

Master Plan Steering Committee  
Meeting Minutes  
November 21, 2013

**Members Present:**

Joe Hutchinson, Chair  
Erin McBee  
Lucy Wallace  
Didi Chadran

SusanMary Redinger  
Joe Theriault  
Don Ludwig  
Victor Normand

Others Present: Bill Scanlan, Town Planner  
John Osborne, press

**Opening:** The Chair opened the meeting at 7:05 PM. He noted that member Rachel Holcomb resigned from the Committee effective immediately. Members expressed their appreciation for the many contributions Rachel made to the MPSC. Members then introduced themselves to Bill Scanlan, the recently hired consulting Town Planner.

**Stakeholder Groups:** Members reviewed the preliminary list of Stakeholder Interviews aligned with the Master Plan elements. RKG, the Master Plan consultant requested that Harvard identify knowledgeable officials and residents who would be willing to share their views and perceptions pertaining to their area of interest. Those present made many suggestions regarding adding new individuals or moving names on the list to other subject areas. The Chair postponed this matter to later in the meeting to provide ample time for a discussion on Devens.

**DEAT Analysis:** The Chair turned the meeting over to Victor Normand representing the Devens Economic Analysis Team (DEAT). Victor noted that DEAT had made a significant effort to try to analyze the fiscal consequences of Harvard resuming control of its former historic lands in Devens. Because of the successful development program there, it has been extremely challenging for the Team to create an accurate model of the budgetary impacts of adding Devens. This analysis will need further refinement before the Townspeople will be able to make an informed decision.

Referring to a handout of a spreadsheet, Victor noted that the Committee tried to identify communities elsewhere in Massachusetts that had similar economic characteristics as Harvard. The spreadsheet contains several columns that compare eight similar communities to Harvard, including population, budgets, property assessments, and tax revenue generated from Commercial, Industrial, and Personal Property values (or CIP for short). With CIP expressed as a ratio to total value, Harvard fares poorly to the comparison towns since its tax base is so heavily weighted by residential property. In FY 2013, Harvard's CIP Ratio was 5.0%, while the median of the comparison towns was 17.8%. Victor noted that about 75% of Devens' development is within Harvard's limits. With the Harvard portion of Devens included, a much different picture emerges. In FY 2013, Devens' CIP ratio was a whopping 88.7% since its residential value is minor compared to its large commercial and industrial properties. By including Devens, Harvard's CIP jumps to 16.6%.

One way to understand the fiscal impact that Devens would have on Harvard's budget is to conduct a per capital cost analysis. In their budgets, the eight comparison communities spent a median of \$3,222 per capita, while Harvard spent about \$400 more, \$3,629 per capita. Surprisingly, Devens spent \$4,583 per capita, tying Littleton for highest per capital expenditures. This happens because Devens has a relatively small population, only 1,000 people, compared to the major costs of running operations to

serve the numerous commercial and industrial tenants. Combining the Devens and Harvard budgets yields a per capita expenditure of \$3,756.

Victor expressed several caveats with this analysis. It does not include other sources of revenue, for example hotel tax, meals tax, or excise tax. The Devens tax rate is not like a true municipal tax rate since it is run by a quasi-state organization, MassDevelopment, that can run a deficit. It does not include utility revenues, e.g. water and sewer bills. Some buildings may be vacant (e.g. Evergreen Solar), and local assessors may grant a yearly property tax abatement; in the long run, such properties should produce significant revenue for a municipality. It does not account for Tax Increment Financing (TIF) agreements. Victor explained that these agreements usually have very low property tax payments in the early years of the deal, then rise steadily for the remaining term; thus, the tax revenue today may not truly represent the future property tax revenue stream. (Victor noted that Bristol-Myers Squibb has a 15 year schedule that results in zero property taxes in years 1-5; in years 6-15, it ratchets taxes up in 10% increments until it reaches 100% in year 15.)

Nevertheless, the Committee found the analysis extremely interesting and helpful. The Chair thought that it would be valuable to have RKG review the analysis as a starting point for its more in-depth examination of Devens financial impact on Harvard.

**Acceptance Criteria:** The Chair asked for feedback on the “Acceptance Criteria Bundle” he distributed to the members before the meeting. Advancing the Town’s decision-making capability on the Devens question is one of the most important tasks for RKG. The many discrete documents in the Bundle reflect various attempts over the years by Harvard boards and committees to try to come to grips with factors that the Town must consider in order to make an informed decision regarding the ultimate fate of Devens. Harvard, of course, is just one of three communities who jointly share a portion of the Devens property. After discussion, the Committee decided that the Acceptance Criteria would be most helpful if viewed within the context of the various Master Plan chapters. This will allow for the individual elements, such as housing, services and facilities, etc. to fully explore the implications of assuming control of Devens on Harvard’s long range planning and implementation agenda. For example, current planning objectives call for promoting economic development in the Commercial district to provide some property tax relief for residents. If the answer to the disposition question is to assume control of Devens, the C district becomes much less important in balancing the Town’s tax base, and its character may change to become more like a neighborhood business district, providing goods and services to Harvard’s residents in a village-like setting.

**Resumption of Stakeholder Interviews:** The Chair returned the attention of the members to the list of potential candidates for stakeholder interviews. The Committee discussed the most suitable topic for these volunteers to provide meaningful input. Due to the late hour, the Committee agreed to resume this discussion at the next meeting.

**Next Meeting:** Tuesday, November 26, 7:00 PM, Bromfield Library.

**Adjournment:** Lucy Wallace made a motion to adjourn the meeting at 9:15, seconded by Don Ludwig, so voted.