

**BOARD OF SELECTMEN
EXECUTIVE SESSION MINUTES
OCTOBER 15, 2001**

Present: Arnold Wilson, Chairman
 George Dib
 Hal White
 Charles Blanchard
 Doris Sosik
 James Malloy, Town Administrator

The Chairman called the executive session to order under MGL Chapter 39, §23B, Paragraph #6: To consider the purchase, exchange, taking, lease or value of real property, not to reconvene in open session.

U.S. Filter

Over the past few weeks, A.Wilson and J. Malloy have discussed the U.S. Filter parcel on the corner of Route 20 and Holland Road, since it is still an open issue. During their last discussion on this matter, the Board had asked Mr. Malloy to request that U.S. Filter conduct a site assessment/environmental review of the property, which he relayed to Roy Wood. Mr. Malloy met with Roy Wood and they discussed whether U.S. Filter was going to conduct a site assessment, and R. Wood informed him that they were not going to conduct an assessment of the property. Mr. Malloy asked the Board to take some action, either to place a warrant on the impending Special Town Meeting to have the Town fund a site assessment, which would require U.S. Filter's approval beforehand, or a vote of the Board indicating that the Town is not interested in the parcel. U.S. Filter has asked for the Town's decision so that they may make a decision on what to do with the property.

A.Wilson said that U.S. Filter has offered approximately 12 acres for \$1. He suggested that the Board accept their offer contingent upon applying for and receiving a grant to do the assessment on the land and demolition of the building and to clean the site up. He noted that the property is the gateway to the Town. The land could be used as a park or for low income housing or other housing. He noted that there had been oil tanks on the site and asbestos piping, as well as whatever had been left from the old mill operation, such as discarded paint and residue from aluminum cleaning tanks.

C. Blanchard said that solvents, dyes and other substances had been used at the mill. He asked that DEP be requested to investigate the mill site, and if contaminated, whether brownfields legislation would apply.

C. Blanchard suggested that J. Malloy find out about the potential for grant money and what it would provide and what the cost would be before agreeing to take the land contingent upon a grant. J. Malloy said that he would do the research and make contacts. In addition, C. Blanchard suggested that based on the appraisal of the land across the river previously owned by U.S. Filter as part of the mill site and now owned by Tyrone Jones be included in a DEP assessment.

D. Sosik said that the Community Preservation Committee was talking about including affordable housing and historic development. She suggested that J. Malloy convey to U.S. Filter that the Board is interested, but will not move forward until getting more information.

C. Blanchard said that U.S. Filter should understand how concerned the Board is about making the land usable for the Town, and about the seriousness of the contamination issue. He suggested getting more information on brownfield legislation. A. Wilson suggested that J. Malloy contact Kurt Johnson.

H. White said that the Board needed a breakdown of costs such as site assessment, clean up, and some type of restoration of that land. He commented that there will be major expenditures involved.

MOTION: To authorize the Town Administrator to write a letter to DEP explaining the information from the appraisal report and provide information that he feels would support the contamination concern, by C. Blanchard.

2nd: G. Dib

Roll call vote: All were in favor.

G & F Industries

J. Malloy met with John and David Argitis and Irwin Thomashow from G & F regarding the TIF agreement and the issues as follows:

In past agreements, the basis for the tax break was a percentage of the difference between the current value and the new value of the property once construction was completed. The problem with this formula is that it uses the current/future values established by the Board of Assessors and

in this instance, the value for G & F is “pre-fire” and does not take into account the damage and destruction of the building. In discussing this with G & F, there was general consensus that 66% of the buildings were damaged or destroyed. J. Malloy proposed taking the current value for the building, maintaining 100% for the land, and reducing it by 66% to obtain a current actual value and build this figure into the contract, basing the tax break on the difference between this figure and the new value of the reconstructed buildings.

Karl Kildahl from the Mass. Office of Business Development had explained to G & F that Sturbridge has offered two different types of Tax Increment Financing plans in the past: five-year plans (50%, 40%, 30%, 20% and 10% tax breaks) and ten-year plans (10%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2% and 1% tax breaks). G & F indicated an interest in the 10-year tax increment financing plan, but asked whether there was flexibility in the amount of the tax break; Mr. Malloy indicated that there was. They agreed that Mr. Malloy would present to the Board a TIF that would include the following 10-year plan.

Year 1	20%
Year 2	18%
Year 3	16%
Year 4	14%
Year 5	12%
Year 6	10%
Year 7	8%
Year 8	6%
Year 9	4%
Year 10	2%

Although the above schedule is higher than what has been offered to businesses before, Mr. Malloy felt that in this case it is warranted, based on the additional costs that G & F has had to assume during the current year to continue operations through leases, repair of equipment, loss of efficiency due to operating in several locations, etc., and that they have made a commitment to remain in Sturbridge.

It was the consensus of the Board to consider it, but to hold off on a decision until they receive information regarding the impact it would have on the Town’s tax revenues, as well as information on the value of the building.

MOTION: To adjourn, by C. Blanchard.

2nd: H. White

Roll call vote: All were in favor.

The meeting was adjourned at 9:35 p.m.

Respectfully submitted

Judy Knowles

BOS Clerk

Date