

Devens Economic Analysis Team (“DEAT”)

Minutes of July 10, 2015 Meeting

7:30 AM

Hildreth House

Paul Green, Secretary

Members Present: Paul Green, Noyan Kinayman, Victor Normand, and Christopher Roy.

Members Absent: Steve Finnegan.

Paul Green, Secretary of DEAT, call the meeting to order at 7:30 am.

Old Business

Approval of Minutes

Paul passed out minutes of our meeting of June 26, 2015. Chris moved to accept them and Noyan seconded the motion. The Committee unanimously approved them.

Devens Tax Rates

Paul’s has improved the spreadsheet he built for the Special Town Meeting but it is still not accurate. The Bristol-Myers-Squibb TIF extends for 20 years, not 15 years. The FY years in his sheet are correct, per the 2008 memo from Mass Development.

Victor recommended that Paul contact Harald to get a copy of the current TIFs.

Victor commented that, except for the errors, the model that Paul used, in which he compares the potential tax revenue for future potential pharma-related development to the existing BMS development, is okay. When future zoning changes are proposed, we’ll need to update the model to use current data.

Chris asked if the expiration of the TIFs would reduce the \$800K deficit that we’ve estimated. Victor responded that it would make a significant impact.

Victor noted that at the start of the Devens redevelopment, the best that anyone could do was to make estimates and predictions. The consultants who looked at Devens felt it could support 8 million square feet of development. The state felt that a project of this size was too risky for the towns to take on, and so the state agency now known as Mass Development stepped in to assume the risk. Now that actual costs and revenues are known, the towns can make decisions that are far less risky. Initially, the DEAT stayed away from predictions due to the high degree of uncertainty in the financial data. Devens is

sufficiently developed that we (Harvard) are within striking distance of having enough financial data to make decisions, and it is now appropriate for us to create a forecast.

Victor has data from Mass Development showing every parcel of land, its identification number, who owns it, its zoning, whether it has been sold or is for sale, its tax classification, and so on. The Engineering Office created the report to estimate the developable square footage for each parcel. He has recently reviewed it with a special interest in the land that is for sale. Victor passed out a 1-page handout that shows all of the parcels that are currently undeveloped. The total value of the land is estimated at \$20M; the development potential is 2.75M sq. ft.; the estimated building value at full development is \$275M; the total taxable value at full development is \$295M; and the projected property tax revenue at full development is \$5.3M. All of these parcels are in Harvard, and these projections use the Harvard FY 2015 tax rate of \$17.97. Naturally, these are estimates and the actual amounts could vary either way.

Victor noted that Salerno Circle (the largest unsold parcel; estimated tax value of \$1.5M) is close to being ready to sell. Davao (the 4th largest parcel; estimated tax value of \$354K) is now ready to sell.

Victor also noted that multiple companies bought large parcels with the intent of providing room for future development; BMS is one such example, and there are others. His worksheet does not account for this potential new revenue.

Paul asked if all of the parcels are in Harvard (Victor: yes), and if all can be developed (Victor: Yes).

Victor said that we should be careful how far we take our predictions; we do not want to go beyond what can be supported by the facts.

Noyan asked about developing Ayer Road in Harvard; how does it fit into this picture?

Paul said that, thanks to income from Devens, Harvard could develop Ayer Road without needing to maximize its tax revenue. Without Devens, we'd certainly want to maximize its tax revenue. He also felt that Harvard could approach Mass Development (and the Montachusett Regional Planning Commission) for assistance in redeveloping Ayer Road.

Victor noted that most of the areas of Devens that abut Harvard have been developed. Barnum Road is developed. Salerno Circle has not yet been developed, and is only separated from Harvard by a railroad line and a closed road. It would not be difficult to connect Depot Road to Salerno Circle; it just requires the will and the funds.

Paul feels that it would be in Harvard's interest to improve the transportation connections between Devens and Harvard; businesses in each area would gain new customers.

Victor reviewed the history of taxation at Devens.

The committee briefly discussed other items to cover in this year's annual report. We felt it was important to stress the goal of creating a super utility for Devens. Paul feels this is something concrete

that the JBOS could start addressing now. Victor said that draft legislation could be prepared now, for enactment when the time is ripe.

Victor said that he would be able to write a draft of the report soon, as the data was coming together.

Conservation Costs of Operation and Upkeep

No report.

New Business

None.

Select Future Meeting Dates and Locations

The next meeting date was set for Friday, July 31, 2015, at Hildreth House.

Adjourn

The meeting adjourned at 9:00 am.