

TOWN OF WENHAM

Board of Selectmen
Meeting of, February 16, 2016
Town Hall, 138 Main Street

Pursuant to the Open Meeting Law, M.G.L. Chapter 30 A, §§ 18-25, written notice posted by the Town Clerk delivered to all Board members, a meeting of the Board of Selectmen (BOS) was held on TUESDAY, February 16, 2016 at 7 pm in the Selectmen Chambers.

WELCOME: CALL TO ORDER

With a quorum present, Ms. Harrison called the Board of Selectmen (BOS) meeting to order 7 PM
Selectmen present Catherine Harrison, Chair; Jack Wilhelm, Vice Chair; John Clemenzi, Clerk
Also Present: Peter Lombardi, Town Administrator; Catherine Tinsley, Recording Secretary
Attorney Tom Harrington

Public Information

Recorded with permission by HWCAM

Agenda

Announcements

Lakeview Advisory Committee – Report/ Recommendation

Community Host Agreement (CHA)

Draft Town Meeting Warrant

PUBLIC INPUT: *Items not on the Agenda*

There were none.

ANNOUNCEMENTS

Wenham Annual Town Election: Mr. Clemenzi read the updated list of Open Offices that are on the April 7, 2016 ballot; this information is on the Town's web site.

Nomination papers must be turned in to the Town Clerk's office by Thursday, February 18, 2016 by 5 PM

March 7th to withdraw

REPORTS – There were none

NEW BUSINESS

Review of Lakeview Advisory Committee Preliminary Report

The Lakeview Golf Course has been operated under MGL Chapter 61 which provides the owners of a property that is used for forestry, recreation or open space a reduced taxation on the property provided they agree to give the town the right to purchase the property at the current value if they change the use to develop or sell.

Mr. Lombardi referenced a PowerPoint presentation to outline the timeline.

- The owners of the Lakeview Golf Course notified the Town on November 9, 2016 of their intent to convert the property from Ch. 61 B recreational use to residential use.
- Following the state statute, the Town hired an appraiser on November 19, 2016 and commissioned an appraisal of the property based on highest / best use. The report was received on December 8, 2016 that the property was valued at \$2.75 million.
- In parallel, during the months of November through January, the BOS negotiated a Host Community Agreement with the sellers to maintain some control in the event the property was developed; this was approved on January 12, 2016
- The Town held a public hearing on January 19, 2016.
- On January 26, the BOS appointed eleven residents to a Lakeview advisory committee to conduct a preliminary evaluation of the property for municipal use, if the town purchased the property.
- On February 2, an amendment was made to the HCA to made the development 100% age restricted.

- On February 12, the LAC provided their initial findings for potential municipal uses/ costs/ revenues; These uses included: Open Space; Golf Course; Recreation playing fields; Farming; Forestry; Affordable housing (or other residential development) Solar; Cemetery expansion; Water supply
- If the Town purchased the property at \$2.75 million (this amount could be higher)
 - The payment on a thirty-year bond at the current rate would be \$160,000 annually (depending on the amount borrowed)
 - Additional capital / operating costs on future municipal use is unknown (some uses showed a negative revenue)
 - Loss of annual tax revenue (estimated at \$8,000)

Mr. Lombardi reviewed the statutory process:

- Property owner may perform an independent appraisal; if the two appraisals are not agreeable, a third appraisal can be done and is final.
- If the BOS recommends purchasing the property, the purchase (borrowing) must be approved by a 2/3 majority vote at a Town Meeting and then by a ballot vote. If this fails at Town Meeting or the ballot, the property could be developed outside the HCA.

Some of the details of the HCA were highlighted:

- The proposed development would be built under the Flexible Bylaw that requires cluster housing, a minimum of 40 percent open space, 10 percent affordable housing, control of the architectural elements by the Planning Board; wetlands control under the Conservation Commission
- Development in a predefined development area, set back a minimum of 500 feet from Main Street
- Age Restricted to 55 +
- Revenue \$60,000 roll back taxes
- Revenue \$350-400,000 estimated new growth / additional property taxes based on 22 units
- Would be built as a private way, municipal services are limited to emergency responses
- If the project fails to get permits, the process starts again with the town retaining its right of first refusal
- There is no requirement for the developer to build a certain number of units in a specific time

OLD BUSINESS

Lakeview Advisory Committee

The Lakeview Advisory Committee was appointed on January 26, 2016 and met three times to conduct an initial assessment for municipal uses.

The Committee was recognized for their work in a short period of time to consider potential uses, additional capital costs associated with the use (if any), and revenue projections.

The consensus of the LAC was that there is value and merit to all the municipal uses considered. Some of these uses e.g. Open space/ farming/ forestry would not provide any revenue but had maintenance costs to the town.

Golf Course was potentially cost neutral after initial capital costs. Mr. Wilhelm noted if the Flynn's were making money on the golf course, they would not be selling the property.

Regarding the use as Athletic Fields, Gale Associates was asked for an analysis and reported the space could accommodate 3 full size athletic fields at approximately \$350,000 each for natural grass fields

The Committee did not agree on the best use but that there was enough merit to consider municipal uses.

Prior to the Board deliberating, the meeting was open for public comment.

➤ Mike Lucy, Chair Wenham Finance & Advisory Committee provided a copy of his statement to the Board.

In summary, he stated Wenham is facing major fiscal challenges for FY 17.

- The Town is looking at a 9.5 percent increase in the school budget alone due to the increase in students from Wenham. This will continue to rise over the next few years. The school also has an unfunded \$3.25 million capital improvement plan.
- The Town has a \$4 million unfunded liability for OPEB.
- The draft of the Town's FY17 budget maxes out levy limit and uses \$750,000 of free cash and a 7 percent increase in the tax rate with anticipated overrides in future years.
- The Town is losing major taxpayers in town this year to nonprofits and Wenham needs sufficient development to meet

its financial obligations (including the schools). An age restricted development is preferred to strip malls and businesses.

- The Finance Committee reviewed the economics of the proposed development:

The estimated tax revenue is \$350,000 a year. This is an estimated \$20 million in revenue to the Town over 30 years compared to the Town buying the property for a total cost of \$4.75 million to bond the property over 30 years (this does not include any additional capital or maintenance costs)

The Finance Committee reviewed the economics and unanimously voted on February 3, 2016 that based on fiscal issues associated with the Lakeview development the Finance Committee recommends that the Town/ BOS not purchase the property and therefore not exercise the right to purchase the property.

➤ Harriet Davis, Chair, Community Preservation Committee (CPC) said that the CPC has an application for \$2.75 million to purchase the property. This amount exceeds the available funding for this coming year.

- The CPC did not vote formally, but this was discussed by the Committee.
- Most members agreed an age restricted development was the best use considering the finances as outlined by the Finance & Advisory Committee.
- Ms. Davis noted the CPC is not eager to recommend to Town Meeting that CPC funds be used to purchase the property, explaining that properties purchased with CPC funds must be restricted to the specific use under which the funds were applied/ approved, in perpetuity. This restricts the Town's options going forward.
- Ms. Davis noted that if the Town bonds the purchase of the property, and designates a portion of the land to one of the approved uses for CPC funding, the Town could apply for CPC funds to pay that portion of the debt service for that specific area. Ms. Davis relayed a message for CPC member Leo Maestranzi who had recently spoken in favor of the Town purchasing the land saying that he fully supports an age restricted, in perpetuity development and a cash option in lieu of affordable housing to assist in potential current projects i.e. Maple Woods.

➤ Dana Bagnell, Historic District Commission, said that the HCA continues the effort of the HDC to keep this property open as the gateway to Wenham by not developing within 500 feet from Main Street, noting a 300-foot set back is required and this far exceeds that requirement.

➤ Attorney Dan Doherty, identified himself as the Flynn family's attorney. The Flynn family owns the Lakeview Golf Course. They are very much in favor of the Tambone's acquisition to go forward. The HCA is a good compromise for the Town, Flynn Family and the Developer.

Attorney Doherty stressed that the Flynn family does not agree with the Town's appraisal of \$2.75 million. If the Town exercises their right of first refusal to purchase the property, the Flynnns will be submitting their appraisal. Attorney Doherty indicated the difference between the town's appraisal and the Flynn family's appraisal could exceed \$1 million dollars.

➤ Ton Starr, Pleasant Street said that looking at this exclusively financially it makes no sense but that the town should "divorce itself from that idea" or no properties would be of value to purchase and the gateway to Wenham is an important piece of property suggesting this changes the character of Wenham.

He asked what other properties may become available and do they compare to this property as the gateway to Wenham. He supported a bond anticipation note saying it would allow the town some time to better plan for a use of the land Mr. Clemenzi responded to this saying that the Town has been caught "flat footed" without a plan for open space and supported this be addressed going forward.

➤ Sandy Belock Phippen, Dodges Row, also supported the Town consider a bond anticipation note to allow the town to further plan for the use before bonding and supported the Town purchase the property and possibly design a smaller development to preserve the majority of the property for the other potential uses.

➤ Arthur Burt, Arbor Street, noted one other issue that this property could become a 40 b development.

➤ Win Dodge, Porter Street, stated he was very much opposed to the town buying property and favored the development as proposed saying there is no compelling reason to buy the property for municipal use.

As a past Finance Committee member and Selectmen, he cited the difficulties to pay for essential town services which continues now, citing the potential of an override next year. He observed that tax revenue is to provide services in town and it is not right to deny town departments equipment they need due to lack of funds and then use tax money to pay a bond for land.

He noted there are other significant chapter properties in town with hundreds of acres involved and questioned if this particular property is so valuable the Town should spend \$2.75 (plus interest) to purchase it, especially since there is no plan.

Referencing the successful HCA, he supported the town not purchase the property and the development, as proposed, goes forward.

Discussion and vote on the Town's Right of First Refusal for Lakeview Property

Ms. Harrison opened the meeting for BOS comments, question, and discussion.

Mr. Clemenzi agreed this is a beautiful entry way into Town. The Board has put together a strong Host Community Agreement

APPROVED 6.14.16

and should the town move in that direction, it is the best possible development plan.

He went on to briefly talk about the potential uses and the risk involved if the town purchases the property, especially if this does not pass at Town Meeting or the Ballot box, and the Town loses control.

Selectman Wilhelm thanked those residents for attending the public hearing and having participated in this process.

He referenced the comments made by Mike Lucy and Win Dodge saying they best reflect his own opinion that without a compelling reason why the town should buy the property, the financial situation is disconcerting and an overriding concern.

Mr. Wilhelm noted there are other properties in town that would be a priority, namely Haley property, Canaan Farm, Angelini Farm, Wenham County Club property.

The cost to purchase the property (assuming \$2.75 million) borrowing costs combined with the lost revenue for buying the property – an average of \$335 annual cost of a median assessed home in town.

Loss of Mullen property – adds additional \$113 in taxes to a property

He also agreed that if this fails at Town Meeting or the ballot, the Flynn estate and Tambone Atlantic could build whatever they wanted, including a 40b project for (estimated) 300 houses, adding “not that they would do that”.

Mr. Wilhelm stated he would vote to pass on buying the property

Ms. Harrison said she disagreed with her two colleagues and although the financial situation is extremely important, 70% of the responses from residents were in favor of purchasing the property. Ms. Harrison supported the voters be given the opportunity to make the decision at Town Meeting/ ballot. She noted that at this point, there is not a clear consensus of the residents.

Ms. Harrison noted the intention was to bring the best options before the town and should this move forward she has no problem with the HCA and felt it was a good plan.

VOTE: Mr. Wilhelm moved, and it was seconded, to not exercise our first refusal rights, thereby allowing the development to move forward according to the terms of Host Community Agreement and moved the BOS take no action under section one of the HCA and therefore trigger section two of the Host Community Agreement. The motion carried by majority vote with Selectman Clemenzj and Selectman Wilhelm voting in favor and Selectman Harrison voting in the negative.

The public was thanked for participating in this debate.

Discuss Pending CPA Application

This discussion regarding the Town’s application for CPC funds for the Lakeview property was not necessary, citing the BOS vote to not purchase the property.

OLD BUSINESS

Preliminary Article Review: Annual Town Meeting Warrant

The draft warrant (version 5.0) has been reviewed by Paul Weaver.

Mr. Lombardi reviewed the draft articles being considered for the Town Meeting Warrant and explained the proposed amendments to the Zoning Bylaw.

A brief summary / explanation has been written and is now included in the draft.

This will be further discussed with the Finance Committee at the joint meeting tomorrow night (February 17, 2016)

The Warrant closes on February 29, 2016 and goes to the printed on March 7, 2016.

The Boy Scouts will deliver the Town Meeting Warrant and Town Report to residents over the weekend of March 19/ 20.

ADJOURNMENT - The BOS unanimously adjourned at 8:39 PM

Respectfully submitted by

Catherine Tinsley

5.10.16