

Hamilton Development Corporation
May 11, 2016

The Hamilton Development Corporation met at Hamilton Town Hall at 7:30 a.m. on Wednesday, May 11, 2016 with Bill Gisness, Brian Stein, Rick Mitchell, Anthony Nickas present. Community Projects Coordinator Dorr Fox, and DPW Director Bill Redford also present.

Call to order

Brian Stein called the HDC meeting to order at 7:30 a.m.

Approve warrant #1620

The HDC reviewed for approval the HDC warrant #1620 in the amount of \$622.99 adding in \$249.05 for minutes secretary time.

Bill Gisness moved to approve HDC warrant #1620 for \$622.99. Rick Mitchell seconded the motion. VOTE: Unanimous.

Minutes approval – March 16, March 30, April 13, and April 27, 2016

Stein moved to approve the minutes from March 30, 2016, April 13, 2016 and April 27, 2016. Gisness seconded the motion. VOTE: Unanimous.

Gisness moved to approve the minutes from March 16, 2016. Stein seconded the motion. VOTE: Unanimous.

59/63 Willow Street

The HDC had received a \$1,400 proposal from Peter Kane to do a plot plan for the 59/63 Willow Street property. This does not include topography which could add \$600 to \$800. The HDC is on Kane's waiting list to get the work done.

Gisness moved to approve up to \$2,500 for the purpose just discussed. Anthony Nickas seconded the motion. VOTE: Unanimous.

Stein reported that he had spoken to Don Bowen of Meridian Associates about what could be done at the 59/63 Willow Street property. Bowen visited the site and reviewed the HDC's RFP and suggested that testing (i.e., perc, 21E report, etc.) needs to be done

on the property to identify what development can be done. Bowen also commented on the RFP stating why he thought the HDC did not receive any responses since there are a lot of unknowns (i.e. soil conditions, topography, etc.). Also, that creation of conceptual plans illustrating range of unit count would be helpful. The HDC is looking to get the survey done first, then identify area and scale of development, then pursue the other items recommended by Bowen.

Discussion ensued about importance of soil testing regarding type of septic system appropriate for the 59/63 Willow Street site and depth to groundwater. Also, what are the stormwater runoff issues at the site. This parcel is not part of GPOD. The HDC mentioned long term concept (10-year plan) of a sewer line installed on Willow Street leading to Pingree Park.

Nickas had done a simple model of the 59/63 Willow Street site analyzing 10, 1-bedroom units, 10, 2-bedroom units that are market rate with rents set at \$1,600 for a one bedroom unit and \$2,200 for a two bedroom unit. This would involve a \$6.2 million loan, and land acquisition cost of \$600,000 (which the HDC has already invested).

Nickas had provided a profit and loss statement for the entire Willow Street property with the housing and commercial units for 9,000 square feet. Operating expenses were provided for each category based on historical numbers. The per unit cost is \$8,371 with the real estate tax included. Expenses should be close to \$10,000 a unit/year. The construction costs per unit would be \$290,000 and soft costs \$16,500 for a total each unit cost of \$306,500. The HDC would have to come up with more funding beyond the loan. There are loans available which could be sought by the HDC with assistance from someone knowledgeable in this area (i.e., Mass works grant could assist with septic). The HDC thought it was in the ballpark on per unit cost and expenses.

Discussion ensued about possibility of Chapter 40B relative to number of affordable units and Willow Street property being located downtown near transportation and shopping. Scenarios could be done with mixed use, and from 10 to 25 units. The HDC needs help to develop the site and more information to understand what it can do with the site. Discussion addressed how if the HDC tries to develop the parcel by entering into a joint venture then Chapter 30B prevailing wage requirements would have to be followed. Also noted was whether or not the land (currently owned by the HDC) would be considered part of the deal.

A first next step for the HDC is to get the survey done. Also mentioned was that the MAPC and ULI are creating lists of funding available. The HDC could try to assess interest in grants with consideration of partnering with a for profit or non profit

organization. Nickas offered to confirm per unit cost of \$450,000 that was thought to be the number used by the Department of Housing and Community Development.

Nickas suggested that budget should be developed for the Willow Street site in consideration of issues at the property after survey and testing are done. Discussion was on whether or not the HDC wants to spend money beyond the survey cost for engineering and testing. The HDC needs to figure out if developing the site on its own makes sense or if a for profit wants to buy the property it could pay for these costs.

Discussion addressed how the HDC members have full time jobs so partnering with experts will move the development forward. Especially important is to understand how a joint venture should be structured which may mean using a specialized attorney to get the best legal guidance. Basic information such as how many units can fit on the site is essential. A working meeting with an expert such as Harborlight Community Partners or Nordbloom could start the process.

Discussion was on what a developer would consider a joint partnership including the HDC taking the project through permitting and passing it off to the developer. This could include HDC doing site analysis and testing as well as a schematic design and economic modeling to understand what the site will support and supply a preliminary proforma. Another RFP could be done for a permitted project similar to what the Town did with the Patton Ridge development. There are grants that could assist with the permitting process costs. This would be dependent upon grant application schedules.

The HDC noted that David Cutter is no longer interested in the Willow Street property. Also, Richard Lappin has not responded to a phone call from HDC relative to mixed use development. In addition, the HDC has not heard from the YMCA. The HDC thought there were other developers it could approach such as Oak Tree and Tom Ford. Also mentioned was to ask Todd Nordbloom to attend an HDC meeting to discuss his assessment of the development opportunities at the Willow Street site and to learn about funding sources that are available. Subsequently the HDC could provide some design concepts and layouts.

Board Business

Tom Goodwin who has a real estate finance background is interested in filling Dave Carey's unexpired term on the HDC. Goodwin might have information on funding sources for the HDC. It was noted that some grants take 18 months to be processed. Also mentioned was the advantage of having the commuter rail in Hamilton's downtown regarding potential interest in development.

The HDC also considered if it should have another conversation with Andrew DeFranza of Harborlight who had said that the Willow Street project is small relative to his organization's interest in doing two tax credit projects a year. There could be a positive Chapter 40B project downtown to counterbalance the proposed Longmeadow Way project that Harborlight is working on.

The HDC noted that its attorney had said the Corporation could not contribute to the two town Fourth of July fireworks. However, it could help the merchants association financially (with unrestricted money) since the group is directly related to downtown economic development. The Corporation members will speak to downtown merchants to reactivate the merchants group (including the new bakery owner). The HDC will also ask its attorney if holiday lights for the downtown could be funded by the Corporation.

Hamilton Downtown Improvements

Discussion ensued on the FY'15, \$6,500 that the HDC contributed to the Town for downtown improvements. The HDC budgeted \$10,000 for this purpose in FY'16. Some of this funding could be used for the fireworks as well as for more holiday lights in the downtown. DPW Director Bill Redford questioned how the lights would be powered. Discussion addressed if the existing holiday lights in the downtown were solar powered or battery operated LEDs. The HDC could have a conversation with Selectmen Chair and Town Manager about use of the funds donated by the HDC.

Also mentioned was if planters will be located in the downtown and that this could be another initiative done with the reinvigorated merchants group. Especially related to if the planters will be located on private part of downtown sidewalks. Redford specified that a waiver would be needed for planters located close to buildings in the downtown since the Town only owns half of these sidewalks from the curb. Redford noted that free standing banners could possibly be used downtown using holes in curbing cut for American flags used on holidays. Stein and Mitchell will assess if merchants want a meeting related to downtown improvements.

New/old business

Discussion was on All Boards meeting relative to Longmeadow Way project scheduled for May 25 at the Miles River Middle School.

In addition, Community Projects Coordinator Dorr Fox had corresponded with the Department of Revenue to find out how much meals tax revenue is generated annually from Hamilton's food establishments. So far he has not received a response from DOR.

The Finance Department has also received no response on this matter from DOR. Mitchell offered to contact state officials for assistance in the matter.

Mitchell moved to adjourn the meeting at 8:31 a.m. Gisness seconded the motion.
VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST: _____
Brian Stein, President