

Devens Economic Analysis Team ("DEAT")

Minutes of August 24, 2011 Meeting

7:00 pm – 9:00pm

Town Hall Meeting Room

Orville Dodson, Clerk

Members Present: Victor Normand, Sandy Duncan, Paul Green, Steve Finnegan, Steve Colwell, Orville Dodson

Also present: Jim Keefe, President Trinity Financial, Hank Keating, Design Manager Trinity Financial, and Harvard Board of Selectmen members: Ron Ricci, Marie Sobalvarro, and Peter Warren.

Victor Normand called the meeting to order at 7:00pm.

Since the principal purpose of this meeting was to hear from representatives of Trinity (Jim Keefe and Hank Keating), Victor opened the meeting by introducing our members to Trinity and describing the purpose and charge of the DEAT. Victor described our charge as being to perform an analysis of the income and expenses of a Vicksburg developed as Trinity plans and, since a rezoning of Vicksburg is required, to study how well Trinity's plans at Vicksburg fit into the Devens Reuse Plan's goals. Victor then gave the floor to Jim Keefe of Trinity.

Jim Keefe briefly introduced himself and Hank, thanked us for the opportunity to be present and to answer our questions, made a few brief comments about Vicksburg, and then said that he and Hank Keating wanted to return the floor to us to begin our questions.

Victor briefly summarized our state of knowledge thus far about Vicksburg. He said that the DEAT felt that it had very good income (property tax) numbers from Trinity on their Vicksburg plan which all assessors spoken to agree are good. On the expenses side, our knowledge and understanding is less sure. The "biggie" is education (K-12) and the numbers here (school-age population and per-pupil costs to educate) are less certain. We also have less than certain numbers for the adult and elderly populations at Vicksburg. Following this summary, Victor posed the first question. What, in Trinity's view, are the school-age and adult population numbers at Vicksburg? They differ from the Leominster project extrapolations prepared by Paul at our previous meeting (see minutes for 8/17/11).

Jim Keefe answered with a wide-ranging reply that covered Victor's specific question and some of Trinity's broader goals and expected benefits from Vicksburg. This answer consisted of the following points:

- Trinity has tried to shape and present Vicksburg as a traditional development project.
- Trinity has tried to get a sense of what the area townspeople would like to see.
- What Trinity is proposing at Vicksburg Square is a best effort to incorporate these desires into their plan. Specifically, he pointed out that:
 1. They heard a desire for veterans housing which lead to the veterans preference that Trinity plans for Vicksburg.
 2. They heard affordable housing which lead to the large affordable component

at Vicksburg.

3. They heard preservation which lead to their plans to restore the buildings to their historic appearance and assure their preservation.
 4. They heard sustainability which the re-use of the existing buildings practices.
 5. They heard economic development which Trinity's plans address by means of the \$85million to be spent in the project's construction and the \$8million per year of disposable income coming from the residents at Vicksburg.
- The original “technology incubator” plan for Vicksburg has long since been abandoned after repeated attempts to attract commercial interest in the idea.
 - The buildings at Vicksburg are presently deteriorating, water is entering them.
 - Trinity has always assumed that, per the historic town boundaries, Harvard will have jurisdiction over about 50-55 of the housing units at Vicksburg. They have not foreseen the case of having all of Vicksburg under one town's jurisdiction.
 - Trinity is a quality developer. Its portfolio of completed projects demonstrates this.
 - Trinity has newer (and lower) estimates for school-age population at Vicksburg. Trinity will send us a copy of these new numbers and the study that produced them.
 - Trinity has assumed that the surrounding towns will have adequate school capacity for the kids from Vicksburg, especially considering the projected decline in school pupil numbers out here.
 - The incremental cost for each additional school pupil from Vicksburg is considerably less than the \$13,000 Harvard currently spends per pupil.
 - Without Vicksburg, Harvard will have a considerably larger 40B liability.

Victor replied by again pressing Trinity on the pupil and adult numbers at Vicksburg. Jim said he'd send us Trinity's new pupil numbers and the study behind them.

Steve Colwell asked if Harvard would continue to get the \$13,000/pupil rate for educating pupils from Vicksburg. The representative from Mass Dev said 498 (the Reuse Plan) requires MassDev to educate all children at Devens so they would be on the hook to educate Vicksburg pupils. Victor noted that these Devens education costs come out of MassDev's overall budget at Devens so as these education costs increase, monies for other purposes (including infrastructure) at Devens is reduced.

Jim Keefe reiterated Harvard's 40B liabilities and the help that Vicksburg brings in that area.

Steve Colwell asked why Hale was designated as the Elderly component at Vicksburg. Jim said because Hale is the largest building at Vicksburg. Steve asked if Hale being all 1-bedroom is a firm commitment. Jim said that the rezoning language for Vicksburg will mandate this. Victor remarked that the “Land Disposition Agreement” (LDA) currently under negotiation between MassDev and Trinity is a good vehicle for making this commitment. Hank Keating (of Trinity) remarked that language indicating “of the 240 units at Vicksburg, 65 (or more) will be Elderly” will be in the LDA.

Victor asked if the LDA would be available to the public prior to the town elections to modify the zoning at Vicksburg. No clear answer could currently be given to this question.

Paul brought up the large number of children in the three studied Leominster projects and the importance of recreational facilities for them. He asked if Trinity planned any recreation facilities at Vicksburg. Jim answered that the spacious “rural” environment of Devens itself was a big plus for children plus the adjacent playing fields would be a great resource. Trinity plans no recreational facilities in Vicksburg proper, no pool, gym, rec center, etc.

Victor asked about Trinity's use of "60% of Median Income" as the upper income limit in the affordable units. Would this not mostly serve the low income workforce and not the more middle income workforce foreseen at Devens? Jim answered that there is a large cohort of "forklift workers", that's where the big need for affordables exists, at the lower end. Trinity's affordability limits hit a "sweet spot". At the same time, Vicksburg's 20% market-rate units assure that the project will be a quality one with good design, materials, good finish, and will be well maintained.

Sandy asked about the veterans preference that Trinity plans for Vicksburg. Could not the entirety of Vicksburg be filled by veterans? Jim answered that there is a large need for affordable housing for recent veterans and that, over time, it is entirely possible that Vicksburg could become almost entirely occupied by veterans.

Steve Colwell asked if the 80% affordable, 20% market-rate ratio at Vicksburg will persist over time. Jim answered that Trinity's projects have low turnover and as incomes rise residents move into paying market-rate. Jim does not see the 20% market-rate falling over time.

Orville asked whether the IRS will penalize Trinity should the affordable percentage at Vicksburg fall below 80%? Jim said that the IRS does not penalize so long as Trinity accepts only affordable residents whenever the affordable percentage is below 80%.

Victor asked about Trinity's willingness to change their Vicksburg plans if the town vote on rezoning Vicksburg fails. Jim answered that Trinity could not change their plans and, if the town vote went against them, Trinity would simply leave and abandon all their plans at Vicksburg.

In discussion, a couple of investment points were made by Jim about Trinity's plans. Hale will be done first, probably as a Phase I. Allen and Knox would come next, and finally the rest of Vicksburg, probably in two more phases but possibly in one phase. Trinity does plan to do Vicksburg in phases, gated mostly by the pace at which Trinity can obtain state tax credits for its affordable units. There will be several vehicles through which investors will invest in Vicksburg.

Paul asked if bus service would be needed for Vicksburg. Jim answered that a jitney will be needed for the elderly and is in the plan. Bike sharing is also in the plan. Otherwise it is planned that private vehicles will provide the transportation.

Paul asked if Trinity plans to engage any private security personnel at Trinity. Jim answered that Trinity runs its properties well and has never needed security patrols. Trinity promotes close ties to the local police.

Paul asked if an elementary school nearby is needed. Jim answered, "not really". He thinks the buildings and quality at Vicksburg will sell the project and that a nearby school won't be needed to sell. School buses would be used.

Paul asked if Vicksburg will have any "Section 8". Jim answered that Vicksburg won't be a "Hap Project" under Section 8 and that those are seldom done any more. Section 8 vouchers, however, must be accepted anywhere and some may occur at Vicksburg.

Victor began to wrap things up by asking Trinity if they felt we (the DEAT) understood the Vicksburg project. Jim said we did and that he was very impressed by us and our work. Jim remarked that Trinity

would like to present before the Harvard Board of Selectmen and our Planning Board, they have done so in Shirley and Ayer. Jim made a reference again to Harvard's 40B vulnerability.

Victor thanked Trinity for their presentation and answers to our questions and let them depart the meeting. We moved on to review and approve the minutes of our prior meeting (8/17). It was moved and seconded to approve and the vote was unanimous to approve.

It was moved and seconded that we adjourn. The vote was unanimous and we did adjourn at about 9pm.