



Meeting Minutes

Town of Adams Board of Selectmen

Board of Selectmen Workshop Meeting

September 10, 2014

On the Above date the Board of Selectmen held a workshop meeting at Town Hall at 7:00 p.m. **Chairman Arthur Harrington** presided. Present were **Members Richard Blanchard, Jeffrey Snoonian and John Duval**. Also in attendance was **Interim Town Administrator Donna Cesan**. **Member Joseph Nowak** arrived at 7:01 p.m.

Meeting called to order at 7:00 p.m. by **Chairman Harrington**.

OLD BUSINESS

No Old Business was discussed.

NEW BUSINESS

Interim Town Administrator Donna Cesan introduced *Jeff Cohen*, the new owner of 7 Hoosac Street, to give the Board information about his development project.

Jeff Cohen, of Great Barrington, closed on the 7 Hoosac Street property on April 2, 2014. He showed the Select Board sketches of the area and his intended development project. A large development team has been retained, consisting of Architects *Durkee Brown*, Civil Engineers *SK Design*, Structural Engineers *Robert Sylman Associates* from Boston, Historical Consultant *AHC* from Boston, and a Consulting Firm *EHT Traceries* from Washington DC, plus ten other team members.

Current Process

SK Design is creating a survey which will become an ALTA Survey of the property. This property will be developed for 150 rental "affordable housing" apartments, ranging from \$950/month for one bedroom and \$1,250-\$1,300/month for 2 bedroom apartments, with rates set by the government. This is not section 8 housing, and a section of the housing is proposed to be for veterans.

Jeff Cohen met with Historic Commission and one issue is the remnant of former mills on this site, which is a conglomeration of some additions and the weaving mill that was there. He will ask to have it removed to expose the original façade of the mill and enable the 1st and 2nd floor to be used for housing. The windows are small with wood framing and insulation, and the cost to replace each window is \$3,000 per window, which would make the total cost of the building restoration to be in the range of \$40 Million.

Project Financing

This project will be paid for in 3 ways:

1. **Historic Tax Credit**
 - a. available from the state at 15% credit, which may take up to two years
2. **Federal Government**
 - a. 20% tax credit
3. **Housing Tax Credit**
 - a. ranges 4% (matter of right) to 9% (must be applied for)

RECEIVED-POSTED
15 JAN - 8 AM 10:49
TOWN CLERK
ADAMS MASS.
CLERK



Meeting Minutes

Town of Adams Board of Selectmen

40% to 90% of this property could be paid for by the sale of tax credits to investors, which are usually corporations and banks. The balance of the money for this project will come from a local bank, which will be a 25-35% loan in value. The income from the apartments easily pays for that. 100% is being claimed for low income tax credits for construction costs. *Cohn Reznick Accounting Firm* did a pro forma study, and \$30 million of the \$40 million will be paid for by investors that purchase the tax credits. \$14 Million will be borrowed by the bank.

The developer makes a development fee of approximately 15% of the total cost of the building, and the cash flow coming from the operation of the property goes to the tax credit investors, for as long as the tax credits exist. \$5 Million in fees is set aside for a cushion to finance or invest in it if necessary. Jeff Cohen will ask the State for grant money and go with the Town for funding under the *Massworks Program*, which may pay for access over the water and all outside improvements in the event that the town is gifted with the property or given an easement for access to parking. The architects are preparing the application to the State on January 15, 2015 for historic tax credits.

Potential Full Town Amenity

The hope is to find a way to integrate the unimproved land with the other mill, the Railroad Station, Park Street and create a Town Pavilion for bands with a Town Pond and an area for exercise possibilities. Since it is an urban setting, parking areas may be requested to be reduced to discourage tenants from having cars. Developer Cohen may ask for a reduction to 100 parking spots. The Town may be able to use part of the parking area for events, using designated access to these parking spots without getting access to the Apartment parking area. There are currently two points of access to the property. *Tighe & Bond* or traffic engineers may be able to design improved access to the site.

Next Steps

The *Zoning Board* will be asked in November for a variance to permit residential use in an Industrial Zone. The *Historic Commission* will be visited for the applications to the Mass Historic and National Park Service. By January 15th the plans necessary for housing, historic and tax credit, will be completed. Once approved, construction documents will take approximately 4 to 6 months to create, before beginning the permitting process. The projection is to begin construction in 2016. The process is expected to take 18 to 24 months. Local contractor *John Burke* went through the building to check it out for any significant issues and did not find any. Hopefully local contractors will be able to be utilized but requirement is that bids must be received for the project. A great general contractor will be brought in now to insure the work gets done.

Veteran Housing

Jim Scalise, the owner of *SK Design*, works with the *Wounded Warrior Project* and would like to have veteran housing available. Veterans could have another entrance as part of the plan, and will pay by for affordable housing with other funding opportunities. Migration from other housing in the area will likely occur, opening up new housing opportunities. This development will accommodate industry coming into the area that will need housing for their employees.



Meeting Minutes

Town of Adams Board of Selectmen

Solar Possibilities

Solar energy will be explored because it makes good economic sense but Jeff Cohen will look into better looking solar panels. There will be gas-fired individual furnaces, air conditioning, Town water and sewer.

Bridge

Conway School had been commissioned in the past to look at the vacant lot, and had ideas to improve the lot and cross the river. A bridge exists, but is not in good condition, and the *corps of engineers* would get involved to provide safe access from Winter Street to Summer Street.

Pond

Jeff Cohen said there may a way to surface existing underground water into water feature or manmade pond, but he is being sensitive to conservation commission issues.

Contingency Plan

If the units are not renting, an option would be to lower rent, but tax credits will be in place for 5 years and with tax credits the cash flow should be more than adequate. There are no concerns about renting it over a 1 to 2 year period, once ready. With the downtown location, the units are walking distance from everything, so it will be easy to fill. The units will be marketed in the whole North County region, as soon as funding is applied for.

Why affordable housing?

For the tax credits, it must be affordable housing. A portion of the building may be considered for future condo ownership, but more people are interested in renting than buying. Tax credits do not allow for a mixture of housing types, but this may be an option down the line.

Gateway Cities Incentive Program

Jeff Cohen met with Senator Downing and Representative Pignatelli and found out the Gateway Cities Incentive Program will not be available any time soon. The Town can be asked for a TIFF for tax dollars to pay the mortgage, but he was not sure if that would be helpful or advisable.

Elevators

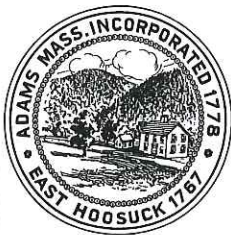
This building has 3 stories and is in good condition. It currently has one freight elevator, but he is not sure if they will reuse the elevator shaft. Because of the size of the building, there will likely be 2 hydraulic elevators.

Ecological Heat Sources

The Visitor's Center is heated and cooled by geothermal energy because of great aquifers in the community. Geothermal energy is something to look at but each apartment will have separate meters and regulated water, electric, and gas using the most efficient systems available. There are probably tax credits for energy related issues.

\$1 Million for the School

If the development fee is earned, \$1 Million will go to the auditorium for the school.



Meeting Minutes

Town of Adams Board of Selectmen

Communication

Open communication between both the Town and the Developer is encouraged and important to make this work. Jeff Cohen will come back regularly to keep in contact with the town for information sharing and keeping up to date.

Development in Town of Lee

Originally the development in Lee was done as 100% Affordable Housing, but at the Governor's request 20% of the units were made into "market rate" units of the same quality, just financed differently. Rates are much better in Affordable Housing, and mixed housing raises issues of how to finance it with the bank. It is important to the Adams to become a balanced housing community. Making it mixed housing becomes a marketing issue. Jeff Cohen suggests contacting *Lee Town Administrator Bob Nason* as a reference for input on his experience on the Lee Development.

Motion to Adjourn made by Member Blanchard

Second by Member Snoonian

Unanimous vote

Motion passed

Meeting adjourned at 7:56 p.m.

Respectfully Submitted by Deborah Dunlap
Recording Secretary

[Handwritten signatures over lines]

Richard White
Joseph Nowak
John E. Dunlap