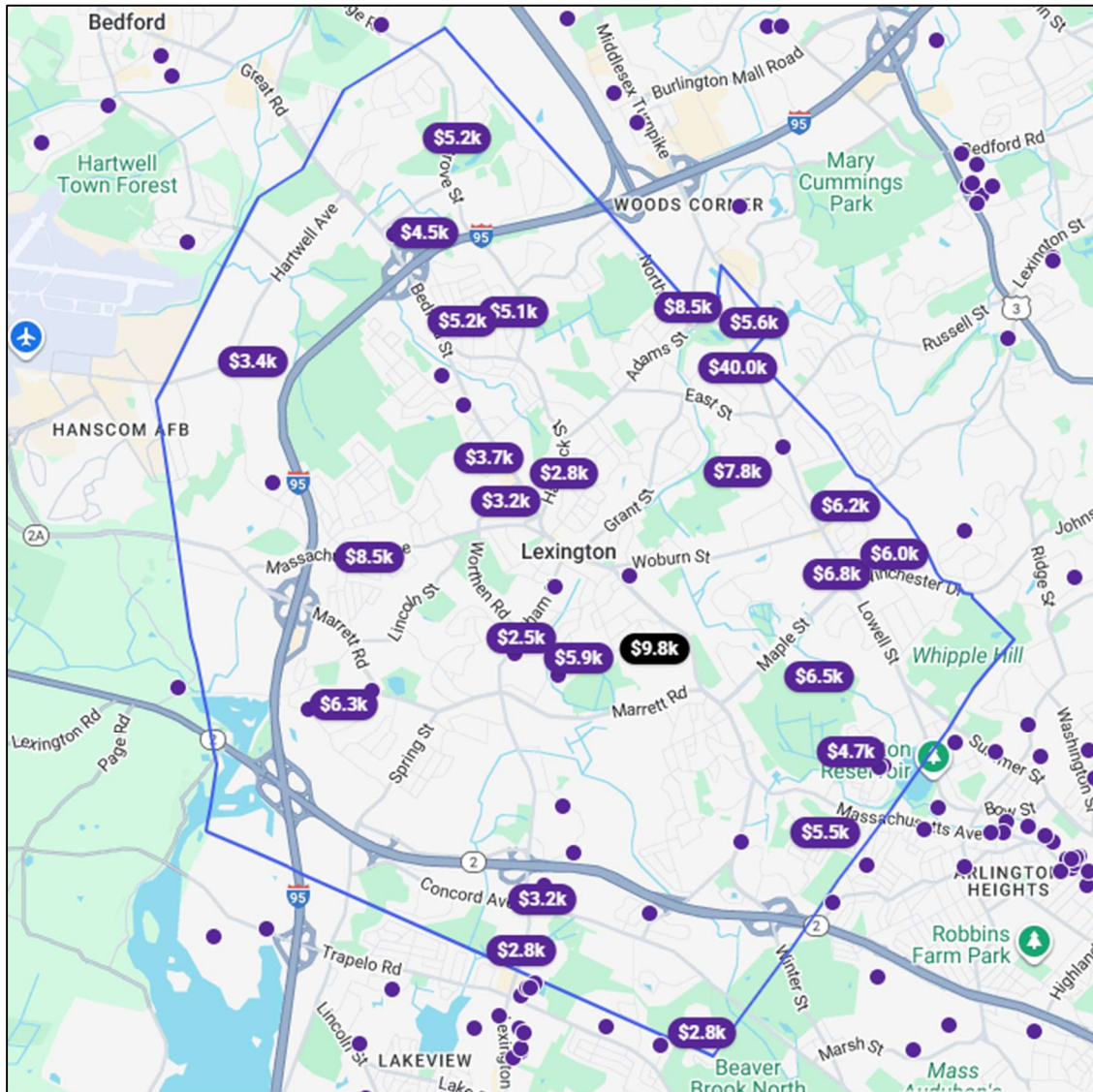
Source: Realtor.com as of August 28, 2025.

Lexington Rental Market Housing

Like homeowners and homebuyers, Lexington is also highly desirable to renters. Lexington and surrounding areas have had low rental vacancy rates in recent years. As reported by the U.S. Census Bureau, the American Community Survey estimates that in 2023, Lexington had a rental vacancy rate of 3.2 percent. A low vacancy rate in rental housing continues to be a factor in the availability and cost of housing in Lexington.

According to Rent.com, the average rent for a one-bedroom is \$2,893, and a two-bedroom is \$3,946. Ninety-four percent of listings are over \$2,100. It should be noted that the rents from Rent.com are skewed high by ~20 percent because Rent.com's listings tend to be for newer or professionally managed units, as opposed to the wide swath of naturally occurring affordable apartment units. Developers are projecting the rents for future development will be between \$3,000 and \$4,000 for market-rate rental units. **Figure 3-1** shows the current rental prices as of August 2025 with the highest nearby asking rent at approximately \$9,800.

Figure 3-1
Current Apartment Rental Prices, August 2025
Lexington, MA



Source: Rent.com

Lexington Housing Costs as a Percent of Household Income

Lexington may have a high median household income in comparison to the County or the Commonwealth, but that does not mean that some residents are not struggling to balance the cost of their housing with other expenses. The U.S. Department of Housing and Urban Development (HUD) defines extremely low-income as below 30 percent of the Area Median Income (AMI) for the region. Over 1,000 Lexington households or 8 percent of total households fall into this category. More than one-quarter of renters are considered extremely low-income. Six percent of total households have very low-income between 30 and 50 percent AMI. An additional 6 percent or 725 households are low-income, with incomes between 51 and 80 percent of the AMI. These

numbers show the relative unaffordability of the region that is particularly onerous on renters. Data in **Table 3-3** shows Lexington households by income level and a breakdown for owners, renters, and total households by percentage.

Table 3-3
Lexington Households by Income Level

Upper Limit of Income Level	Household Size				Owners	Renters	Total
	1	2	3	4			
30% AMI Extremely Low	\$34,750	\$39,700	\$44,650	\$48,600	4%	26%	8%
50% AMI Very Low	\$57,900	\$66,200	\$74,450	\$82,700	6%	8%	6%
80% AMI Low	\$92,650	\$105,850	\$119,100	\$132,300	5%	10%	6%
100% AMI Moderate	\$112,630	\$128,720	\$144,810	\$160,900	5%	10%	6%
Over 100% AMI					80%	45%	74%

Note: AMI, or "Area Median Income" is defined as the midpoint of a specific area's income distribution and is calculated on an annual basis by the Department of Housing and Urban Development (HUD).

Source: 2025 HUD Income Units for the Boston-Cambridge-Quincy Area and HUD CHAS Data 2016-2020

National Housing Market Trends

Lexington's market experience can be evaluated in the context of national and regional trends. According to The State of the Nation's Housing, 2025¹⁸, households and housing markets face a challenging environment. High home prices and elevated interest rates reduced homebuying to its lowest level since the mid-1990s. Increases in both insurance premiums and property taxes have heightened financial stress on homeowners and landlords. And, despite an abundance of new apartments, high rents have left more people more than ever cost burdened and have contributed to a rise in homelessness. Meanwhile, unprecedented destruction from wildfires has further highlighted the threat to the housing stock from climate-related disasters. At the same time, federal housing support is lessening, creating uncertainty regarding the availability of crucial assistance programs. The possibility of an economic downturn is exacerbating the nation's current housing challenges.

Home prices grew modestly in 2024 despite elevated interest rates, homebuyer affordability challenges, and rising inventories. Persistent demand and lingering supply shortages continue to pressure for-sale markets. New single-family construction has grown in response, though only modestly. In the rental market, a wave of multifamily completions is moderating rent growth and maintaining vacancies well above pandemic-era lows. But markets vary, with rent levels increasing in those with minimal new supply and declining in those with higher deliveries. However, the surge in new rental units is ending amid strong rental demand, signaling future tightening for rental markets. After many years of underbuilding, stock shortages persist. Unlocking new housing supply remains critical for alleviating affordability pressures and stimulating economic growth.

¹⁸ Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing 2025*.

As the number of renters facing affordability challenges climbs, cost burdens hit another record high in 2023. Lower-income renters have less money to pay for non-housing essentials. Nevertheless, rental demand remained strong last year, particularly among higher-income households unable to transition to homeownership. Still, the decreasing supply of low-rent units limits more affordable options. Some relief could come from the recent wave of multifamily completions. However, persistent operating challenges and high interest rates are slowing multifamily starts.

Regional Housing Market

The Greater Boston Housing Report Card, 2024¹⁹, reinforces many of the national trends. After a brief lull in 2023, the for-sale market has seen renewed price increases through most of 2024. However, with interest rates beginning to decline, the dynamics of the housing market could shift in the future. Median rents increased alongside home prices for several years, although they have leveled off, or even dipped slightly, during the first three quarters of 2024.

The continued rise in prices has increased the strain on households' capacity to afford housing in Greater Boston. High home prices and high interest rates have increased the amount of cash needed for a down payment, while unrelentingly high rents have made it increasingly tough for would-be first-time homebuyers to save.

Estimate of Required Affordable Housing Subsidy Contribution

The previous section projected the demand for affordable housing from new non-residential development as 131 units for very low-, low-, and middle-income households ranging in size from one person to four persons. This section determines the projected subsidy required to construct housing that is affordable for those households.

Analytical Approach

Following is a summary of data and analyses used in calculating the total per square foot subsidy from new non-residential development required to support development of new affordable housing for workers. The subsidies would be for very low-, low-, and middle-income households whose jobs would be in Lexington's new non-residential buildings over the next 10 years.

The analyses establish that affordable rents and affordable sales prices do not currently support development of new housing production due to high development costs. Therefore, to stimulate affordable housing development, subsidies or other incentives must be provided. This analysis estimates the amount of subsidy required to meet new affordable housing demand created by employees in the new non-residential development. The total required subsidy is the estimated difference between the total development costs of producing new affordable housing units and the capitalized value of net operating income from affordable rents and unit sale proceeds. The required subsidy is presented as a per square foot housing contribution for projected non-residential development over a 10-year period.

¹⁹ This is the most recent edition of *The Greater Boston Housing Report Card* available as of August 2025.

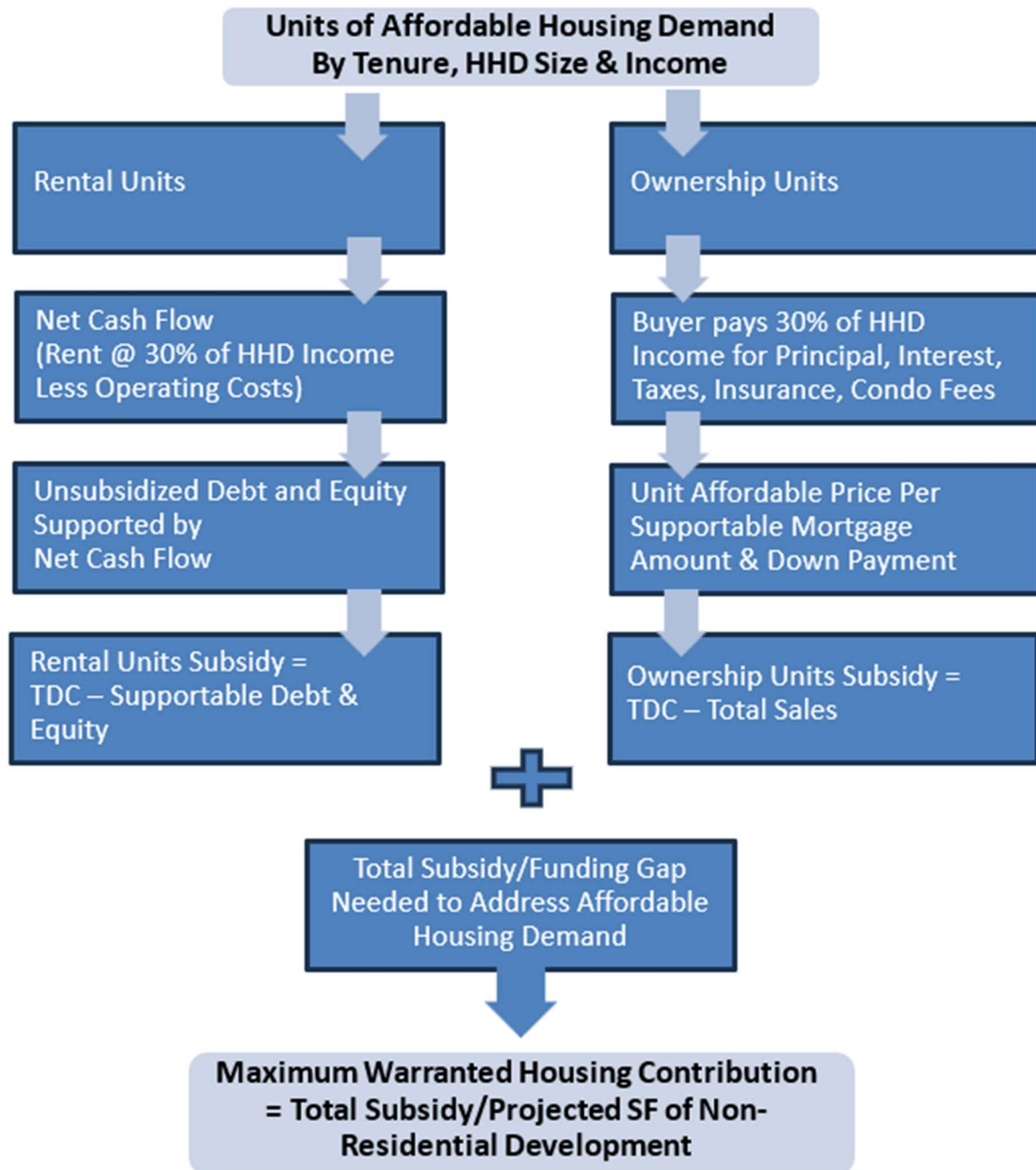
Methodology

The following methodology was used to calculate the subsidy required to produce sufficient housing to satisfy projected ten-year affordable housing demand generated by new development non-residential buildings.

- Estimate the number of very low-income, low-income, and middle-income households moving to or seeking to live in Lexington that would be generated by new nonresidential development.
- Specify demand by number of persons in the household, number of bedrooms, and by tenure (i.e., renter-occupied units and owner-occupied units).
- Estimate the total development costs of affordable units to satisfy the demand generated based on recent unit costs of a new affordable housing development project in Lexington and informed by costs compiled by ConsultEcon for other studies and one-on-one interviews with housing developers active in Lexington and the Boston area.
- Estimate the potential capitalized revenue due to annual rents and sales proceeds of affordable units segmented by very low-income, low-income, and middle-income households.
- Calculate the difference between the total development costs and the capitalized revenue that is internally generated by renters and owners. This amount is the total subsidy required to produce the targeted new affordable units created by demand from new workers in new non-residential developments.
- Divide the total subsidy required by the total non-residential square feet subject to the housing contribution. This amount is the per square foot subsidy projected to be required to produce the new affordable units created by demand from new workers in new non-residential developments.

This methodology is laid out in a diagram in **Figure 3-2**.

Figure 3-2. Methodology for Calculating Maximum Warranted Housing Contribution



Source: Karl F. Seidman Consulting Services and ConsultEcon, Inc.

Targeted Income Levels for Housing Subsidies

Most state and federal funding programs for affordable housing are targeted at very low-income and low-income households. The state has a workforce housing initiative that funds middle-income housing as well. Nonetheless, federal and state tax credits are the largest subsidy source for new affordable housing developments, and they prioritize creation of units for households below 50

percent AMI and 60 percent AMI. Therefore, because of the targeting of available subsidy sources, it is likely that much of the new affordable housing created in Lexington will be targeted at these income levels. As the following analysis shows, the subsidy required to create housing for very low-income households is substantial. Yet low-income and middle-income households are also increasingly finding housing to be unaffordable in Lexington's housing market.

The following outlines the key assumptions and analysis used to calculate the required housing subsidy.

Distribution of Housing Unit Types for New Affordable Housing

Table 3-4 shows the distribution of housing units by income group and by size of unit and by size of household.

- ◆ 76 one-bedroom units
- ◆ 27 two-bedroom units
- ◆ 28 three-bedroom units

Mix of Rental and Ownership Units

Table 3-5 shows the distribution of rental and ownership units based on information provided by the Town of Lexington for the mix of each household income level.

- Very Low-income – 100% rental housing
- Low-income – 70% rental housing, 30% homeownership
- Middle-income – 50% rental housing, 50% homeownership

Table 3-4. Distribution of New Affordable Housing Demand in Lexington by Number of Bedrooms due to Projected Non-residential Development

Households by Size					Total
One Person	Two Person	Three Person	Four Person		
<i>Distribution of Units by Number of Bedrooms</i>					
One Bedroom	100%	60%	0%	0%	58%
Two Bedrooms	0%	40%	80%	0%	21%
Three Bedrooms	0%	0%	20%	100%	21%
Total	100%	100%	100%	100%	100%
Units by Number of Bedrooms					
<i>Very Low Income</i>					
One Bedroom	1	1	0	0	2
Two Bedrooms	0	0	0	0	0
Three Bedrooms	0	0	0	1	1
<i>Low Income</i>					
One Bedroom	7	2	0	0	9
Two Bedrooms	0	2	6	0	8
Three Bedrooms	0	0	1	6	7
<i>Middle Income</i>					
One Bedroom	47	18	0	0	65
Two Bedrooms	0	12	7	0	19
Three Bedrooms	0	0	2	18	20
<i>Units by Size, Number of Bedrooms</i>					
One Bedroom	55	21	0	0	76
Two Bedrooms	0	14	13	0	27
Three Bedrooms	0	0	3	25	28
Total Units	55	35	16	25	131

NOTE: ROUNDING MAY AFFECT TOTALS.

Source: Karl F. Seidman Consulting Services and ConsultEcon, Inc.

Table 3-5. New Affordable Housing Demand in Lexington by Renter- and Owner-Occupied Units

	Households by Size				Total
	One Person	Two Person	Three Person	Four Person	
Percent of Households Occupying Ownership Housing					
Very Low Income	0%	0%	0%	0%	
Low Income	30%	30%	30%	30%	
Middle Income	50%	50%	50%	50%	
Percent of Households Occupying Rental Housing					
Very Low Income	100%	100%	100%	100%	
Low Income	70%	70%	70%	70%	
Middle Income	50%	50%	50%	50%	
Number of Ownership Units					
Very Low Income	0	0	0	0	0
Low Income	2	1	2	2	7
Middle Income	24	15	5	9	53
Total	26	16	7	11	60
Number of Rental Units					
Very Low Income	1	1	0	1	3
Low Income	5	3	5	4	17
Middle Income	23	15	4	9	51
Total	29	19	9	14	71
Units by Tenure (rounded)					
Ownership	26	16	7	11	60
Rental	29	19	9	14	71
Total	55	35	16	25	131
Rental Units by Number of Bedrooms					
One Bedroom	29	11	0	0	40
Two Bedrooms	0	8	7	0	15
Three Bedrooms	0	0	2	14	16
Total Rental	29	19	9	14	71
Ownership Units by Number of Bedrooms					
One Bedroom	26	10	0	0	36
Two Bedrooms	0	6	6	0	12
Three Bedrooms	0	0	1	11	12
Total Ownership	26	16	7	11	60
Total Housing	55	35	16	25	131

Source: Town of Lexington; Karl F. Seidman Consulting Services; and ConsultEcon, Inc.

Calculation of Needed Subsidy

The following presents the analysis of estimated total development costs, supportable financing, and needed subsidy for affordable housing units that must be created to satisfy the new demand generated by workers in new non-residential developments in Lexington over the next 10 years. The analysis only presents selected tables that summarize the calculation of the needed subsidy. Additional tables in **Appendix B** include all assumptions and intermediate calculations that underlie the required subsidy calculation.

Development Project Costs

An analysis of the development costs and needed subsidy for rental and homeownership units was conducted based on 60 ownership units and 71 rental units. Development costs were estimated based on the costs for recent comparable affordable housing developments built in Lexington and other area communities and reported costs for projects provided by real estate professionals in one-on-one interviews. These data were used as the basis for calculations in **Table 3-6** of total affordable housing development costs.

Table 3-6. Calculation of Total Development Costs of Affordable Rental and Ownership Housing Units in Lexington

Project Assumptions	Rental Units	Owner Units
Number of Units	71	60
Average Unit Size GSF ^{1/}	972	967
Total Project GSF	69,000	58,000
Cost Assumptions ^{2/}		
Land/Acquisition per Unit Costs ^{3/}	\$100,000	\$100,000
Construction per GSF Costs, includes Contingency, Site Work ^{4/}	\$416	\$416
Soft Costs, including Design, Permitting, Overhead, Profit, and Contingency, as a Percent of Construction Cost ^{4/}	37%	37%

Development Costs	Amount	Percent to Total	Amount	Percent to Total
Land/Acquisition	\$7,100,000	15.3%	\$6,000,000	15.4%
Construction, incl. Contingency	\$28,721,000	61.8%	\$24,143,000	61.8%
Soft Costs, including Design, Permitting, Overhead, Developer's Fee, and Contingency	\$10,627,000	22.9%	\$8,933,000	22.9%
Total Development Costs (TDC)	\$46,448,000	100.0%	\$39,076,000	100.0%
TDC per Unit (rounded to nearest \$1000)	\$654,000		\$651,000	
TDC per GSF (rounded to nearest \$1)	\$673		\$674	

Note: Rounding may affect totals.

1/ See Appendix Tables B-1 and B-2.

2/ Project costs are based on development pro formas for selected planned and recent affordable housing development projects in Lexington and other MA municipalities and interviews with affordable and market rate housing developers familiar with the Lexington / Boston regional marketplace. Soft costs are typical for affordable housing development projects. Soft costs are comparable to the ratio of soft costs to construction costs of affordable housing development projects in Lexington and other cities and towns in the Boston metropolitan area, MA.

3/ Current and comparable land sale data not available. A proxy average per unit is based on half of affordable housing having no land costs (as an example units on Lowell St.) and half at \$200,000 a reasonable estimate for this community.

4/ Based on planned Lowell St. housing development project cost estimates.

Source: Karl F. Seidman Consulting Services and ConsultEcon, Inc.

Housing Development Project Revenue

An important step in calculating the subsidy required to create new affordable housing units is to define the rental housing and ownership housing development projects' revenue that will be used to support the development of the housing and in the case of rental housing, its operating costs.

This analysis assumes that the new rental housing will be solely supported by rental income from tenant households and ownership housing will be supported by the sales of affordable units. Project revenue generation and the underlying development economics are different for rental and ownership housing.

For rental projects, the needed subsidy was calculated as the difference between total development costs and the amount of debt and equity that could be supported by the housing cash flow using affordable rents at 30% of household income and comparable operating costs.

For ownership projects, the needed subsidy was calculated as the difference between total development costs and the affordable purchase price based on home mortgage payments, insurance, and property taxes at 30% of household income and a 5% down payment.

Very Low, Low and Middle Household Incomes

Affordable rents and sales prices, which in turn drive the housing development project revenue, are derived based on household income. In prior sections of this report, annual occupational wages were the input for establishing the demand for affordable housing among very low-, low-, and middle-income households of new workers in new non-residential development in Lexington. These wages are the basis for weighted average annual household income for each income level (very low-, low- and middle-income)²⁰, as shown in **Table 3-7**.

Table 3-7. Weighted Average Income for Households in New Affordable Housing

	Households by Number of Persons			
	One Person	Two Person	Three Person	Four Person
<i>Distribution of Weighted Average Income</i>				
Very Low Income 1/	\$48,162	\$54,259	\$48,162	\$72,963
Low Income	\$76,457	\$85,846	\$101,078	\$105,067
Middle Income	\$115,606	\$125,091	\$144,609	\$159,722

1/ The Very Low Income average incomes for one person and three person households are the same based on the occupations and their salaries for the estimated number of workers demanding housing in Lexington with these size households.

Source: U.S. Bureau of Labor Statistics; Karl F. Seidman Consulting Services; and, ConsultEcon, Inc.

²⁰ This average is based on the weighted average for annual household earnings based on median annual earnings for the occupations projected for very low-, low-, and middle-income households as discussed in section two on the Impact of Large Scale Development on Affordable Housing Demand.

Affordable Rent Levels by Household Size and Income

The income levels defined in **Table 3-7** are the basis for calculating affordable rents and sales prices that in turn support the development of affordable housing. The needed subsidy for new affordable rental housing is calculated first, followed by the calculation of the needed subsidy for affordable ownership housing.

The affordable rents for rental units are based on the estimated annual income of workers in the new non-residential developments in Lexington. **Table 3-8** shows the calculation of total rent based on average worker earnings based on the occupational data derived for the employment projection in the prior section.

Rental Affordability Gap / Needed Subsidy

Table 3-9 calculates the needed subsidy based on the total development costs and the net operating income based on affordable rents calculated from tenant income levels. The total development cost for 71 rental units is estimated to be \$46.4 million, an average unit cost of \$654,000. The total subsidy required to support the development of this affordable housing is \$27.8 million, or 60 percent of the total development cost. Very low-income housing requires 100% of development cost to be subsidized because affordable rents do not cover the operating cost per unit, estimated at \$14,000 annually. Therefore, like many 100% affordable projects, other forms of operating subsidies, not accounted for in this analysis to maintain simplicity of unencumbered project operations, would be required, such as Section 8 housing vouchers.

Table 3-8. Annual Rental Income by Household Income and Size of Household

Household Size	Annual Income ^{1/}	Applicable Monthly Rent ^{2/}	Number of Households	Total Annual Rent
<i>Very Low Income Households</i>				
1 Person	\$48,162	\$1,204	1	\$14,449
2 Persons	\$54,259	\$1,356	1	\$16,278
3 Persons	\$48,162	\$1,204	0	\$0
4 Persons	\$72,963	\$1,824	1	\$21,889
<i>Low Income Households</i>				
1 Person	\$76,457	\$1,911	5	\$114,686
2 Persons	\$85,846	\$2,146	3	\$77,261
3 Persons	\$101,078	\$2,527	5	\$151,617
4 Persons	\$105,067	\$2,627	4	\$126,080
<i>Middle Income Households</i>				
1 Person	\$115,606	\$2,890	23	\$797,681
2 Persons	\$125,091	\$3,127	15	\$562,910
3 Persons	\$144,609	\$3,615	4	\$173,531
4 Persons	\$159,722	\$3,993	9	\$431,249
Total Households / Housing Units			71	
Total Annual Rent				\$2,487,631
Total Annual Rent (Rounded)				\$2,488,000
<i>Aggregate Annual Rent by Income Level</i>				
	Number of Units	Total Annual Rent (Rounded)	Percent of Total Rent	Average Monthly Rent
Very Low Income	3	\$53,000	2.1%	\$1,472
Low Income	17	\$470,000	18.9%	\$2,304
Middle Income	51	\$1,965,000	79.0%	\$3,211
Total	71	\$2,488,000	100.0%	\$2,920

1/ Weighted average annual earnings based on anticipated mix of occupations and wages in new non-residential development in Lexington.

2/ Assumed at 30% of monthly income.

Note: Rounding may affect totals.

Source: Town of Lexington; Karl F. Seidman Consulting Services; and ConsultEcon, Inc.

Table 3-9. Summary of Required Affordable Housing Subsidy Rental Units

			By Household Type		
			Low Income	Low Income	Middle Income
All Units					
Potential Development Costs					
Number of Units	71		3	17	51
Percent to Total	100.0%		4.2%	23.9%	71.8%
TDC per Unit	\$654,000		\$654,000	\$654,000	\$654,000
TDC per GSF	\$673		\$673	\$673	\$673
Total Gross Square Footage (GSF)	69,000		2,915	16,521	49,563
Total Development Costs (TDC)	\$46,448,000		\$1,962,592	\$11,121,352	\$33,364,056
Net Rental Income	Unit Factor	Amount	Amount	Amount	Amount
Gross Annual Rent		\$2,488,000	\$53,000	\$470,000	\$1,965,000
Less Vacancies	5% of Gross Rent	(\$124,400)	(\$2,650)	(\$23,500)	(\$98,250)
Less Total Operating Costs ^{1/ 2/}	\$14,000 per Unit	(\$994,000)	(\$42,000)	(\$238,000)	(\$714,000)
Net Operating Income (NOI) ^{2/}		\$1,361,250	\$0	\$208,500	\$1,152,750
Derivation of Permanent Mortgage / Supportable Debt Calculation			Amount	Amount	Amount
Net Operating Income (NOI) ^{3/}		\$1,361,250	\$0	\$208,500	\$1,152,750
Debt Coverage Ratio		1.1	1.1	1.1	1.1
Available for Debt Service		\$1,237,500	\$0	\$189,500	\$1,048,000
Mortgage Constant ^{4/}		6.980%	6.980%	6.980%	6.980%
Permanent Mortgage / Supportable Debt (Rounded)		\$17,730,000	\$0	\$2,715,000	\$15,015,000
Supportable Equity Calculation			Amount	Amount	Amount
Required Return on Equity ^{5/}		15.0%	15.0%	15.0%	15.0%
Revenue Available for Return to Equity		\$136,125	\$0	\$20,850	\$115,275
Supportable Equity Investment		\$908,000	\$0	\$139,000	\$769,000
Subsidy Required Calculation			Amount	Amount	Amount
Total Development Costs		\$46,448,000	\$1,962,592	\$11,121,352	\$33,364,056
Less Permanent Mortgage / Supportable Debt		(\$17,730,000)	\$0	(\$2,715,000)	(\$15,015,000)
Less Supportable Equity		(\$908,000)	\$0	(\$139,000)	(\$769,000)
Subsidy Required (TDC-Mortgage-Equity)		\$27,810,000	\$1,962,592	\$8,267,352	\$17,580,056
Subsidy Required as a Percent of TDC		59.9%	100.0%	74.3%	52.7%
Subsidy Required per Unit		\$391,690	\$654,197	\$486,315	\$344,707
Subsidy Required per Unit (Rounded)		\$392,000	\$654,000	\$486,000	\$345,000

Note: Rounding may affect totals.

1/ Based on estimated of operating expenses per unit for affordable multi-family developments in other similar Metro Boston communities and interviews. Costs are typical of CAM expenses--Administrative, Utilities, Maintenance, Insurance, Property Taxes--that would be charged to the renter or the building owner would absorb.

2/ The amount of money tenants pay in rent does not cover the operating costs of the units for Very Low Income households. Affordable housing operating costs are typically higher than market rate housing because of the space dedicated to and costs of delivering a higher level supportive services to tenants. In reality, affordable housing projects also require operating subsidies such as Section 8 housing vouchers. For analytic purposes, the financial analysis is focused on capital subsidies, the operating loss shown is not included in the financing analysis and the operating shortfall would be addressed separately through other funding mechanisms.

3/ Available debt service from Very Low Income units is assumed as \$0. See footnote 2/.

4/ Source: ConsultEcon calculation of mortgage constant based on August 13, 2025 interest rates for MHP Direct Lending loan from the Massachusetts Housing Partnership.

5/ Estimated developer returns for market rate project based on Affordable Housing Finance 101 presentation available from: <https://www.smartergrowth.net/wp-content/uploads/2024/05/Patrick-McAnaney-Webinar-Slides-May-2024.pdf>.

Source: Town of Lexington; Karl F. Seidman Consulting Services; and ConsultEcon, Inc.

Ownership Housing Development Project Revenue

Table 3-10 provides estimated sales prices for affordable units based on 30 percent of household incomes of homeowner households.

Table 3-10. Aggregate Affordable Ownership Unit Sales by Household Income and Size of Unit

Household Size	Average Annual Income ^{1/}	Monthly Housing Costs ^{2/}	Number of Households	Supportable Sales Price ^{3/}	Total Sales
Low Income Households					
One bedroom	\$68,141	\$1,704	3	\$193,286	\$579,857
Two bedroom	\$98,032	\$2,451	2	\$278,018	\$556,036
Three bedroom	\$125,283	\$3,132	2	\$355,264	\$710,528
Middle Income Households					
One bedroom	\$118,193	\$2,955	33	\$351,815	\$11,609,886
Two bedroom	\$132,898	\$3,322	10	\$395,509	\$3,955,088
Three bedroom	\$158,211	\$3,955	10	\$470,872	\$4,708,722
Total Households / Housing Units			60		
Total Sales					\$22,120,116
Total Sales (Rounded)					\$22,120,000
Aggregate Sales by Income Level		Number of Units	Total Sales	Percent of Total	Average Sales Price
Low Income		7	\$1,846,000	8.3%	\$263,714
Middle Income		53	\$20,274,000	91.7%	\$382,528
Total		60	\$22,120,000	100.0%	\$368,667

1/ See Appendix Table B-3 for Weighted Average Annual Income Data

2/ Assumed at 30% of monthly income.

3/ See Appendix Table B-4 for Supportable Sale Price Analysis

Source: Town of Lexington; Karl F. Seidman Consulting Services; and ConsultEcon, Inc.

Ownership Housing Needed Subsidy

Table 3-11 derives estimates of the subsidy needed after accounting for the sales of the affordable units based on 30 percent of owner income.

Table 3-11. Summary of Subsidy Required for Affordable Housing Ownership Units

				By Household Type	
				Low Income	Middle Income
All Units					
Potential Development Costs					
Number of Units		60		7	53
<i>Percent to Total</i>				11.7%	88.3%
TDC per Unit		\$651,000		\$651,000	\$651,000
TDC per GSF		\$674		\$674	\$674
Total Gross Square Footage (GSF)		58,000		6,767	51,233
Total Development Costs (TDC)		\$39,076,000		\$4,558,867	\$34,517,133
Aggregate Unit Sales					
Proceeds	Units	Average Price	Sales Proceeds	Sales Proceeds	Sales Proceeds
Low Income	7	\$263,714	\$1,846,000	\$1,846,000	\$0
Middle Income	53	\$382,528	\$20,274,000	\$0	\$20,274,000
Total Sales Proceeds	60	\$368,667	\$22,120,000	\$1,846,000	\$20,274,000
Subsidy Required Calculation				Amount	Amount
Total Development Costs		\$39,076,000		\$4,558,867	\$34,517,133
Less Sales Proceeds		(\$22,120,000)		(\$1,846,000)	(\$20,274,000)
Subsidy Required (TDC-Sales Proceeds)		\$16,956,000		\$2,712,867	\$14,243,133
<i>Subsidy Required as a Percent of TDC</i>		43.4%		59.5%	41.3%
<i>Required Subsidy per Unit</i>				\$387,552	\$268,738

Source: Town of Lexington; Karl F. Seidman Consulting Services; and ConsultEcon, Inc.

Summary of Subsidy Needed to Satisfy Ten-Year Affordable Housing Demand

Table 3-12 summarizes the results of the analysis of renter and owner-occupied affordable unit total development costs, subsidy needed and the per square foot housing contribution for non-residential development that would be needed to fill the entire subsidy gap.

Table 3-12. Calculation of Subsidy Required for New Affordable Rental and Ownership Units per Square Foot of Projected Non-residential Development in Lexington over a 10-Year Period

	All Units	Very Low Income	Low Income	Middle Income
Number of Units	131	3	24	104
<i>Percent to Total</i>	<i>100%</i>	<i>2%</i>	<i>18%</i>	<i>79%</i>
Total Development Cost	\$85,524,000	\$1,962,592	\$15,680,219	\$67,881,190
Total Subsidy Required	\$44,766,000	\$1,962,592	\$10,980,219	\$31,823,190
Percent TDC that is Subsidy	52.3%	100.0%	70.0%	46.9%
Derivation of Commercial Square Footage Subject to Housing Contribution				
Total Commercial Square Footage	486,116	486,116	486,116	486,116
Subsidy Required per Square Foot of New Commercial Development	\$92.09	\$4.04	\$22.59	\$65.46
<i>Percent to Total</i>	<i>100%</i>	<i>4%</i>	<i>25%</i>	<i>71%</i>

Source: Town of Lexington; Karl F. Seidman Consulting Services; and ConsultEcon, Inc.

The results of this analysis are:

- Total development costs of \$85.5 million; and
- Total needed subsidy of \$44.8 million.

Modified Subsidy Required Based on Other Subsidy Sources

The housing contribution fee needed to provide the full \$44.8 million in subsidy is \$92.09 per square foot on new non-residential development. However, very low-income, low-income and middle-income housing development leverages public subsidies from federal and state sources in addition to those provided by local government.

Because the maximum housing contribution is so high, it is inadvisable to set the fee at this level to avoid stifling new non-residential development. Moreover, because of the availability of state and federal affordable housing development funding sources, the local share is typically only part of the mix of sources for projects. The local share to produce affordable rental housing in other communities varies from 6 percent in Somerville to 57 percent for one home ownership project in Cambridge. On average, local funds have represented 11 percent of the total project costs for projects financed by the Massachusetts Housing Partnership (MHP) portfolio from FY2016 to FY2022.

Summary of Development Costs, Needed Subsidy and Local Share of Project Funding

The local share of funding for the subsidy ranges widely and is often as much as 30 percent. Funding levels vary by municipality, depending on their affordable housing policies and the funds that are available. **Table 3-13** summarizes potential housing contribution scenarios based on a range from 5 percent to 25 percent for Lexington's share of the subsidy needed to produce the housing. This results in a fee range from \$4.60 to \$13.81. The table also shows the percentage of the total development costs represented by each of the housing contribution alternatives.

Over the 10-year period, based on the per SF fee range below and the projected 486,116 SF of non-residential development projected, the housing contribution policy would generate between \$2.2 million and \$15.6 million for the affordable housing trust fund depending on the chosen housing contribution policy.

Table 3-13. Summary of Housing Contribution Scenarios based on Total Development Costs and Subsidy Required to Build New Affordable Housing Units

Lexington Per Square Foot Share of Subsidy	Housing Contribution Based on Share	Lexington Percentage Share of TDC
5%	\$4.60	2.6%
10%	\$9.21	5.2%
15%	\$13.81	7.9%
25%	\$23.02	13.1%

Note: TDC = Total Development Costs.

Source: Karl F. Seidman Consulting Services and ConsultEcon, Inc.

IV. Review of Housing Contribution Policy Options

Cities across the country have implemented policies to generate funding to address the impact of commercial development on affordable housing demand for over three decades. Many California communities have enacted such programs, and they are also found in Washington, Colorado, Florida, and New Jersey. Locally, Boston, Cambridge, Everett, Somerville and Watertown have implemented linkage fees. This section reviews the linkage fees in nearby communities, considers key policy options for Lexington to address in establishing a housing contribution/linkage fee, and assesses the impact of the maximum warranted fee discussed in the prior section on Lexington's competitiveness for attracting businesses and commercial development investment.

Policies in Nearby Communities

Current housing contribution/linkage fee rates and policies for Boston, Cambridge, Everett, Somerville and Watertown are summarized in **Tables 4-1 and 4-2**. Housing contribution/linkage fees per SF range from \$2 to \$4 in Everett to a high of \$36.36 in Cambridge. Boston, Cambridge and Somerville established their fees over 20 years ago, between 1983 and 1990, while Everett and Watertown established their fees recently, in 2021 and 2023, respectively. The three early adopters have increased their fee levels over time to reflect inflation and changes in both development impacts and the funding gap to build affordable housing. All five cities provide for annual fee adjustments for inflation. As discussed below, there are also variations across communities in specific policies and administrative issues beyond the fee rates.

Table 4-1 . Housing Contribution/Linkage/ Fee Rates, Thresholds and Exemptions in Boston Area Communities

City	Year Established	Exaction/Linkage Fee Rate (per SF)	Project Size Threshold (SF)	Exemption (SF)
Boston	1983	Housing: \$26.00 for labs & \$19.33 fr other uses	50,000	50,000
	1986	Jobs: \$4.78 for labs and \$3.76		
Cambridge	1988	Housing: \$36.36	30,000	30,000 for projects less than 60,000 SF
Everett	2021	\$1,000 per dwelling unit; Non-residential: \$2.00 for first 30,000 SF; \$3.00 for 30,001-60,000 SF; \$4.00 above 60,000 SF	All residential projects 15,000 - non-residential	
Somerville	1990	Housing: \$23.79; 50% of fee paid for projects between 15,000 and 30,000 SF	15,000 for housing	15,000 for housing
	2017	Jobs: \$3.10; 50% of fee paid for projects between 15,000 and 30,000 SF	15,000 for jobs	15,000 for jobs
Watertown	2023	Housing: \$11.50	30,000	0

Table 4-2. Additional Housing contribution Policies in Boston Area Communities

City	Applicable Project	Payment Schedule	Rate Adjustments	Other Policies
Boston	1, Erect a structure or structures with GFA above size threshold; 2. Enlarge or extend a structure or structures with GFA above size threshold; 3. Substantially rehabilitate a structure or structures having, or to have after rehabilitation GFA above size threshold.	Housing: 2 payments at building permit date and COO date.	Automatic annual adjustment beginning July 1, 2024 based on a "combined index" of the CPI for Urban Consumers and CPI Housing Component. At other times as recommended by the BRA based on a consideration of economic trends, housing trends and other factors.	Housing creation option allows a developer to make all or a portion of their linkage obligation via a financial contribution to a specific income restricted housing project.
		Jobs: two payments at building permit date & COO date.		Job linkage obligation can be met through either cash payments or creation of a job training program with a cost at least equal to the required linkage fee contribution.
Cambridge	1. New buildings or additions; 2. Substantial rehabilitation to accommodate uses subject to linkage fees; 3. Changes in use where the new use is subject to linkage fees.	One payment at COO.	Annual Adjustment (in October or November) based on Boston CPI Housing Index Recalculation after three years or longer.	
Everett	1. New building or addition; 2. Change in use in threshold amount subject to linkage fee.	10% of fee is paid at COO with 3 subsequent payments of 30% at anniversary date of the fee agreement (close to COO date).	Annual adjustment Jan. 1 based on the change in the RS Means Average City Cost Index for Boston.	Reduced fee by 50% for projects with a building permit prior to fee passage.
Somerville	New buildings and modifications to existing buildings.	Housing fee made in three payments at COO & next two anniversary dates. Jobs fee made in two payments at building permit & COO.	Reevaluation every five years. Annual adjustment March 1 based on Boston CPI.	
	New buildings and modifications to existing buildings.			
Watertown	1. Construction of new building or addition for non-residential use; 2. Substantial rehab or conversion for non-residential use.	Two payments at COO and 1 year later.	Annual adjustment based on change in CPI-U.	Option to provide affordable housing units or land in lieu of cash payment.

Administrative and Policy Issues

Beyond setting the housing contribution rate, Lexington needs to address several administration and policy issues if it decides to establish a new affordable housing contribution/linkage fee. The primary issues, reviewed in this section, are:

- What projects would be subject to the fee based on use, square footage, extent of rehabilitation, stage of development, etc.;
- Exempting part of the development space from the fee;
- Whether to set a single uniform fee or vary the fee rate by use and/or development district;
- Payment timing and schedule; and
- Fee adjustment over time.

Size Threshold and Exemption. Communities vary in the size threshold that triggers the application of housing contributions or linkage fees. In Boston, their equivalent Development Impact Project (DIP) fee applies to developments over 50,000 SF, while in Cambridge and Watertown it applies to developments over 30,000 SF. Everett and Somerville have the lowest threshold, at 15,000 SF. Some communities have no minimum size threshold for the application of commercial linkage fees and collect them from projects independent of size. This is particularly true in California where most communities with such fees do not have a size threshold²¹. For redevelopment projects, these thresholds typically apply to the total size of the new redevelopment project not to the net increase in gross floor area. Most communities apply the threshold to building additions or modifications/substantial rehabilitations along with new construction.

Boston and Somerville exempt part of the total floor area from paying the linkage fee—an amount equal to the project threshold. Cambridge does this only for projects with less than 60,000 SF. Everett and Watertown do not provide an exemption. An exemption benefits smaller projects by reducing the share of their floor area subject to the linkage fee. Therefore, providing an exemption for smaller projects, as is done in Cambridge, is a way to address concerns that a housing contribution is more likely to impact the financial viability of smaller projects. However, there is not a strong housing policy case for having an exemption since the exempted space still has an impact on the demand for affordable housing. Moreover, by exempting a portion of building space from paying the linkage fee, the fee needs to be higher to provide the revenue needed to fill the funding gap. Lexington's recent and permitted non-residential projects have been fairly large, with four of the 13 projects under 100,000 SF and eight over 200,000 SF.

Variation of Housing and Employment Impacts by Use. Two primary factors shape how different uses impact the demand for affordable housing: (1) the density of employees in the occupied space; and (2) the share of employees with earnings at the very low, low and middle-income levels. Since these factors vary by use there is a policy case for varying fees by use, e.g. restaurants have a high impact on affordable housing demand due to high employee density and low earnings while lab/life science uses will have a lower impact with a large share of employees with annual earnings above the middle-income level. Varying rates by use adds to fee administration, as the distribution of

²¹ *Jobs Housing Nexus Study*, prepared for the City of San Diego, Prepared by Keyser Marston Associates, Inc., October 2010.

uses in each project needs to be calculated and the potential for changes in use and required fees between approval, completion/certificate of occupancy and actual occupancy needs to be addressed. Since Lexington's non-residential development is heavily concentrated in lab/life science development, there is little need to vary fee rates by use and incur the added complexity.

Variation of Contribution Rates by Geography. Some cities, such as San Francisco and Seattle, have different linkage fees for different neighborhoods or districts to reflect variations in rent levels and development densities. Since Lexington is a much smaller community with a limited amount of non-residential development, there are not large variations in rents and development density within the town that would warrant adopting this policy.

Payment Timing Schedule. Lexington will need to decide when to first collect a housing contribution and whether to allow developers to pay the fee over time with multiple payments. The most common option is to commence fee payments when the certificate of occupancy is issued.²² Boston is the exception, requiring the first payment when the building permit is issued. Collection at the building permit date will allow Lexington to collect the fee sooner and have the capacity to deploy the funds sooner. However, this earlier date requires developers to finance and pay the funds well before any tenant revenue is received. Allowing for fee payment over time has the same trade-off—a single payment would allow Lexington to receive and deploy funds sooner but has a greater financial impact on developers. Cambridge requires one payment while the other four cities collect linkage fees over time. Boston and Watertown collect the fee in two payments, Somerville allows three payments and Everett has the longest period with four payments. Allowing multiple payments adds administrative complexity since additional record-keeping, invoicing and collection efforts are needed to track and collect payments over multiple years.

Fee adjustment over time. A final policy issue concerns how to adjust linkages fee rates over time. Annual adjustments to fee levels based on inflation are used in all five communities to address increases in mitigation costs since inflation in construction and other development expenses raises the cost to build affordable housing. Most communities use the Consumer Price Index to make this inflation adjustment. Everett applies a construction cost index, which is a better indicator of housing development cost inflation than changes in consumer household expenses. A second aspect of fee adjustment is updating linkage fees based on changes in economic and development conditions that affect the affordable housing impacts of new developments and the funding gap to mitigate these impacts. Zoning codes in Boston, Cambridge and Somerville require this more comprehensive update every three or five years.

Impact on Lexington's Competitiveness for Attracting Development and Companies

An important consideration in establishing the housing contribution rate is its potential impact on attracting new development and tenants. A housing contribution will increase development costs. Developers can offset this added cost by either paying less for their development site, reducing other development costs or collecting higher rents from tenants. When developers are unable to offset the added costs (e.g., they acquired their site before the fee was established or market conditions prevent them from increasing rents), the higher costs will reduce the return on

²² This is the time of collection. The fee obligation is typically established when a project first applies for development approval or when the final decision permitting the new development occurs.

investment for the developer and its investment partners. Since the impact of a new housing contribution on the economics of development is not certain and can vary under different circumstances, this section analyzes three ways in which a housing contribution may affect Lexington's competitive position for economic development:

1. The cost of the housing contribution is passed on to tenants as higher rents. If the rent increase is large, then it may affect Lexington's competitiveness in attracting businesses to new development projects.
2. The housing contribution cost is fully paid by developers without any rent increase or offsetting reduction in acquisition or other development costs. With higher development costs and the same rental income, developers will experience a reduction in their financial return for the project. Many developers have a return threshold that a project must meet to be deemed financially feasible and to be undertaken. If the added cost of the housing contribution significantly reduces the financial return, developers may forego undertaking a project in Lexington and pursue opportunities in other communities. A developer's return on cost²³, a common financial return measure that developers use to assess project feasibility, is used for this analysis to assess the potential impact of housing contribution options.
3. The housing contribution cost is fully paid by the project's equity investors without the cost passed on as a rent increase, offset by lower acquisition and/or other development costs, or an increase in project debt financing. Developers need to raise equity financing to cover the portion of project costs that cannot be financed with debt. If the full cost of the housing contribution must be financed by equity, it will reduce the equity investors' return on investment since they will be providing more capital but the project's income will not increase. If the cost of the housing contribution significantly reduces their investment return, then equity investors may choose not to invest in Lexington projects. The inability to raise sufficient equity investment might prevent some developers from being able to undertake projects and reduce future investment in Lexington. .

Potential Impact on Rents.

Table 4-3 shows the dollar impact and percentage increase of the \$92.09 maximum housing contribution (and alternative rates based on different local funding shares) on the annual lab rent per square foot amortized over a ten-year lease. Lexington's lab rent is estimated at \$75 PSF, which is the current asking rent level for the MassPike/128 market area, based on reports from several real estate brokerage firms. The maximum fee, when fully passed on to tenants, would increase annual rent by \$9.21, or 12.3%. The four lower fee options would generate increases of \$.46 to \$2.30, which equal percentage changes in rent ranging from a low of .6% to 3.1.

²³ Return on cost is the ratio of a project's net income to its total development costs.

Table 4-3. Potential Impact of Housing Contribution Options on Lexington Lab Rents

Housing Contribution Level	Potential Impact on Annual Per Square Foot Rent*	Percent of Lexington Lab Rent (\$75)
\$4.60 per square foot	\$0.46	0.6%
\$9.21 per square foot	\$0.92	1.2%
\$13.81 per square foot	\$1.38	1.8%
\$23.02 per square foot	\$2.30	3.1%
92.09 per square foot	\$9.21	12.3%
*Housing Contribution cost amortized over a 10 year lease		

To assess the impact of these potential rent increases on competition for tenants, **Table 4-4** compares Lexington's estimated lab rent to lab rents on six potential competing locations. Lexington is an established and desirable location for life science firms but it competes for tenants with several locations as a lower cost alternative to Boston and East Cambridge. With the boom in lab development in the last several years, more locations now provide a lower cost lab space option and are potential competitors to Lexington, especially the inner suburban communities of Somerville and Watertown. Lexington currently has a large rent advantage over Boston and Cambridge locations, ranging from \$13 for West Cambridge to \$33 for Fenway and \$35 for East Cambridge. The maximum housing contribution fee, if fully passed on to tenants, would increase Lexington's estimated rents by \$9.21. Despite this large impact, Lexington would still have a sizeable rent advantage with these Cambridge and Boston locations, varying from \$3.79 to \$25.79. However, the maximum fee would make Lexington more costly and impact its competitiveness with the inner suburbs and other MassPike/128 locations. Since lab rents in Lexington are comparable to those in the inner suburbs and MassPike/128 market area, any housing contribution fee, if passed on to tenants, will make Lexington more costly than these competing communities. However, the fee levels from \$4.60 to \$13.81 would have a modest rent impact of \$.46 to \$1.38 (.6 to 1.8%) and could allow Lexington to remain a competitive location based on the Town's other assets.

Table 4-4. Lab Rents in Lexington and Competing Locations

Location	Lab Asking Rent	Differential from Lexington
Lexington	\$75	
128-MassPike	\$75	\$0.00
Inner Suburbs	\$75	\$0.00
West Cambridge	\$88	\$13.00
Boston-Seaport	\$100	\$25.00
East Cambridge	\$110	\$35.00
Boston-Fenway	\$108	\$33.00
Source: CBRE. LPC, CREDA Boston Metro Lab Reports 1Q25		

Impact of Developer Returns.

Table 4-5 shows the impact of the additional housing contribution costs on developers' financial returns, under five fee amounts, for a 150,000 SF lab project under high cost (\$1600/SF) and low cost (\$1000/SF) development scenarios²⁴. The two scenarios are based on varied lab total development costs reported by developers. Return on cost, which divides the expected net rental income from a project (before debt payments) by the estimated total development costs, is a common measure that developers use to assess if a project will be profitable and worth undertaking financially. Many developers in the Boston region have a current required return on cost in the 7% to 8% range, although some have a higher return threshold. By increasing development costs, a housing contribution would reduce the developer's return on cost. The fee impact on returns is greater for the low cost development scenario. The estimated return on cost without any fee is 7.13%- a level that is marginally feasible for developers with the lowest return threshold. Returns drop by 60 basis points²⁵ under the \$92.09 maximum fee, lowers the return on cost from 7.13% to 6.52%, which would make the project unfeasible. Under three lower alternative fee levels (\$4.60 to \$9.21), the reduction in a developer's return on cost is small, ranging from four to ten basis points and the estimated return remains above 7%. Under a \$23.02 fee, the return on costs drops 16 basis points to 6.96%, below 7%--the lowest return threshold.

For the high development cost lab scenario, the estimated return on cost without any fee is 4.22 %, far below developers' return thresholds and thus infeasible for development under current market conditions. Market rents will need to increase and interest decline for new development to be viable at this level of development costs. The potential fee levels further reduce estimated returns by a high of 23 basis points at \$92.09 to a low of one basis point at \$4.60.

**Table 4-5. Estimated Impact of Housing Contribution Options
on Development Costs and Developer Returns**

Development at \$1600 PSF	No Contribution	\$92.09 Contribution	\$4.60 Contribution	\$9.21 Contribution	\$13.81 Contribution	\$23.02 Contribution
Total Development Costs	\$240,000,000	\$253,813,500	\$240,690,000	\$241,381,500	\$242,071,500	\$243,453,000
Estimated Gross Rental income	\$11,250,000	\$11,250,000	\$11,250,000	\$11,250,000	\$11,250,000	\$11,250,000
Vacancy (10%)	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000
Net Rental Income	\$10,125,000	\$10,125,000	\$10,125,000	\$10,125,000	\$10,125,000	\$10,125,000
Return on Cost	4.22%	3.99%	4.21%	4.19%	4.18%	4.16%
Differential		-0.23%	-0.01%	-0.02%	-0.04%	-0.06%
Development at \$1000 PSF	No Contribution	\$92.09 Contribution	\$4.60 Contribution	\$9.21 Contribution	\$13.81 Contribution	\$23.02 Contribution
Total Development Costs	\$150,000,000	\$163,813,500	\$150,690,000	\$151,381,500	\$152,071,500	\$153,453,000
Estimated Gross Rental income	\$11,250,000	\$11,250,000	\$11,250,000	\$11,250,000	\$11,250,000	\$11,250,000
Vacancy (5%)	\$562,500	\$562,500	\$562,500	\$562,500	\$562,500	\$562,500
Net Rental Income	\$10,687,500	\$10,687,500	\$10,687,500	\$10,687,500	\$10,687,500	\$10,687,500
Return on Cost	7.13%	6.52%	7.09%	7.06%	7.03%	6.96%
Differential		-0.60%	-0.03%	-0.07%	-0.10%	-0.16%

²⁴ Other assumptions used in the financial analysis are 135,500 SF of lab space rented (10% vacancy) at \$75/SF NNN.

²⁵ A basis point is 1/100th of a percentage point (.01%).

Impact on Investor Returns.

Linkage fees will also affect the financial returns for equity investors. These investors will need to increase their investment in a project to fund the linkage fee²⁶ while receiving the same cash flow (since the project's revenue will be the same), resulting in a lower return on investment. **Table 4-6** shows how the increased equity investment reduces financial returns under the five fee level options shown in the prior table for the low-cost and high-cost lab development scenarios. Since developers reported that required financial returns for equity investors range from the high teens to twenty percent, the impact was calculated for investors seeking returns of 17% and 20%. The maximum \$92.09 housing contribution reduces investor returns by a sizeable amount, between 214 to 374 basis points, which would likely deter them from investing in projects. With a \$4.60 contribution, the returns on equity drop from 12 to 23 basis points, which is unlikely to deter investors since their returns remain close to their target levels. Similarly, the \$9.21 contribution rate reduces returns by less than 50 basis points which allows investors to maintain returns close to their target. The impact of the \$13.81 and \$23.02 contribution level is more problematic, as they reduce returns by over 50 basis points and close to a full percentage point, respectively, for the low-cost development scenarios. These lower investment returns are more likely to impair developers' ability to raise capital from investors with a strict investment return hurdle and who have other options that could meet their return goals.

Table 4-6. Estimated Impact of Housing Contribution Options on Equity Investor Returns

\$1000 PSF Cost Project	No Contribution	\$92.09 Contribution	\$4.60 Contribution	\$9.21 Contribution	\$13.81 Contribution	\$23.02 Contribution
Equity Investment	\$60,000,000	\$73,813,500	\$60,690,000	\$61,381,500	\$62,071,500	\$63,453,000
Initial Equity Return @17%	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000
Adjusted Return with contribution		13.82%	16.81%	16.62%	16.43%	16.07%
Differential		-3.18%	-0.19%	-0.38%	-0.57%	-0.93%
Initial Equity Return @ 20%	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
Adjusted Return with contribution		16.26%	19.77%	19.55%	19.33%	18.91%
Differential		-3.74%	-0.23%	-0.45%	-0.67%	-1.09%
\$1600 PSF Cost Project	No	\$92.09	\$4.60	\$9.21	\$13.81	\$23.02
Equity Investment	\$96,000,000	\$109,813,500	\$96,690,000	\$97,381,500	\$98,071,500	\$99,750,000
Initial Equity Return @17%	\$16,320,000	\$16,320,000	\$16,320,000	\$16,320,000	\$16,320,000	\$16,320,000
Adjusted Return with contribution		14.86%	16.88%	16.76%	16.64%	16.36%
Differential		-2.14%	-0.12%	-0.24%	-0.36%	-0.64%
Initial Equity Return @ 20%	\$19,200,000	\$19,200,000	\$19,200,000	\$19,200,000	\$19,200,000	\$19,200,000
Adjusted Return with contribution		17.48%	19.86%	19.72%	19.58%	19.25%
Differential		-2.52%	-0.14%	-0.28%	-0.42%	-0.75%

Developers also face a transportation mitigation fee for development in the Hartwell Avenue Area Transportation Management Overlay District, based on the number of net new parking

²⁶ Lenders are unlikely to increase their loan size to fund the housing contribution cost since there is no increase in project revenue and cash flow to repay a larger loan.

spaces built²⁷. These fees can add several dollars per square foot in additional development costs and should be considered when deciding on the amount of any new housing contribution fee level.

It is important to note the substantial barriers to new lab development (and other commercial development) under the current market and financial environment. Most projects are not financially viable under current construction and financing costs, and with downward pressure on rents given the large oversupply of already built space. In this environment, a new housing contribution fee adds another cost and financial barrier to projects, and could be perceived as Lexington being less supportive of non-residential development.

²⁷ The transportation mitigation fee is \$2000 per parking space for each net new parking space built up to the minimum parking required by § [10.2.6](#) of the zoning by-law and \$5,000 per space for each net new space above the minimum requirement.

V. Recommended Housing Contribution Policies

The analysis detailed in this report establishes the nexus and warranted fee level for an affordable housing contribution fee. Projected building of 486,116 square feet of non-residential development over the next ten years is expected to generate 982 jobs in Lexington. This employment growth will create demand for 131 new units of housing for very low-income, low-income, and middle-income households. An estimated financing gap of \$44.8 million must be filled to reach the \$85.5 million in total development costs necessary to build the new affordable housing units. The maximum warranted housing contribution to fill this financing gap is \$92.09 per square foot.

Under current market conditions, Lexington is unlikely to see new development several years and the first new development projects may already be permitted and thus not subject to a new housing contribution fee. Consequently, the Town is unlikely to gain new revenue from a housing contribution fee for many years. Under these circumstances, and faced with a very challenging development environment, Lexington should consider delaying implementation of a housing contribution fee for several years. There are two options for deferred implementation: (1) establishing a new housing contribution fee but deferring its application to a specific future date; (2) taking no action now and reconsidering the establishment of the housing contribution in several years, when market conditions improve.

If and when Lexington does decide to proceed with a housing contribution, we recommend the following policies for the fee level and its administration:

- Set a fee level between \$4.50 and \$9.50. This level when combined with any applicable transportation mitigation fee, as reflected in the analysis in the prior section, has minimal impact on developer and investor returns and is unlikely to deter future non-residential development;
- Apply one contribution rate to all non-residential uses;
- Set the project size threshold for requiring the housing contribution at 30,000 SF;
- Do not provide any exempted amount of space or exempt any non-residential uses from the contribution;
- Allow the housing contribution to be paid in two installments with 50% paid at the Certificate of Occupancy (COO) and the second 50% paid at the one year anniversary date of the COO;
- Adjust the housing contribution rate annually based on the change in the Consumer Price Index or a construction cost index; and
- Review and reset the rate every 5 to 7 years based on changed market conditions and development trends.

Appendix A: Employee Survey Summary

A brief online survey was used to survey employees working in Lexington's large office and lab/life science buildings. The survey assessed potential housing demand stemming from either having moved to Lexington as a result of their job or having sought housing in Lexington due to their job. Employers were contacted by Town staff and the consultant team and asked to distribute a survey link to their employees. Several property owners also contacted their tenants to encourage participation in the survey. A total of 193²⁸ Lexington employees completed surveys with the distribution by industry as follows:

Business/Industry Type	Number of Responses	Percentage of Responses (%)
Biotech/Health Sciences R & D	41	21.2%
Education	1	0.5%
Health Care	2	1.0%
IT/Software/Other Technology	139	72.0%
Professional or Business Services	7	3.6%
Other	3	1.6%
Total	193	100.0%

²⁸Respondents who selected other indicated the following business/industry types: human services, consulting and government.

Key survey results include:

- 6.7% of respondents (13) live in Lexington.
- 2 employees (1%) moved to Lexington as a result of obtaining their job in Lexington or its relocation to Lexington.
- 56 (29%) sought housing in Lexington are a result of being employed in Lexington but did not move due to high cost of housing.
- Sum of both (30%) was used to estimated percent of employees at jobs from new development that would demand housing in Lexington.

²⁸ One survey respondent was not employed in Lexington and was not include in the final data analysis.

Appendix B: Tables Detailing Housing Subsidy Analysis

Table B-1. Affordable Rental Housing Units by Number of Bedrooms and Building Area

	Number of Units	Average Unit Size	Total Living Area
One Bedroom	40	600	24,240
Two Bedroom	15	800	11,840
Three Bedroom	16	1,000	15,800
Total Units	71	731	51,880
Net Square Feet as a Percent of Gross Square Feet			75.0%
Total Gross Square Feet (GSF) (Rounded)			69,000
<i>Average Unit Size per GSF</i>			972

Source: Karl F. Seidman Consulting Services; and ConsultEcon, Inc.

Table B-2. Affordable Ownership Housing Units by Number of Bedrooms and Building Area

	Number of Units	Average Unit Size	Total Living Area
One Bedroom	36	600	21,360
Two Bedroom	12	800	9,600
Three Bedroom	12	1,000	12,400
Total Units	60	723	43,360
Net Square Feet as a Percent of Gross Square Feet			75.0%
Total Gross Square Feet (GSF) (Rounded)			58,000
<i>Average Unit Size per GSF</i>			967

Source: Karl F. Seidman Consulting Services; and ConsultEcon, Inc.

Table B-3. Conversion of Ownership Unit Household Income by Persons to Household Income by Bedrooms

Household Size	Annual Income ^{1/}	Number of Households	Aggregate Income	
Calculation of Aggregate Income				
Low Income Households				
1 Person	\$76,457	2	\$152,914	
2 Persons	\$85,846	1	\$85,846	
3 Persons	\$101,078	2	\$202,156	
4 Persons	\$105,067	2	\$210,134	
Total	\$93,007	7	\$651,050	
Middle Income Households				
1 Person	\$115,606	24	\$2,774,544	
2 Persons	\$125,091	15	\$1,876,365	
3 Persons	\$144,609	5	\$723,045	
4 Persons	\$159,722	9	\$1,437,498	
Total	\$128,518	53	\$6,811,452	
Units by Number of Bedrooms				
One bedroom	Two bedroom	Three bedroom		
All Units				
Distribution of Units by Number of Bedrooms				
1 Person	100%	0%	0%	100%
2 Persons	60%	40%	0%	100%
3 Persons	0%	80%	20%	100%
4 Persons	0%	0%	100%	100%
Distribution of Low Income Aggregate Income by Unit Size				
1 Person	\$152,914	\$0	\$0	\$152,914
2 Persons	\$51,508	\$34,338	\$0	\$85,846
3 Persons	\$0	\$161,725	\$40,431	\$202,156
4 Persons	\$0	\$0	\$210,134	\$210,134
Total	\$204,422	\$196,063	\$250,565	\$651,050
Total Units by Size	3	2	2	7
Avg. Income per Unit by Size	\$68,141	\$98,032	\$125,283	\$93,007
Distribution of Middle Income Aggregate Income by Number of Bedrooms				
1 Person	\$2,774,544	\$0	\$0	\$2,774,544
2 Persons	\$1,125,819	\$750,546	\$0	\$1,876,365
3 Persons	\$0	\$578,436	\$144,609	\$723,045
4 Persons	\$0	\$0	\$1,437,498	\$1,437,498
Total	\$3,900,363	\$1,328,982	\$1,582,107	\$6,811,452
Total Units by Size	33	10	10	53
Avg. Income per Unit by Size	\$118,193	\$132,898	\$158,211	\$128,518

1/ Source: Karl F. Seidman Consulting Services. Weighted average annual household income based on anticipated mix of occupations and average occupational wages for based on projected commercial development in Lexington.
Source: Karl F. Seidman Consulting Services; and ConsultEcon, Inc.

Table B-4. Sales Price Analysis by Unit Size / Number of Bedrooms based on Estimated Monthly Housing Costs Set at 30% of Household Income

<u>Assumptions</u>	
Mortgage	5% Assumed Down payment
	95% Percent of Price covered by Mortgage
	6.70% Mortgage interest rate ^{1/}
	0.72% Private Mortgage Insurance (PMI) ^{2/}
Real Estate Taxes	\$12.23 per 1,000 of assessed values/sales price
Condo Fees, as a Percent of Sales Price	1.50% Middle Income unit
	2.00% Low Income unit

	<u>Unit Size / Number of Bedrooms</u>		
	Two		
	One Bedroom	Bedroom	Three Bedroom
<i>Very Low Income Households</i>	Not applicable because Very Low Income housing units are assumed to be all rental units.		
<i>Low Income Households</i>			
Sales Price	\$193,286	\$278,018	\$355,264
Down payment	\$9,664	\$13,901	\$17,763
Monthly Payment Calculation			
First Mortgage Payment	\$1,185	\$1,704	\$2,178
Real Estate Taxes	\$197	\$283	\$362
Condo Fees	\$322	\$463	\$592
Total Monthly Payment	\$1,704	\$2,451	\$3,132
<i>Middle Income Household</i>			
Sales Price	\$351,815	\$395,509	\$470,872
Down payment	\$17,591	\$19,775	\$23,544
Monthly Payment Calculation			
First Mortgage Payment	\$2,157	\$2,425	\$2,887
Real Estate Taxes	\$359	\$403	\$480
Condo Fees	\$440	\$494	\$589
Total Monthly Payment	\$2,955	\$3,322	\$3,955

1/ As of Wednesday, August 13, 2025, current interest rates in Massachusetts are 6.70% for a 30-year fixed mortgage and 5.88% for a 15-year fixed mortgage.

2/ Moderate and middle income households qualify for the One Mortgage Program (http://www.mhp.net/homeownership/homebuyer/one_mortgage.php) that waives Private Mortgage Insurance (PMI) for first time homeowners through participating lenders.

Source: Massachusetts Housing Partnership; Town of Lexington; Karl F. Seidman Consulting Services; and ConsultEcon, Inc.

Table B-5. Calculation of Subsidy Required for New Affordable Rental Units per Square Foot of Projected Non-Residential Development

	All Rental Units	Low Income	Low Income	Middle Income
Number of Units	71	3	17	51
Total Development Cost	\$46,448,000	\$1,962,592	\$11,121,352	\$33,364,056
Total Subsidy Required	\$27,810,000	\$1,962,592	\$8,267,352	\$17,580,056
Percent TDC that is Subsidy	59.9%	100.0%	74.3%	52.7%
Derivation of Commercial Square Footage Subject to Housing Contribution				
Total Commercial Square Footage	486,116	486,116	486,116	486,116
Subsidy Required per Square Foot of New Commercial Development	\$57.21	\$4.04	\$17.01	\$36.16

Source: Town of Lexington; Karl F. Seidman Consulting Services; and ConsultEcon, Inc.

Table B-6. Calculation of Subsidy Required for New Affordable Ownership Units per Square Foot of Projected Non-Residential Development

	All Ownership Units	Low Income	Middle Income
Number of Units	60	7	53
Total Development Cost	\$39,076,000	\$4,558,867	\$34,517,133
Total Subsidy Required	\$16,956,000	\$2,712,867	\$14,243,133
Percent TDC that is Subsidy	43.4%	59.5%	41.3%
Derivation of Commercial Square Footage Subject to Housing Contribution			
Total Commercial Square Footage	486,116	486,116	486,116
Subsidy Required per Square Foot of New Commercial Development	\$34.88	\$5.58	\$29.30

Source: Town of Lexington; Karl F. Seidman Consulting Services; and ConsultEcon, Inc.

AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Application: Liquor License Change of Manager Amendment - Fiorella's Lexington LLC

PRESENTER:

Jill Hai, Select Board Chair

ITEM NUMBER:

I.2

SUMMARY:

Category: Decision-Making

Fiorella's Lexington LLC d/b/a Fiorella's has submitted all the necessary paperwork needed to request a change of manager to be Donald Johnson on their Wine and Malt Common Victualler Liquor License.

The proposed manager, Donald Johnson, has submitted a current Alcohol Awareness Training Certificate and the required CORI check has been completed.

SUGGESTED MOTION:

Move to approve the application from Fiorella's Lexington LLC d/b/a Fiorella's for a Change of Manager and, once approved by the ABCC, issue an updated Wine and Malt Common Victualler Liquor License to Fiorella's Lexington LLC d/b/a Fiorella's for a Change of Manager, with Donald Johnson named as Manager.

FOLLOW-UP:

Select Board Office

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

8:05pm

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Fiorellas Change of Manager Application	Backup Material



The Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3, Chelsea, MA 02150-2358
www.mass.gov/abcc

**RETAIL ALCOHOLIC BEVERAGES LICENSE APPLICATION
MONETARY TRANSMITTAL FORM**

AMENDMENT-Change of Manager

APPLICATION SHOULD BE COMPLETED ON-LINE, PRINTED, SIGNED, AND SUBMITTED TO THE LOCAL
LICENSING AUTHORITY.

ECRT CODE: RETA

Please make \$200.00 payment here: ABCC PAYMENT WEBSITE

PAYMENT MUST DENOTE THE NAME OF THE LICENSEE CORPORATION, LLC, PARTNERSHIP, OR INDIVIDUAL AND INCLUDE THE
PAYMENT RECEIPT

ABCC LICENSE NUMBER (IF AN EXISTING LICENSEE, CAN BE OBTAINED FROM THE CITY)

06870-RS-0612

ENTITY/ LICENSEE NAME Fiorella' s Lexington LLC

ADDRESS 25 Waltham Street

CITY/TOWN Lexington

STATE MA

ZIP CODE 02421

For the following transactions (Check all that apply):

- | | | | |
|--|---|---|---|
| <input type="checkbox"/> New License | <input type="checkbox"/> Change of Location | <input type="checkbox"/> Change of Class (i.e. Annual / Seasonal) | <input type="checkbox"/> Change Corporate Structure (i.e. Corp / LLC) |
| <input type="checkbox"/> Transfer of License | <input type="checkbox"/> Alteration of Licensed Premises | <input type="checkbox"/> Change of License Type (i.e. club / restaurant) | <input type="checkbox"/> Pledge of Collateral (i.e. License/Stock) |
| <input checked="" type="checkbox"/> Change of Manager | <input type="checkbox"/> Change Corporate Name | <input type="checkbox"/> Change of Category (i.e. All Alcohol/Wine, Malt) | <input type="checkbox"/> Management/Operating Agreement |
| <input type="checkbox"/> Change of Officers/
Directors/LLC Managers | <input type="checkbox"/> Change of Ownership Interest
(LLC Members/ LLP Partners,
Trustees) | <input type="checkbox"/> Issuance/Transfer of Stock/New Stockholder | <input type="checkbox"/> Change of Hours |
| | | <input type="checkbox"/> Other <input type="text"/> | <input type="checkbox"/> Change of DBA |

THE LOCAL LICENSING AUTHORITY MUST SUBMIT THIS
APPLICATION ONCE APPROVED VIA THE ePLACE PORTAL

Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3
Chelsea, MA 02150-2358



The Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
95 Fourth Street, Suite 3, Chelsea, MA 02150-2358
www.mass.gov/abcc

AMENDMENT-Change of Manager

☒ **Change of License Manager**

1. BUSINESS ENTITY INFORMATION

Entity Name

Municipality

ABCC License Number

Fiorella' s Lexington LLC

Lexington

06870-RS-0612

2. APPLICATION CONTACT

The application contact is the person who should be contacted with any questions regarding this application.

Name

Title

Email

Phone

Remon Karian

President

remon@fiorellas.com

617-593-0306

3A. MANAGER INFORMATION

The individual that has been appointed to manage and control of the licensed business and premises.

Proposed Manager Name Donald Johnson

Date of Birth 11/06/1961

SSN

Residential Address

376 New Boston Road Sturbridge MA 01566

Email

don@fiorellas.com

Phone

508-838-4424

Please indicate how many hours per week
you intend to be on the licensed premises

40

Last-Approved License Manager

Julie Amrose

3B. CITIZENSHIP/BACKGROUND INFORMATION

Are you a U.S. Citizen/Qualified Alien under the Immigration and Nationality Act?

☒ Yes ☐ No

If yes, attach one of the following documents: US Passport, Voter's Certificate, Birth Certificate, Naturalization Papers, Green Card or Employment Authorization Document.

☐ Yes ☒ No

Have you ever been convicted of a state, federal, or military crime?

If yes, fill out the table below and attach an affidavit providing the details of any and all convictions. Attach additional pages, if necessary, utilizing the format below.

Date	Municipality	Charge	Disposition

3C. EMPLOYMENT INFORMATION

Please provide your employment history. Attach additional pages, if necessary, utilizing the format below.

Start Date	End Date	Position	Employer	Supervisor Name

3D. PRIOR DISCIPLINARY ACTION

Have you held a beneficial or financial interest in, or been the manager of, a license to sell alcoholic beverages that was subject to disciplinary action? ☐ Yes ☒ No If yes, please fill out the table. Attach additional pages, if necessary,utilizing the format below.

Date of Action	Name of License	State	City	Reason for suspension, revocation or cancellation

I hereby swear under the pains and penalties of perjury that the information I have provided in this application is true and accurate:

Manager's Signature

Donald H. Johnson

Date

11/7/25

APPLICANT'S STATEMENT

I, Remon Karian the: ☐ sole proprietor; ☐ partner; ☒ corporate principal; ☐ LLC/LLP manager
Authorized Signatory

of Fiorella's Lexington LLC
Name of the Entity/Corporation

hereby submit this application (hereinafter the "Application"), to the local licensing authority (the "LLA") and the Alcoholic Beverages Control Commission (the "ABCC" and together with the LLA collectively the "Licensing Authorities") for approval.

I do hereby declare under the pains and penalties of perjury that I have personal knowledge of the information submitted in the Application, and as such affirm that all statements and representations therein are true to the best of my knowledge and belief. I further submit the following to be true and accurate:

- (1) I understand that each representation in this Application is material to the Licensing Authorities' decision on the Application and that the Licensing Authorities will rely on each and every answer in the Application and accompanying documents in reaching its decision;
- (2) I state that the location and description of the proposed licensed premises are in compliance with state and local laws and regulations;
- (3) I understand that while the Application is pending, I must notify the Licensing Authorities of any change in the information submitted therein. I understand that failure to give such notice to the Licensing Authorities may result in disapproval of the Application;
- (4) I understand that upon approval of the Application, I must notify the Licensing Authorities of any change in the ownership as approved by the Licensing Authorities. I understand that failure to give such notice to the Licensing Authorities may result in sanctions including revocation of any license for which this Application is submitted;
- (5) I understand that the licensee will be bound by the statements and representations made in the Application, including, but not limited to the identity of persons with an ownership or financial interest in the license;
- (6) I understand that all statements and representations made become conditions of the license;
- (7) I understand that any physical alterations to or changes to the size of the area used for the sale, delivery, storage, or consumption of alcoholic beverages, must be reported to the Licensing Authorities and may require the prior approval of the Licensing Authorities;
- (8) I understand that the licensee's failure to operate the licensed premises in accordance with the statements and representations made in the Application may result in sanctions, including the revocation of any license for which the Application was submitted; and
- (9) I understand that any false statement or misrepresentation will constitute cause for disapproval of the Application or sanctions including revocation of any license for which this Application is submitted.
- (10) I confirm that the applicant corporation and each individual listed in the ownership section of the application is in good standing with the Massachusetts Department of Revenue and has complied with all laws of the Commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting of child support.

Signature:

Remon Karian

Date: 11/5/25

Title:

President

ENTITY VOTE

The Board of Directors or LLC Managers of Fiorella' s Lexington LLC
Entity Name
duly voted to apply to the Licensing Authority of Lexington and the
City/Town
Commonwealth of Massachusetts Alcoholic Beverages Control Commission on 11/4/25
Date of Meeting

For the following transactions (Check all that apply):

☒ Change of Manager

☐ Other

"VOTED: To authorize Remon Karian
Name of Person

to sign the application submitted and to execute on the Entity's behalf, any necessary papers and do all things required to have the application granted."

"VOTED: To appoint Donald Johnson
Name of Liquor License Manager

as its manager of record, and hereby grant him or her with full authority and control of the premises described in the license and authority and control of the conduct of all business therein as the licensee itself could in any way have and exercise if it were a natural person residing in the Commonwealth of Massachusetts."

A true copy attest,

Remon Karian
Corporate Officer /LLC Manager Signature

Remon Karian

(Print Name)

For Corporations ONLY

A true copy attest,

Remon Karian
Corporation Clerk's Signature

Remon Karian

(Print Name)

AGENDA ITEM SUMMARY

LEXINGTON SELECT BOARD MEETING

AGENDA ITEM TITLE:

Status: Article 97 Filing for Lexington High School Project

PRESENTER:

Steve Bartha, Town Manager

ITEM NUMBER:

I.3

SUMMARY:

On November 3, prior to STM 2025-2, the Select Board voted 5-0 in favor of Article 9 (home rule legislation for Article 97), which then passed with over 90% support from Town Meeting. Although it is arguable that the November 3 Select Board vote to authorize home rule legislation already satisfies the requirements laid out in Article 97 guidance issued by the Executive Office of Environmental Affairs (EOEA) in 1998, counsel is recommending that the November 3 vote be reaffirmed tonight to make clear the town's intent as the process moves forward.

SUGGESTED MOTION:

Move that the Board affirm its desire, as expressed at the November 3, 2025, Special Town Meeting, to petition the General Court to enact special legislation pursuant to Article 97 of the Massachusetts Constitution, in substantially the form authorized by Town Meeting, to authorize the transfer of the Center Athletic Field Parcels currently under the care, custody, management and control of the Select Board to the School Committee for school purposes and to authorize the Legislature to make changes to the text of such legislation as is consistent, subject to approval of such changes by the Town Manager; provided that the filing of such petition shall only occur if the Town votes in favor of the debt exclusion put before the voters today.

FOLLOW-UP:

DATE AND APPROXIMATE TIME ON AGENDA:

12/8/2025

8:10pm

ATTACHMENTS:

Description	Type
📎 Memo on Status of Article 97	Cover Memo
📎 Select Board Statement at STM on Article 97	Backup Material



Town of Lexington

Town Manager's Office



Steve Bartha, Town Manager
Kelly Axtell, Deputy Town Manager

Tel: (781) 698-4540
Fax: (781) 861-2921

Memorandum

To: Lexington Select Board
From: Steve Bartha, Town Manager *Step Bartha*
Date: December 3, 2025
Subject: Status of Article 97 Filing for High School Project

On November 3, prior to STM 2025-2, the Select Board voted 5-0 in favor of Article 9 (home rule legislation for Article 97), which then passed with over 90% support from Town Meeting.

As (a) explained by town counsel prior to Town Meeting and (b) noted in the accompanying Select Board Statement (attached), Town Meeting was being asked, in part, to "confirm that it is still Town Meeting's desire that these fields be used for school building purposes (as they were authorized in 1961), and avoid any legal uncertainty over the Town's rights to build on these parcels as it embarks on this important project, the Select Board seeks the authority to file legislation pursuant to Article 97 reconfirming the 1961 release of any and all restrictions on the land that will be used for the new school..."

The vote tonight should be viewed in a similar light. Although it is arguable that the 5-0 vote prior to STM 2025-2 to authorize home rule legislation already satisfies the requirements laid out in Article 97 guidance issued by the Executive Office of Environmental Affairs (EOEA) in 1998, counsel is recommending that the November 3 vote be reaffirmed tonight to make clear the town's intent as the process moves forward.

The Town has been discussing and/or preparing for a potential Article 97 filing for many years. Provided the voters approve today's Debt Exclusion question, a Home Rule Petition will be presented to the Legislature for passage. The Town has received every indication from EOEA and members of our delegation that our Article 97 filing is straightforward. Our project is currently under review with the EOEA (which has viewed the project positively so far). Acting now allows our delegation to begin taking the steps necessary to file the legislation and preparing it for votes as soon as EOEA acts on the Article 97 submittal to maximize the chances for quick legislative action in the new year. That action, in turn, will allow us to stay on schedule with the project and minimize cost escalations.

Recommended Motion:

Move that the Board affirm its desire, as expressed at the November 3, 2025, Special Town Meeting, to petition the General Court to enact special legislation pursuant to Article 97 of the Massachusetts Constitution, in substantially the form authorized by Town Meeting, to authorize the transfer of the Center Athletic Field Parcels currently under the care, custody, management and control of the Select Board to the School Committee for school purposes and to authorize the Legislature to make changes to the text of such legislation as is consistent, subject to approval of such changes by the Town Manager; provided that the filing of such petition shall only occur if the Town votes in favor of the debt exclusion put before the voters today.



Town of Lexington Annual Town Meeting 2025-2

Article 9: Home Rule Legislation for New Lexington High School

Presenter: Jill Hai

This article requests that Town Meeting take three-related actions to allow for the construction of the new Lexington High School to move forward.

The first action is to transfer custody and control of certain areas of the current high school campus that are used for playing fields from the Select Board to the School Committee for the site of the new High School building.

The second action transfers from the School Committee to the Select Board the care and custody of land currently being used for the High School building for the new athletic fields. This action formally dedicates these lands to playing fields and related recreational uses pursuant to Article 97 of the Amendments to the Massachusetts Constitution.

The last action is related to the first. The areas of the current playing fields that will be used for the new High School building were acquired by the Town in 1914 and 1915 for park and recreation purposes by grants from August B. Scott, a park commissioner and former High School Principal in Lexington.

In 1961, the state legislature formally permitted the Town to use these fields for school building purposes. To confirm that it is *still* Town Meeting's desire that these fields be used for school building purposes (as they were authorized in 1961), and avoid any legal uncertainty over the Town's rights to build on these parcels as it embarks on this important project, the Select Board seeks the authority to file legislation pursuant to Article 97 reconfirming the 1961 release of any and all restrictions on the land that will be used for the new school, subject to adequate mitigation being provided in the form of new playing fields as stated in the second part of this motion.

The Town has already taken steps to begin the Article 97 process, including making the necessary filings with the Executive Office of Energy and Environmental Affairs to begin review of the proposed land swap to ensure that the Town is providing adequate recreational facilities for those that would be used for the new building. Overall, the Town is achieving “no net loss” of fields as all eight acres of existing fields to be used will be replaced with new fields, most on the same High School campus.

The Select Board unanimously supports the passage of Article 9.