



Natick Finance Committee

Pursuant to Chapter 40, Section 3 of the Town of Natick By-Laws, I attest that the attached copy is the approved copy of the minutes for the following meeting:

Town of Natick Finance Committee
Meeting Date: September 23, 2014

The minutes were approved through the following action:

Motion:	Approval
Made by:	Jerry Pierce
Seconded by:	Cathy Coughlin
Vote:	10.0.0
Date:	1-13-2015

Respectfully submitted,

Bruce Evans

Clerk

Natick Finance Committee

NATICK FINANCE COMMITTEE MEETING MINUTES

September 23, 2014

**Natick Town Hall
School Committee Meeting Room, Third Floor**

This meeting has been properly posted as required by law.

MEMBERS PRESENT:

James Everett, Chairman
Jimmy Brown, Vice-Chairman
Bruce Evans, Clerk
Jonathan Freedman
Edward Shooshanian
Christopher Resmini
Patrick Hayes
Catherine Coughlin
Mari Barrera
Jerry Pierce
Michael Ferrari

MEMBERS ABSENT:

Cathleen Collins
Karen Adelman-Foster
Mark Kelleher
John Ciccariello

ATTACHMENTS:

- A. Agenda for this evening's meeting
- B. Article 34: Amend Zoning By-Laws: Accessory Retail and/or Restaurants
- C. Article 38: Authorization for Selectmen to Enter in Tax Increment Financing Plan for Infinium, Inc. Expansion in Natick

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- D. Article 39: Authorization for Selectmen to Establish a Tax Increment Financing Standard for Designated Retail, Restaurant, or Manufacturing Uses Within Natick Downtown Mixed Use Zone
- E. Article 40: Tax Increment Financing (TIF) Incentives
- F. Article 5: Appropriation of Funds for CRT Designs

Meeting called to order at 7:05 p.m.

The Chairman, James Everett, reviewed the evening's agenda and the materials included in the handouts.

ANNOUNCEMENTS:

All items on the Agenda tonight are on the website.

There will be no meeting on Thursday 9/25/2014. Next Tuesday, September 30, 2014 we will start at 6:30 p.m.

Anyone in the audience or on Pegasus who wants to be on the distribution list for scheduled changes please email me at fincom@natickma.org or click on my name on the Finance Committee webpage.

For the Committee: The emails are up and working on the Town of Natick website. If you haven't sent me a confirmation email please do, so I can add you all to the distribution list of the Natickma.org email.

The stabilization fund questionnaires have been sent out with the exception of the one-to-one laptops, which the school is helping to write and hopefully will be out tonight. The omnibus budget and the OPEB should be out to us tonight.

Finally, I have started writing the book. My intention is to draft each article and send it out to sub-committee chairs and vice chairs for their review, and then I may look for a couple of volunteers to help me proof the whole thing.

PUBLIC CONCERNS/COMMENTS:

None.

OLD BUSINESS:

Sub-Committee Updates:

Mr. Brown: Right now we're waiting for the omnibus budget to see if we're going to have any more meetings before the end of this session.

Mr. Evans: The capital sub-committee is trying to arrange a meeting for early next week to go through all the capital items. We should have that in advance of the October 2, 2014 review by the full Finance Committee.

Public Hearing 2014 Fall Annual Town Meeting Warrant

Motion to open public hearing on 2014 Fall Annual Town Meeting Warrant Articles.

Moved/Motioned by:	Mr. Evans
Seconded by:	Mr. Pierce
Motions or Debates:	None
Vote	11-0-0

Article 34: Amend Zoning By-Laws: Accessory Retail and/or Restaurants

Presented by: Mr. Paul Joseph, Chair Natick Economic Development Committee and Mr. Patrick Reffett, Community Development Director

There are some changes to the documents previously provided that is based on changes that happened at an Economic Development Committee meeting this morning.

The presentation is constructed so that several of the Articles relate to a component called Tax Increment Financing. But all four of the Articles are economic development motivated.

Mr. Joseph stated that the Economic Development Committee (EDC) was formed in 2009 on the recommendation of the Revenue Enhancement Task Force. Articles 34, and 38 through 40 are consistent with the committee’s goals to recommend priorities and incentives for the economic opportunity areas that were designated at 20112 Fall Town meeting, as well as identifying and prioritizing marketing strategies. The intent of these articles is to provide Town Meeting with actionable items to build on this.

Why does this matter to Natick? Ten years from now the following things could happen if we don’t take positive, pro-active planning and action:

1. Mathworks, a privately held company, could, theoretically be acquired someday. And, with their acquisition of the Boston Scientific building, that puts at risk two major parcels on either side of Route 9;
2. The Natick Soldier System Center could be at-risk for closure by the Department of Defense with budget cuts and consolidation of our armed forces, potentially leaving Natick with a “brown site” which is an environmentally dirty site;
3. Internet commerce could continue to grow and fundamentally change the face of business. This could change the mall business and leave Natick with an underutilized massive mall building.

The impact of those three events could account for 1/3 to ½ of all local jobs in Natick (currently estimated at 18,000 employees). The impact on local commerce would be in the billions of dollars. This is what motivates the Economic Committee and this is what we are working towards in presenting some of these proactive suggestions.

Specific to Article 34:

The purpose of the Article is to recommend a change in Industrial 1 and Industrial 2 zoning to allow for accessory use, and specifically accessory retail and restaurant use as a part of a larger product manufacturer. The goal is to attract new business to the town and retain current business by encouraging local commerce, attracting complementary businesses that

encourage walking and biking with our industrial business parks. The intent is to enhance our commercial opportunities, increase local customer's choice and enable a "smart-growth" approach to developing these office parks.

Amending this by-law provides an opportunity for customers of locally manufactured goods to buy local. We believe firmly in supporting our local businesses and even if you're a manufacturer that sells through retail distribution channels, having an opportunity to sell your product on-site could be appealing and has been approved in models here in Natick in the past. We do have an example of this type of business with the Wonder Bread factory having a thrift store many years ago, and Grandmother's Mincemeat selling retail products out of their factory location.

And for manufacturers of foods that are ready to eat, caterers and restaurant foods, whether your selling in a restaurant-type of format or in a retail format, which is basically a restaurant with no seating or an environment where you're buying food which you are not going to be eating on the premises, the space would allow for local employees in the industrial park, specifically one of the ideas that has come forward is East Natick, to walk or bike for a local meal.

So envision right now, the East Natick Industrial Park, located on both sides of Oak Street, and at lunchtime, employees in that area, if they're not bringing their lunch onsite, they have to hop in their car, drive down Oak Street, into that wonderful Route 9 intersection, and hopefully find something to eat there. The goal here would be, in the case of the restaurant, to provide other options for them.

This approach is very consistent with smart growth, in keeping vehicles off the road, contributes to the evolution of our industrial parks with the EDC does see and imperative to create more of a campus environment, with complementary businesses, and a place that will be attractive to multiple types of employers. And it also expands consumer choice by providing new options not only for those employees, but also Natick residents and visitors.

The EDC Meeting voted on September 17, 2014 to endorse the motion for Article 34 as published. On the evening of September 17, 2014, the Planning Board recommended approval with the proviso that that the EDC change the limitation of Article 34 from allowing accessory retail or restaurant use for the business to have a square footage of either 10% of the size of the business or 10,000 square feet, whichever is *smaller*. (Previously was larger). So were this Article passed by Town Meeting, a manufacturer of foods can open a restaurant that's entirely consistent with the food that they mass-produce on premise. This restaurant could amount to about 10% or no more than 1,000 square feet of space.

The EDC met on September 23, 2014 to take action on this and to refine our wording to be consistent with the recommendation of the Planning Board. Generally speaking there was no objection to *smaller*, however, a citizen stated at this meeting that, based on a current by-law, the EDC add language on limitations on odor, noise, vibrations, or other unpleasant by-products of operating that business. The EDC approved the following motion which incorporates both these changes.

Revised, Amended Motion (under EDC consideration):

Accessory Use Retail/Restaurant: A retail and/or restaurant accessory use is allowed provided that:

- It is no larger than either 10% of the area of the total building in which it is contained or 1,000 sq. ft. whichever is less;
- The principal purpose of the retail and/or restaurant accessory use is to sell and/or to serve the goods, services and/or food which is prepared in the balance of the building; and

The activity in the balance of the building be an allowed principal use under the zoning by law. The accessory use shall be conducted in such a manner that noise, smoke, dust, odor, vibration or similar objectionable features are confined to the premises.

By incorporating the wording as we have in front of you – so you’ll see, basically the changes here are:

- We kept in the size limitation in terms of the footprint.
- The principal purpose of business is to sell the goods or services which are manufactured and basically the accessory shall be conducted in a manner that “noise, smoke, dust, odor, vibration and similar objectionable features are confined to the premises.” This is entirely consistent with our current zoning wording, we took it verbatim, and to make sure that would be the restriction on a restaurant doing business.

Questions / Comments

Mr. Everett referenced a memo on Article 34 with the amended motion that Mr. Joseph sent out on September 23, following the EDC meeting. In the memo it says that “the EDC voted 5-0 in favor of a) modifying the language of the motion; and b) requesting feedback from both the Finance Committee and the Planning Board prior to taking final action on the Article. Are you requesting that Finance Committee members do not take action on this specific motion but rather delay said decision until the EDC has formalized, revised language.” Mr. Joseph confirmed that this was the intent of the EDC.

A member asked why this by-law change was needed and wondered how the Wonder Bread Thrift Store or Grandmother’s Mincemeat was permitted when no zoning provision existed. Mr. Reffett stated that the by-Law is emphatically clear in that it does not allow for accessory retail or restaurant within Industrial II zones. The Wonder Bread property was within overlay districts that were, as you would well imagine, thinking back 40 or 50 years ago, retail was this emerging new thing. Particularly regional retail that was growing in Framingham and Natick. That overlay mind-set was what allowed that to take place at Wonder Bread property. As far as the Grandmother’s Mincemeat property, we have looked for any permitting but are unable to locate that language. I suspect that it may have been the subject of what’s known as a “use variance.” And, presently the Zoning Board of Appeals is not as likely to issue use variances.

A member asked where Industrial I and Industrial II zones are located within Natick. Mr. Reffett stated that this Article is directed specifically at industrial zones I and II within

Natick. We have an Industrial I, zone in the Natick Industrial Park, off of Oak Street. It's between Route 9 and the Wayland town line. The northerly edge is where the former post office and Pine Street intersects with Oak Street going southward to where the residential corridor begins. That includes Michigan and Tech Circle, Huron Drive, etc. The other industrial park is s called Natick Business Park, and is located off Route 9 behind Sherwood Plaza. Those are the two largest industrial areas. There are other smaller industrial properties and consolidations of industrial property. Particularly, they're behind the residential developments that have the lined North Main Street, just immediately North of North Ave. – North of downtown.

A member requested a definition of “accessory use” Mr. Reffet read a definition that's part of the Zoning By-Law: Accessory Use: A use of a building or land, customarily incidental and subordinate to the principal permitted use of the premises, and not detrimental to the neighborhood provided the outward character of the district is not changed, but in no event to include a business commercial, industrial, transportation, or institutional use as being incidental to a residential use.

Mr. Hayes asked whether in industrial I or II areas, a business that needed extra space could put a mobile trailer down on their lot for office use or anything else. Mr. Reffett replied that this would require a special permit from the Planning Board and doubted the Planning Board would approve that.

Mr. Hayes asked Mr. Reffett to imagine an industrial company that has a fixed number of parking spaces that is sufficient for the number of employees they have, but they want to have a retail or restaurant use. Mr. Reffett said this hypothetical illustrates is that every property does not have the ability to accommodate this use. If they don't have the excess capacity enough to be able to satisfy what a restaurant or retail zoning requirement happens to be, they wouldn't be able to take advantage of this option of a special permit. When a use exceeds the physical capacity of the building and the property to accommodate the necessary uses on that property, it becomes abundantly apparent to the Planning Board through complaints and other avenues.

Mr. Evans requested a quick definition of the special permit process of the Planning Board. Mr. Reffett said Special permits are determinations by the Planning Board based on technical information, the fabric of the neighborhood, the property of what's reasonable, prudent and can be accommodated without negatively affecting, abutting and nearby property, and distant property.

Mr. Brown asked for an example of a retail use. Mr. Joseph said it could be a ready-to-eat food company that sells food products to be eaten off premises. Right now we've got a couple of restaurants that meet this definition - like Ty's Pies, Pizza Hut Express. Additionally, we could have a manufacturer of hard goods, let's say eyeglasses or computers. They could sell their products in an onsite “retail” space.

MOTION Move to postpone Article 34 until 10/14/2014. Friendly Amendment to change that date to the 16th accepted.

Moved/Motioned	Mr. Freedman
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by:	
Seconded by:	Mr. Brown
Motions or Debates:	<p>Mr. Freedman: I'm intrigued by the possibilities here. I like the spirit of the incentive. I agree with the need for creative thinking and long-term strategy. But I see the proponent's position that more clarification is necessary. I think it would be in our best interest in terms of providing a recommendation to the meeting, to take advantage of the time and the chairman's flexibility of an addendum for Town Meeting to get as much information and take a position with as much information as we can get. And we know as of tonight, there is more information coming. I think to take a position tonight would be premature and I think we should give both us and the sponsor more time to collect and hear the available information. I prefer not to make a recommendation of no action, or even referral at this point without adequate information and we know more is forthcoming. So, to me we're not ready yet.</p> <p>Mr. Brown: I would like to hear this again. I've been hearing a lot about this Article and I'm surprised something like this would have generated so much interest in town. Given that we're trying to encourage development, maybe a larger restaurant size should be considered.</p>
Vote	4-7-0 favorable

MOTION Move to refer Article 34 to sponsor, and the Economic Development Committee.

Moved/Motioned by:	Mr. Everett
Seconded by:	Ms. Coughlin (for discussion)
Motions or Debates:	<p>Mr. Everett: I will just say, the only reason to refer it was to have a recommendation for the book. I have no problem if we get more information to hold a meeting on the 16th and reconsider. Should the Planning Board not be able to meet on the 15th and there's no additional information coming for us, then it wouldn't make sense to meet. So, again, I don't mind meeting, I agree this is worth pursuing a little more. But, if by some chance no new information comes forward or it turns out there's no reason to meet on the 16th, we do have a recommendation. And, I would prefer referral</p>

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	recommendation to the sponsor, rather than no action which tells the Town Meeting that nothing gets done on this. I think a referral would at least allow them to say it's worth looking at some more. Ms. Coughlin: Nothing to add, thank you.
Vote	9-2-0 favorable

MOTION Move for no action on Article 34.

Moved/Motioned by:	Mr. Hayes
Seconded by:	Mr. Evans (for discussion purposes)
Motions or Debates:	Mr. Hayes: I have no problem with the Article in general. But if the choice is between referral and no action, I prefer no action. Sometimes people take a "referral" to mean something negative. I would rather have a referral than a no action to reduce that possibility. Mr. Evans: I am convinced that the referral motion is the best action at this point.
Vote	No vote taken due to passage of referral motion.

Mr. Everett asked Mr. Joseph to let the Finance Committee know if this topic will be heard by the Planning Board on October 15, 2014. That will allow the Finance Committee to reconsider this Article and I'll send out any new information to all committee members and ask if anyone wants to ask for reconsideration.

Mr. Freedman requested that the Chairman schedule a meeting of the Financial Committee for October 16, 2014 on the possibility of getting more information and of a member making a Motion and Mr. Everett agreed to do so.

Article 38: Authorization for Selectmen to Enter in Tax Increment Financing Plan for Infinium, Inc. Expansion in Natick

Mr. Everett framed the review of this article by stating that no action is being asked of the Finance Committee other than to hear the proposal and background information for the TIF. Provided information is debated at the EDC and raising any concerns about the proposal as of now. This is requested by the sponsor to be delayed to the latest possible moment because the nature of a TIF request is that it needs to be on a specific TIF, which needs to be negotiated between the town and the company that we're entering into the TIF Agreement with.

Mr. Paul Joseph, Chair Natick Economic Development Committee (EDC) provided a preamble to Articles 38, 39, & 40:

What is tax increment financing (TIF) Tax Increment Financing.

A TIF is just a business incentive. This is a carrot that we offer to encourage attractive employers and amenities to locate and open their business's locally. The Commonwealth of Massachusetts administers what's called an Economic Incentive Program which is a mix of incentives to offer to businesses that are important to the competitiveness of the Commonwealth. So at the State level manufacturing businesses are highly valued for their possibility of increasing employment, investing in properties and capital equipment to keep properties up, as well as training for the workforce. These are payments made through tax credits or compensation paid from the Commonwealth based on the different growth commitments a business might make in return.

At the local level, we have several options but the predominant one is a TIF (Tax Increment Financing). The town has experience with this process most notably with Mathworks. The cost to the Town when a company improves a property, the assessed value of the property goes up. So the tax revenue we get from that assessed property goes up. The Town was willing to forgo, over the span of I think 10 years, a total of 2.5 million dollars, as a tax incentive to Mathworks to build and expand their site here. That allowed them to get even more significant tax benefits from the State.

What I would argue when people say that costs us extra tax money is that we retained a major employer in this community of thousands. We retained a major donor to our schools. We retained a major donor to our social and community programs. We retained an employer of people that live and work in this community. Seventeen percent of their workforce own homes in Natick. We also retained a significant source of local hotel and restaurant business. We generate revenue from those customers. The overall value to the community far exceeds any loss.

A TIF reduces the risk to a business or a property owner that has to invest a lot of money in acquiring or improving to redevelop a property. When a property is vacant or under-utilized, its assessed value is likely lower than it could be. So when improvements are made, the increase in the assessed value of that property will generate an increase in taxes charged to that property. More importantly that improvement in that property will put a 21st Century building on the market should that tenant eventually leave. So the by-product of this process is we're getting a land-owner of business to invest in an outdated, under-utilized property, bring it up to a competitive state, for this real estate market.

And the TIF provides that property owner a break on the increased value of investing in that property. It does not take away from the current taxes being collected on that property. Basically the community benefits from this by updating its core properties as well as attracting more, better businesses to come here because we're business friendly. Also this stimulates the secondary market of hotel, restaurants and retail. This is also consistent with the Board of Selectmen's FY15 goal of supporting economic investment.

Mr. Joseph explained the reason for delaying a decision until just before Fall Town Meeting: Natick received a letter of intent from Infinium on the day the Fall Town Meeting Warrant closed. A citizen's petition was signed to make sure this matter got on the Warrant because we have a State-imposed window of time, that requires us to have action on this at Fall Town Meeting to meet the State's deadline in December. This will enable us to participate in the economic incentives offered by the Commonwealth.

QUESTIONS / COMMENTS FROM THE CHAIRMAN

Mr. Everett noted that M.G.L. Ch. 40 S 59 lists what is required for a TIF: a city or town must initiate a TIF by a vote of its governing body by approving the TIF by which must include identification of the property owners, executed agreements between the city and town and each owner of the property within the TIF, etc. Mr. Everett asked whether this work would be completed prior to Fall Town Meeting. Mr. Joseph said that he consulted with Ms. White, Town Administrator, who indicated that every earnest effort would be made to complete this activity. .

Mr. Everett asked for a recent status update. Mr. Joseph stated that as an advisory committee to the Board of Selectmen, we voted unanimously to recommend that the Board of Selectmen and the Town Administrator negotiate with Infinium and provided recommendations on the proper incentives for that negotiation. Ultimately, the BOS must decide the specific incentives to include in the TIF. At that same time, an email was sent out to the Community Development Director.

Mr. Everett asked whether the BOS has to approve this TIF before it goes to Town Meeting. Mr. Joseph replied that BOS must decide whether to enter into a contract and then they would bring that to Town Meeting for ratification. The BOS must define and negotiate the TIF.

Mr. Josh Ostroff, Chairman of the BOS noted that the BOS had not had a substantive conversation about this. We expect to get this recommendation and we know we need to be ready on a moment's notice to conclude something, because I personally support what Mr. Joseph is telling you.

Mr. Everett asked Mr. Ostroff to describe the process the BOS must go through in order to get this to Town Meeting? Mr. Ostroff said that it's something that can be concluded in a matter of hours or it could take three weeks. We need to negotiate issues, various fallback positions and to what extent we might need to be protected if they fail to meet their obligations. But, you know, we've been through this before and there's expertise on the board to do this and we expect this to be supported by town counsel. So, I think that it could potentially come before the Board at our October 6, 2014 meeting. We could potentially conclude it in one or two meetings but I don't want to make promises because some things depend on Infinium.

QUESTIONS FROM THE COMMITTEE:

Is Infinium looking to expand and build new or are they looking to renovate an existing property?

Mr. Joseph: They're open to properties at the moment, they are leasing in Tech Circle now but they are looking to buy a property in that area. So they are looking to acquire and improve an existing property.

If they don't own a property yet how can they negotiate a TIF?

Mr. Joseph: Well it would be conditional on various things happening. That's part of what I would start working out with the Mass Office of Business Development. Presumably they get a Purchase and Sales agreement in place hopefully during this process.

So a TIF beneficiary has to be a property owner?

Mr. Joseph: The benefit goes to the land owner, but can be negotiated so that it passes through to the tenant. Theoretically, they can apply for a TIF if they're making capital improvements to their space as a tenant now. The tax benefit would go to the land owner but it would flow through to the tenant as reduced rent depending on how things are negotiated.

At the end of the twenty years what does the business pay? Does it go from year 0 to year 20 and whatever it is 20 goes across?

Mr. Joseph: Whatever that current assessed value is.

Is Infinium the first firm that's come along that is a good lead on a prospective anchor tenant or have there been others that have been considered? How developed is our strategy and how does Infinium fit into it?

Mr. Joseph: My experience of this in the last several years, I have met with individual business owners, prospective business owners; I've joined the Community Development Director, I've joined the Selectmen and regional economic development professionals at different points in time. The question the previous speaker asked: Who's to say we need the carrot? Well, the market has spoken. We have all kinds of unusual uses of our industrial parks because vintage 1960's warehouse space, is not sufficient for 21st century manufacturers. So the landlords are not motivated to improve the space because they've got tenants and they're cash-flow positive. Could they be more cash-flow positive? Absolutely. But it's going to cost them a multi-million dollar investment. So, in effect, the unintended consequences of not having a strategy, is that Natick has underutilization of its industrial spaces and we've lost tenants. So to answer the member's question, I've met with landlords and commercial property developers and asked the questions like, "If we put these TIFs in place, will you do it?"

Prior to BJ's property being converted to a gym (LA Fitness), we were looking at life sciences and some major manufacturing opportunities for that space. The owner decided not to go down that road because they're not comfortable developing non-retail spaces. The simple answer is it's too easy for a company to go to other local communities to get better space. These spaces are move-in condition, class A life sciences space for light, advanced manufacturing that have sophisticated modern infrastructure.

Mr. Everett: Per the Mass.gov website: "A city or town must initiate a TIF by the vote of its governing body approving the TIF Plan which must include ... an executed agreement from the city or town and each owner of the property located in the TIF zone. So the deal has to

be known until it goes to Town Meeting. So according to this a TIF is only approved after the deal is already negotiated and we all already know about it. So, has that been zoned as an equal opportunity area already?

Mr. Joseph: Yes. So, just to be clear about what is considered an “economic opportunity area” in the fall of 2012 Natick Town Meeting approved the East Natick Industrial Park and the Natick Business Park as economic opportunity areas. In the reform to the economic development legislation that the governor signed this summer, they have done away with the requirement of it being an economic opportunity area in order for it to qualify for a TIF.

So we could offer TIFs anywhere now, because the State sees these as viable ways for communities to offer incentives for businesses and land/property owners to develop space.

QUESTIONS / COMMENTS FROM THE PUBLIC:

Tony Lista, Precinct 6

I think these are great ideas, these economic development programs. I applaud the proponent for bringing this forward. I did a little bit of research on TIFs. These things actually started out in California and they're no longer being used out there. Mostly because they hit critical mass and there were some legal problems. Not because TIF is a problem but because of the way they were managed out in California. They're also used quite a bit in areas like Detroit. And the proponent used a term that caught my attention: “blighted.”

In areas like Detroit they were used to lift, blighted, distressed and under developed areas. I researched this because of the terms used to describe not only the areas in question but also what does it mean to the abutting areas?

They're typically used to fund public infrastructure and land acquisitions. That's when they first were developed. These are paid for by future value and growth in the TIF. When I look at the TIF district I find myself wondering how much of the economic growth would have happened naturally without being incentivized by the town. How do we know this, that given time, maybe the property owners wouldn't have used some of their own money to rehabilitate these properties? So I hope we'll explore that a little bit more.

The revenue from the TIF and how it's going to be used. It could impact the schools. My understanding is that the schools could be capped at the tax basis, based on when we put the stake in the ground for the current assessment of the property. And during that up to twenty-year period of growth, schools may be excluded from the tax basis of this growth. I think we should understand a little bit more of what the impact actually can be on that segment of the community, looking to need more dollars and not less.

And, if it's proved how do we measure success? What you're doing when you say that you authorize this and recommend it to town meeting, and they approve it, they're approving the TIF district but they're not approving the deal. The deal can only be approved by the people who are negotiating it. They don't need to come back to town meeting to say “This is the deal.”

So you may want to think about what the content of the original deals are.

And, is the Economic Development Group our feasibility study group for these kinds of things or is it going on in other parts of town from a strategic standpoint? Because we should be looking at this fully and not on a “one of” case basis. I think we need a feasibility study done for these types of things.

POINTS TO CLARIFY QUESTIONS BROUGHT UP BY THE PUBLIC SPEAKER:

Mr. Joseph: Is the EDC the place where this feasibility should be looked at? I would argue in the short term, yes. In fact, it was suggested after Town Meeting voted to approve those Economic Opportunity areas, that the EDC be the forum to establish a recommendation to the BOS on a strategy for reaching incentives for those two industrial parks. The truth of the matter is we’ve gotten to a point where we haven’t had the clarity – when we started investigating a Life Science focused opportunity in Natick, we realized that we are so far behind other communities that have done these types of projects, that we realized we need to upgrade infrastructure first and then approach something like that as a long-term strategy.

We also had an informational meeting for the Natick Business Park in particular that was precipitated by the BJ’s departure. We invited landowners, the company that incubated Cardio-Pharm. And what we heard was there’s mixed perceptions of what we need. Natick is an interesting environment because we don’t have really large parcels – and so to come up with a message that was resonating with the local commercial landlords was very difficult to do. We seem to have “one offs” of everything. The reason for that has been a lack of concerted, coordinating planning effort. Nothing but a concerted strategic effort in my opinion, will do us justice. The BOS have floated the idea of master planning. I know the Natick 360 Strategic Planning Review Committee has talked about taking a holistic view of our community. I assume part of that would be programs that support these programs. In the short term, we do have people who have a body of economic experience on our committee and our role is to advise the Board of Selectmen. In our opinion, this particular TIF would be the first and maybe the only 100% TIF. This company came to us. They exactly fit the profile we want. They took the first bite of the apple so they’re entitled to the biggest reward. After this, we hope to be able to offer less of a break because of the value the next incoming company will get from locating here. This is a tool to make something happen. An investment in a long-term strategy with relatively small consequences to the town.

MOTION Mr. Freedman: Move to postpone Article 38 until 10/16/2014.

Moved/Motioned by:	Mr. Freedman
Seconded by:	Mr. Evans
Motions or Debates:	Mr. Freedman: Again, I see this as a very intriguing opportunity but in order to make a recommendation we need to know what we’re recommending and from what we’ve heard, anything that Town Meeting considers has to be a result of a specific agreement that is being put before it. That agreement doesn’t exist today so we don’t have

	anything today. I think any other motion such as no action or referral would be premature. Let's give this a chance. Mr. Evans: I think we all agree that a great deal of effort has gone into this Article and it just needs the i's dotted and the t's crossed, and then we can make a specific recommendation.
Vote	11-0-0 favorable

Article 39: Authorization for Selectmen to Establish a Tax Increment Financing Standard for Designated Retail, Restaurant, or Manufacturing Uses within Natick Downtown Mixed Use Zone

Presented by: Mr. Paul Joseph, Chair Natick Economic Development Committee

Articles 39 and 40 are presented together:

The motivation for Articles 39 and 40 stemmed from my experience interacting with local landlords in Natick. As a community we've been having this conversation for many years. Here are some of the things that have been suggested over the years from business owners, residents, visitors and others:

Nightlife; more diversity in restaurants; a specialty food store; more diverse small specialty food shops; destination businesses; things to do in Natick center.

There's very little we can do to steer private sector decisions. So the hope is that with TIFs we can demonstrate that the community is willing to invest future tax revenue to get the businesses we want in Natick center.

In 2004, there was a brainstorming session the result of which was a report called The Cultural Hub of Metro West. In that report, common themes were to promote mixed-use development in Natick center and to use incentives to do that. People envisioned downtown growing. Also encouraged businesses that provide for the needs of downtown residences and employees to reduce the number of car trips.

One of the top three priorities that came up in 2004 was creating a master plan, establishing mixed-use or cultural hub, and promoting mixed-use that increased night activities and give reasons to walk in Natick Center.

In 2007, we had the Natick 360 Process, some of the verbatim comments that came out of that is that Natick center has limited night life with few restaurants serving dinner, some only open on weekends. With little population of downtown residential customers, more diverse options of restaurants or a grocery store are unlikely to emerge. That was a concern in 2007. The strategy recommendation was to increase the diversity and vibrancy of people in activities in downtown with developments in mixed residential, affordable residential, retail, office, restaurant, pub and entertainment uses.

In 2012, we had another brain-storming session called Natick Center Forward. We basically engaged the community and got together with facilitators and had a discussion about what the community wanted, what they didn't want in Natick center. The same kind of responses

were obtained. The community over the years has been clear about what they want.

The challenge we have is how do we make this happen?

So the thinking behind Articles 39 and 40 was to use the TIF incentive to incentivize businesses, to develop businesses in Natick center that are consistent with all this community feedback.

So, the motion was originally to move to authorize the Board of Selectmen to enter into very specific TIFs. As we heard earlier tonight, you cannot create a preemptive TIF. You must have a lot of specificity. My hope was that we could ask Town Meeting to endorse a set of rules by which the Board of Selectmen and Town Administrator could adhere to in order to negotiate these TIFs without having to go back to the town when everything is final. *But, I found out subsequently that we cannot do that legally.*

So, feedback from the Massachusetts Office of Business Development, it was suggested to me to change the motion's language. *Rather than authorizing the Selectmen to enter into specific TIFs, the goal would be to move to endorse a tax increment financing standard for businesses located in the downtown business zone whose primary classifications are included in a TIF Standard Table (presented later). The terms of the TIF Agreement shall not exceed the maximum allowable TIF amounts or terms as outlined in the TIF Standard Table.* The Board of Selectmen shall collaborate with relevant departments, boards, committees or organizations prior to defining specific TIF terms.

So originally my goal was to not have to wait for six months should we have a deal on the table, not wait for a town meeting to get a TIF approved. But because we still have to go back to town meeting for a specific TIF, I changed my motion to just basically endorse this tax increment financing standard for the businesses.

So, my request for Articles 39 and 40 (and the only difference between them is geographical location) positive action on the main motion, the move to endorse.

The geographic region for Article 39 is: There is a confined space known as the downtown mixed use district.

The geographic region for Article 40 is: One-half mile radius of space in the downtown area shown on map in power point.

QUESTIONS / COMMENTS FROM THE CHAIRMAN:

Mr. Everett stated that, since the Mass law now does not require the zones to be Economic Opportunity Zones as before, a TIF can be used anywhere. So, the BOS can negotiate this and bring it to town meeting. So what does this do that the Selectmen can't already do?

Mr. Joseph replied that this communicates, through our legislative body, that the community of Natick, through its representative Town Meeting, has a vision for what it wants. This is making a statement for marketing purposes and for the benefit of the community. It gives directional feedback to the BOS that we want this so much that we're voting to endorse this concept. Other than that, it's not legally binding.

Mr. Everett said that this is, in effect, a resolution? So you're asking town meeting for two Warrant Articles that are in effect two resolutions? A resolution means that they agreed to what was being presented but does not mean that they have agreed to anything.

Mr. Joseph replied the Articles define a table that defines the methodology to guide the BOS in these areas. It's not commitment to the Agreement but a commitment to the methodology we're using. So that's what makes it different from a resolution.

QUESTIONS FROM THE COMMITTEE on both 39 and 40:

Why wouldn't the owner of an existing restaurant in the town want the same tax incentive that a new restaurant is getting?

Mr. Joseph: The answer is yes. The downtown area at this point is controlled by relatively few landlords. Right now, there's no incentive for landlords to make improvements either because of parking or frankly it's not financially in their best interest. We have owners that have bought properties years ago that are cash-flow positive with existing tenants and there's no incentive for them to put in new facilities that would accommodate more modern or better tenants. The fact is we have many non-ready old buildings that do not have the facility to accommodate newer restaurants.

Why are your articles limited to Natick center? What about the rest of Natick?

Mr. Joseph: I would love to see this kind of proposal for the rest of Natick. But we have to start somewhere and Natick Center is a good opportunity to make a start because this is space that we've studied and have a lot of significant feedback to act upon.

Why would you not have chosen to make it all of Natick so that you could have Town Meeting endorse that you could do this in all of Natick?

Mr. Joseph: That is a lot to ask of all the governing bodies that have to review this and of Town Meeting. It's very difficult to get a large body to agree on this kind of complex, subjective matter. We felt it would be better to use an area that has been well studied so that nearly all the possible questions are answered and people will see the value in supporting it. Once the changes happen and people can experience the value, there will be a better chance of asking to offer this kind of opportunity to the wider town.

Many restaurants don't last 20 years – what do you say to that?

Mr. Joseph: I say to our landlords that have large parcels right now, put in your building large-scale ventilation, utilities, water, wide café accommodation, windows that open to the street front when we redesign Main Street. Make your property viable for a business. Then let the free market decide. The hope is the incentive is going to the landlord – if one renter goes out and another comes in TIF continues because the benefit goes to the property owner.

Please repeat the exact wording of the Motion?

To move to endorse a tax increment financing (TIF) standard, for businesses located in the downtown mixed-use zone, and whose primary industry classifications are included in the following TIF standard table. The terms of the Agreement shall not exceed the maximum allowable TIF amount or terms outlined in the table. The Board of Selectmen shall collaborate with relevant departments, boards, committees and/or organizations prior to

defining specific TIF terms including but not limited to Community Development Department, Economic Development Committee, Planning Board and Natick Center Associates, as these pertain to the downtown mixed use. And then the terms are defined in the table.

This pertains to both 39 and 40. The only difference is the wording in Article 40, instead of downtown mixed-use area this is replaced with wording is “Industrial 1 space within a ½ mile of Natick center exclusive of the downtown.”

If a landlord gets a TIF and then sells his property, does the TIF go with the property?

Mr. Joseph: No, the TIF ends with the sale of the property.

So, if the TIF benefit is only going to downtown businesses because of a need to limit the scope of the first phase of zoning planning, how can the Finance Committee as a group that is supposed to be looking out for all of Natick, recommend to town meeting to do this beneficial thing for only some of Natick?

Mr. Joseph: Because the incremental tax revenue and the improvement of the quality of life for the community effects everyone in the community.

But aren't we precluding landlords outside this area from having the same kinds of incentive opportunities?

Mr. Joseph: No, what I'm hoping for is that this is a start of a process that says “Wow, the community wants these things.” I would like to see regional studies in Natick to identify the best ways to encourage economic development in all of Natick. But it's just not practical to do this all at once.

If this Article doesn't limit the Selectmen from offering this incentive anywhere in town why do we need it?

Mr. Joseph: Because this is an endorsement of a concept that says “We as a community have been tested, studied, requested, given feedback, the political structure and the practicality of our system is that government cannot dictate market terms. We've defined a space and we've defined a community want. And all I'm doing is marrying the two with a process that might help the town real that goal and that hopefully we can replicate.

People that participated in this and gave feedback on this were from the entire community. This is about people in the community expressing what they want for their downtown area. The TIF is just a means to an end to get the people what they want. If business owners benefit or do not benefit from this – that is just part of the process of getting the wants of the citizens satisfied.

If every time you offer a TIF there is marginal lift, why put so many conditions on getting a TIF? Isn't more better?

In my opinion you're leaving money on the table. Yes there is marginal lift, but once you get momentum going, why would you give away that margin if you don't need to? If you create an enticement by bringing in a few choice anchors the hope is that the momentum will eliminate the need to offer TIFs because people will want to be here.

MOTION Move to refer Article 39 to the Economic Development Committee.

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Moved/Motioned by:	Mr. Everett
Seconded by:	Ms. Coughlin
Motions or Debates:	<p>Mr. Everett: Targeting only one area is fine with me because in my opinion this is more of a resolution than an Article. I think there's some options here that we should look at in the future.</p> <p>Ms. Coughlin: Agreed with Mr. Everett.</p> <p>Mr. Hayes: Will support referral. We need to identify our</p> <p>Mr. Brown: is having a hard time concentrating on one area of town to the exclusion of others.</p> <p>Mr. Shooshanian: This is marketing a new benchmark – the tax rate in town. We're encouraging people to come to Natick and if any business wants this opportunity they should be able to ask for it.</p> <p>Mr. Hayes: I think it has its merits but I don't think it's ready to go before Town Meeting. If this is a marketing message I think the worst thing you can do is present a confusing marketing message. Let's be clear in what our message is and let's be specific in what we're trying to accomplish and let's have a call to action that is meaningful to the town from this committee.</p>
Vote	5-6-0 not favorable

Motion to approve Article 39.

Moved/Motioned by:	Mr. Freedman
Seconded by:	Mr. Evans
Motions or Debates:	<p>Mr. Freedman: There really is no practical purpose to this and yet it's more than a resolution. The fact is this is an item on the Warrant and I think in the world of business and economic development and marketing there is potential value in the message for marketing purposes. I think if I were a business or a land owner I think I'd place more importance on a vote of Town Meeting than I would to the statement of intent from the Board of Selectmen. To have a legislative statement that is a matter of public record, publicly debated and publicly voted on I think sends some</p>

	<p>value in that message to people. With respect to the location I think some of the points made here are well taken. But in matters such as this we need to be data driven. I don't think it's in the town's best interest to offer open-ended incentives. They do need to be targeted and we have data with respect to Natick center. We may think we know what other parts of town need, and we may even be right, but before we start offering incentives we should know exactly what it is we want to incent. In terms of limiting the numbers I also agree with the proponent. I do see some value in trying to create some momentum and as a result of that stimulation some of the surrounding areas will benefit and become more attractive. So we may not need to use the same level or type of incentives in the next phase of development that we might use now.</p> <p>Mr. Evans: I recognize that this is both a marketing tool and an indicator of the town's intentions for the BOS. We have studied downtown redevelopment over the last ten years and have a pretty good understanding of what's needed. When I tell people I'm from Natick, nearly all of them who have been to Natick comment about the resurgence of the downtown area. We need to continue that trend. I see no reason why we shouldn't continue to work with the property owners to increase the value of their properties. And, if this works well, let's extend it to other areas in the town.</p> <p>Ms. Barrera: Will support favorable action. This is a good first step that targets an area of need that we have data on now. To take the first step to test this out makes sense.</p> <p>Mr. Pierce: Will support favorable action because he's been hearing from people around town that there is a need downtown. Let's let this be the springboard for other areas of town.</p>
Vote	6-5-0 not favorable

Article 40: Tax Increment Financing (TIF) Incentives

MOTION Move referral of Article 40 to the Economic Development Committee.

Moved/Motioned by:	Mr. Hayes
Seconded by:	Ms. Coughlin
Motions or Debates:	None

Vote	5-6-0 not favorable
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MOTION Move favorable action on Article 40.

Moved/Motioned by:	Mr. Freedman
Seconded by:	Ms. Barrera
Motions or Debates:	None
Vote	6-5-0 not favorable

Article 5: Appropriation of Funds for CRT Designs

Presented by: Joshua Ostroff, Chair of the Board of Selectmen

Article 5 is intended to ask the Finance Committee to consider recommendation to town meeting for an appropriation of funds for the Cochituate Rail Trail (CRT) design project. The Selectmen voted favorable action at their meeting last night. The key points that I would ask the committee to consider are these:

We're at a watershed moment this week with the CRT project after many years of study and research and titles and appraisals, we are submitting a 25% design this week to the Massachusetts Department of Transportation. That's important because it will then become a project over which they have more ownership. They will have a public hearing on the project hopefully early in 2015

And after that public hearing, we will need to proceed to the next phase of design. The town appropriated \$300,000 from the mitigation funds from the Natick Mall for the CRT project. It has between \$40,000 and \$60,000 dollars remaining of that amount and that will not be enough to advance to the next level of design. The \$300,000 we're seeking to appropriate should substantially complete the design. We're likely to want to go out to bid for design services just to make sure we've got enough money.

We want to get to 75% of design, which is a substantially more refined complete design that includes the specific use of the proposed right of way that we would acquire from CSX Transportation. Once that design is approved, we can conclude a transaction with CSX and transfer the property. We would then proceed to 100% design and be eligible for state and federal funding through the Transportation Improvement Process (TIP). The project has a placeholder on the TIP which is essentially a promise, it's non-binding and it's subject to funding and there are a many worthy projects that compete for these funds. The tentative date for that is 2019.

The design is one thing, acquisition is another, and construction is a third. So, the design is largely on the town's dime, which is true of virtually any transportation project. Whether we pay for it with borrowing, appropriations, mitigation funds or grants, the State has the authority to require that we reach a certain level of design.

Acquisition is the next step and can be done through some combination of State appropriations through a bond bill that was passed this year. There would also be a State DCR Grant for which we will be eligible in next spring (2015) and then conservation funds would also qualify to help fund the acquisition.

Finally, there is the negotiation between the town and CSX Transportation. I would characterize those as productive discussions. We've had several appraisals and I feel like we're making good progress.

Construction goes through the TIP process. That would be done with a combination of state and federal funds as other rail trails are. When completed, it would link to the Framingham section which is expected to open in early 2015. The Framingham section is a much less complicated project because they did not have to buy the land from CSX, they leased it from the state. They were able to pay for a lot of the work because it was also a sewer extension so that water and sewer ended up paying for a fair amount of it.

Specific appropriations we are asking for are as follows, there are two:

\$100,000 was negotiated by the Planning Board for the Mall expansion in 2006 to be used for signalized crossing on Route 30. There's no longer going to be a signal there; we have a bridge design for safety reasons across Route 30 right near the Home Depot curb cut. There's a gas station, an office park and TJX and with a very congested intersection of Route 30 and Speen Street that's too dangerous for pedestrians. So, the State DOT is fully on-board with the bridge. The Planning Board needs to vote on the minor modifications and a hearing is scheduled with the Planning Board on the October 21, 2014.

The second part is a \$200,000 request for 40R Smart Growth Funds for the Natick Paper Board project and we have those funds in house. Chapter 40R of the State provides an interesting benefit to towns that accept that zoning or a permitted project. \$3,000 per unit, 138 units, \$614,000 coming to the town. We received the first \$200,000 and will receive the remaining balance of \$414,000 when the certificate of occupancy is granted by the town. The Planning Board and Town Administrator have both expressed interest in focusing those funds in the neighborhood of that project.

The three categories we would be looking at would be:

1. Recreation improvements to Navy Yard Field
2. Public safety impacts around the intersection of Lake Street, Washington and North Main
3. Drainage improvements because that area is particularly prone to drainage problems.

It's not classic mitigation. These are interesting funds because there's no specific timeframe or area in which they need to be spent. But that's the principle that the Planning Board and Selectmen are generally on board with and I'd ask for your consideration of that as well.

Mr. Everett asked Mr. Hayes if the subcommittee had any comments. Mr. Hayes: The short story is that they sub-committee asked many questions about this and they voted to ask for favorable action from the Finance Committee to refer this to Town Meeting.

QUESTIONS FROM THE COMMITTEE:

What is the current state of the estimates for each phase, design, acquisition and construction?

Mr. Ostroff: For construction I think the ballpark is six million, maybe seven million. It is early because we really need to have a more narrowed down design. That is not a town expense. It's relatively expensive cost for a two and a half mile trail because there are a lot of technical difficulties that are more costly. For acquisition, I'd rather not say. That's a negotiation between CSX the railroad company and the town and usually you can't discuss those things.

Do you feel the potential bond proceeds will cover the acquisition costs?

Mr. Ostroff: Yes. I do not feel that the State bond earmark of \$3 million dollars will be adequate but I want to caution that is not necessarily our money. The governor needs to approve that so I just cannot commit to that. And finally the design costs, we got a quote from Beta to go from 25% to 75% to 100% of design their estimate was \$437,000. I think for that amount of money we need to scope it and ask for different proposals. The 25% design has been approximately \$186,000 for design services and then about \$60,000 for various bridge work, geotechnical and drilling and a bridge-type study.

So about a quarter million for that. And we've also done a conceptual design which cost about \$30,000. We did another consulting project to look at a possible co-use of transit and recreational trail that was around \$40,000.

What is the likely future financial need of this project?

With the exception of the \$200,000 that we're requesting from the Smart Growth, everything else has been designated for the CRT so we may as well spend it. The \$500,000 of the original funds could have been spent to acquire open space. If we are not able to accomplish funding for the rail trail from the federal government, we probably won't be looking at a new intersection at routes 9 and 27 or rebuilding route 27 or tens of millions of dollars of other projects that we have in mind.

I personally feel we should move forward on this project because the best way to get it done is to advocate for it on every level of government. But I can't promise you that it will happen because the state and federal governments are involved.

Has the \$200,000 been approved for this yet?

Mr. Ostroff: Not until town meeting votes it.

At this point in time who would direct those funds? Who would recommend that those funds be spent?

Mr. Ostroff: The Finance Committee. The BOS has voted favorable action on this.

And the total that is coming from Natick Paper Board project is \$614,000? Why can't we discuss or why can't the town know what's going on in the CSX negotiations or have some information regarding the negotiations about getting the land?

Mr. Ostroff: I have to respect the confidentiality of the negotiations. CSX did an appraisal in 2007, Natick did an appraisal in 2008. CSX did another appraisal in 2010 and then we jointly paid for another appraisal. That final appraisal is at a mid-point from the Town's conversations and my conversation with CSX, that appraisal is going to be a good basis for negotiations. The \$614,000 cannot be spent on an operating budget or capital expenditure. It must be used for open space in the case of the conservation fund or whatever else the State would want to spend it on.

Does CSX actually have an alternative for this space?

Mr. Ostroff: No. But we have a constructive relationship.

In the sub-committee meeting there was discussion around the \$614,000 dollars and that it was mitigation funds to go towards the schools. And I thought that was supposed to be researched and answered?

Mr. Ostroff: I think that's Chapter 40S. Chapter 40S is a section of state law where certain affordable housing projects qualify the town for offsetting payments. But 40R is not restricted to the schools. So, I did not hear anything that night talking about 40R going to the schools.

Point of order: There was a member of the public who was a former member of the Planning Board who was part of the original negotiations with respect to the Paper Board Project, and he did say that the Paper Board money was intended to mitigate in the area of Paper Board. And so to his mind, improvements and spending it on the rail trail in that area or something connected with the rail trail was perfectly appropriate. We did discuss that at the sub-committee meeting.

What is the motion?

Mr. Ostroff: It would be a move to appropriate \$300,000 for design services for the Cochituate Rail Trail Project. The source of funds would be \$100,000 from the Planning Board mall mitigation, and \$200,000 from Chapter 40R SmartGrowth State funds.

I thought you started out this conversation by saying out of the mall mitigation funds were left between \$40 and \$60,000.

Mr. Ostroff: I'm sorry if I wasn't clear. Town Meeting on three occasions has appropriated a total of \$500,000 for mitigation funds that were originally received in 2006 and that was between general growth and Mass Highway. And it went to the town to be expended within seven years for the rail trail or open space. Then the Development Director extended that another 5 years. So that's the number between \$40 and \$60,000 that's remaining. And we still have those funds available. This would be separate mitigation fund between the town and general growth.

So by the time we get to even 75% of the design phase we've spent a million dollars or is it 100% of the design phase?

Mr. Ostroff: No, I think that if we fully expended the \$300,000 plus if we say, for arguments sake, \$800,000, the rule of thumb is that 10% of your project construction cost is design. But this is a relatively design-intensive project because of the bridges.

So, just to be clear it's \$800,000 for the design?

Mr. Ostroff: No, it was \$500,000 from the mall in 2006. We've expended most of that. Another \$300,000 was received from the appropriation. So that's \$800,000 in total appropriations. There are other potential appropriations from mitigation funds.

I heard another member say \$877,000 approximately? So, by the time we've completed design, we've spent \$877,000 dollars and there's no guarantee that this purchase and sale is going to happen?

Mr. Ostroff: The \$437,000 was a design quote from Beta to go from 25% to 100% design. We don't have sufficient funds to do that. I don't believe that amount will be necessary but we will simply have to go to market to find that out. We may easily get a design quote to get it to 100% of design for \$325,000 or something and we may not need to use all the money. There are many projects we get to 25% of design and they are not funded for years.

Is there a possibility that we will get through the design phase and this project is not going to happen?

Mr. Ostroff: Yes, there is a possibility it is not going to happen. If we don't expend the design funds there is a certainty it is not going to happen.

The funds that are in the conservation fund for this project, do you have any idea how much that is?

Mr. Ostroff: Do you mean for – well they have approximately \$7 million dollars in the conservation fund that is, as I mentioned early, we foresee asking the commission to expend some of those funds for acquisition.

Is there anything to prevent those funds to be used for design?

Mr. Ostroff: I think there is. Particularly considering the discussion we've had under Articles 19 and 20. I wouldn't pursue that at this time, particularly when we have a source of funds available that may be more suitable for that.

If those funds were available for this you'd think spending them for the design phase would put to rest some of the fears that people may have that this might not happen?

Mr. Everett: I think part of the point we heard the other night is that conservation commission monies are for the acquisition of open space.

Is the design process part of acquisition? (No answer). Could I have that as a take-away (Mr. Brown)?

Mr. Ostroff: I would ask you to consult with town counsel on that.

MOVE FAVORABLE ACTION ON THE SUBSTANCE OF ARTICLE 5

Mr. Ostroff: The draft motion I would suggest would be that the town appropriate \$300,000 to be expended under the direction of the Conservation Commission and the Board of Selectmen for purposes of Cochituate Rail Trail Design and that the source of funds would be \$100,000 the Planning Board Mall mitigation fund and the other source of funds would be

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\$200,000 in Chapter 40R Smart Growth Funds (the so-called Navy Paper Board).

Moved/Motioned by:	Mr. Evans
Seconded by:	Mr. Ferrari
Motions or Debates:	<p>Mr. Evans: No doubt this is a complicated issue. Negotiating with CSX is probably on the level of root canal without anesthesia. One criticism that we've heard is that it's taken a long time for this process. That is true. I think what's happened is protracted negotiations with CSX, who has an inflated view of what their property was worth. The source of this information is Board of Selectmen's meetings. I think a referral motion sends the wrong message to CSX and encourages them to continue down this path of delay. It does not provide them with an incentive to work with the town. We don't know exactly what the cost is right now or where all the monies will come from. We've seen other towns develop rail trails and I've never heard of negative feedback from having a rail trail in their town. I think it's beneficial to the community in many ways.</p> <p>Mr. Ferrari: I also agree that a rail trail is an important community asset. The funds that are being considered are perfectly appropriate for this purpose. It took the Commonwealth, by way of an example, ten years to gain control of the Worcester line. I think you have to take with a grain of salt that a project that hasn't been designed is going to have any leverage with CSX at this point isn't realistic. I think we should think about the return on investment of this project to the community. I would encourage the proponents to get on the radar screen of the federal delegation as soon as possible with this. There are opportunities there.</p> <p>Ms. Barrera: I'll support the motion. I'm not deterred by the amount of time it's taking – that's the nature of some of these things when you're dealing with many players. If we don't put the money ahead for design and we don't put the money into investment, I do thing that's the wrong signal to send to the company on this.</p> <p>Mr. Everett: You have to design before you purchase. I think some and much of this money had already been designated for this. In good project management, you make decisions along the way whether you continue the project or not upon the latest information you have of the economic viability of the project. We do this all the time in industry.</p>

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	You don't make an argument that because you've already sunk money into something you have to finish it. Just because we spend money on the design, and this thing ends up costing a lot more than we thought it would, hopefully, we're not going to go beyond what we really have to do. I will support favorable action.
Vote	9-2-0 favorable

Move Referral to sponsor Board of Selectmen and Conservation Commission.

Moved/Motioned by:	Mr. Brown
Seconded by:	Ms. Coughlin
Motions or Debates:	<p>Mr. Brown: Referral vote is not necessarily a vote against the rail trail. As Finance Committee we have a fiduciary responsibility to make recommendations to the town. We are looking at a project here that's 8 years old and it may not happen for another 5 years. Every town meeting that we've had that I can remember monies have gone into the conservation fund for the rail trail. We can never see anything that tells us how these negotiations are going or what we can expect. Are we going to be asked for vast sums of money at the end of all this to complete this project and feel like there's no turning back because of all we've invested? I think there needs to be some accountability to this committee of where we are. Why can't we know what's going on? Why has it taken eight years for even this committee to get a sense of what it's going to cost? How can we go to Town Meeting in good conscience and ask the citizens to keep throwing money at something that we're not even sure is going to happen? If we vote referral or vote the main motion down, and Town Meeting follows suit, maybe that sends CSX the signal that we want something done. What are they waiting for? I can't vote favorable for something that I don't know what I'm voting for.</p> <p>Ms. Coughlin: We're looking at an estimate of \$877,000 for something that we don't have yet. We don't even know if out of that \$300,000 that the \$200,000 is going to be voted. The other issues of cloudiness are: we could get a grant; there's \$3 million dollars that's been put forward but the governor has to sign it; 2016 was one of the dates we heard, 2019 ... when's it going to stop.</p>

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Vote	2-9-0 not favorable
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Motion by close public hearing

Moved/Motioned by:	Mr. Evans
Seconded by:	Mr. Brown
Motions or Debates:	None
Vote	11-0-0 favorable

ADJOURN:

Move to adjourn.

Moved/Motioned by:	Mr. Pierce
Seconded by:	Mr. Freedman
Motions or Debates:	None
Vote	11-0-0 favorable

Adjourn