

Devens Economic Analysis Team ("DEAT")

Minutes of August 31, 2011 Meeting

7:00 pm – 9:00pm

Old Library, Fireplace Room

Orville Dodson, Clerk

Members Present: Victor Normand, Paul Green, Steve Finnegan, Steve Colwell, Orville Dodson, Pat Wenger..

Also present: Selectman Ron Ricci, Selectwoman Marie Sobalvarro, Michelle Catalina of the Planning Board, and Lucy Wallace.

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

The minutes of our prior meeting (8/24/2011) were reviewed, two typographic mistakes corrected. It was moved and seconded that the corrected minutes be approved and the vote was unanimous to approve.

Victor asked for any reactions to Trinity's presentation at our prior meeting. Steve Finnegan noted that Trinity did push back some but often did not address our actual question or issue. Victor noted that it was a typical Trinity presentation in content and manner of presentation.

Victor then presented a spreadsheet of some nearby affordable projects for us to look at. The list was a list of nearby LIHTC ("Low Income Housing Tax Credit") projects that do not have a "project based" subsidy, ie. which define "affordable" as 60% of median income, not 30% (or less) of median. Vicksburg in Trinity's plan will be a LIHTC project that does not have a "project based" subsidy. We all looked at this list to locate a handful of projects similar to Vicksburg in total number of units and in distribution of bedrooms (1-BR, vs 2-BR, etc.). We will study the total number of children and children of school-age, hopefully broken down by bedroom quantity, in these projects and compare the resulting children and school-age children per unit with the numbers Trinity is forecasting for Vicksburg. The projects we chose were Willow Trace Apartments in Plainville, Rosewood Commons in Raynham, and The Preserve in Walpole.

Victor ran through a calculation of education costs and resulting deficit from Vicksburg using Trinity's numbers. Accepting Trinity's estimate of incremental cost per Vicksburg child of \$9239 and receipt of \$1329 from the state for Chapter 70 funds (Harvard's current number) per child times the 77 school-age children Trinity predicts for Vicksburg minus the \$208,000 annual property tax from Vicksburg produces an education deficit of about \$401,000 per year for all 77 students. For the 25 students that Trinity expects to see in the parts of Vicksburg within Harvard, one gets an education deficit for Harvard of about \$127,000. This assumes that all \$208,000 of the property tax from Vicksburg goes to the schools and none to fire, police, DPW, etc. If all 77 of the students were in Harvard, Harvard would have the whole \$401,000 per year deficit.

Victor reported that Dan Drazen of Trinity had gotten back with newer population numbers for Vicksburg. Across all 246 units at Vicksburg, Trinity expects a total population of 598 people. 99 will be age 18 or less, 499 will be age 19 or greater of which 133 will be in elderly units.

Victor distributed his revised calculations of annual tax revenue and disposable income from Vicksburg as planned by Trinity and if developed with Victor's alternate plan of ownership with 75% market-rate and 25% affordable. Victor noted that Trinity is now showing lower rents at Vicksburg which will mean even less annual tax revenue from Vicksburg than the thus far assumed number of \$208,000 per year. Steve Colwell asked if Trinity is allowed to deduct expenses in calculating their income upon which is based the annual tax revenue. Victor said "yes" but that the town assessor is allowed to subject the reported income to sanity and comparable situation checks.

Lucy asked how, with so much affordable at Vicksburg, Trinity could maintain the buildings long term. Victor answered that, after the 40-year tax credits expire, Trinity (or a new owner) will usually have applied for continued tax credits which are often given. This affords additional monies to maintain the property. Further, up front, Trinity will get "Historic Preservation" tax credits of near 20% of construction cost.

Victor moved to "workforce housing". He noted we still do not have much information on civilian workforce wages. Bristol-Myer-Squibb, American Superconductor, etc. might be willing to give us typical wages.

The meeting wrapped up with Victor announcing that he would prepare a draft of our final Vicksburg report and suggested we have two more meetings to complete the report. We decided to meet at 7pm the following two Wednesdays (9/7 and 9/14). Victor will aim his first draft at the main charges to the DEAT which are to study projected revenue from Vicksburg (property taxes), study demographic effects, study school and non-school town costs of Vicksburg, and study the "workforce housing" benefits that Vicksburg might provide. Victor asked Michelle of the Planning Board for any reactions overall to Vicksburg and she noted that Vicksburg seems to mean deficits and she noted parking issues at Vicksburg.

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