Public-Private Partnership Sub-Committee (“P3”)
of the
Dover Community Center Building Committee

Minutes

September 25, 2007

Attendance: Voting Members: Samantha Burman, Justine Kent-Uritam, Doug Scott, and Rick Henken. Warrant Committee Liaison: Joe Melican; Board of Selectmen Liaison: Carol Lisbon.

The meeting began at 7 PM.

1. Clarification of the P3 Charter
Carol Lisbon confirmed that the charter of the P3 Sub-Committee is as described in the Selectmen’s memo which was distributed to the Dover Community Center Building Committee at the kick-off meeting. She further confirmed that it is consistent with the P3 scope to propose uses for the site which include additional uses beyond those identified as being integral to a community center.

2. Approval of Minutes of September 11, 2007 Meeting
Minutes, as amended, were unanimously approved.

3. Distribution of Missing Materials
It was determined at the September 11 meeting that not all members of the Committee had received a full set of materials describing the history of the project. Samantha gathered all missing information and distributed it to the group.

4. Town Reports
At the September 11 meeting the group decided to research facilities in semi-rural towns with similar demographic and income levels, such as Bolton, Carlisle, Harvard, Lincoln, Sherborn, Stow, and Weston. Group members volunteered to begin contacting other towns to gather information. The following reports were made:

A. Lincoln -- Justine reported that Lincoln is similar in size to Dover (5,000 people excluding Hanscom). While Lincoln does not have a community center per se it does have several meeting places for events, sports, and meetings. These include Pierce House, De Cordova Art Museum, Codman Estate, and the public library, all of which are available for meetings and can be rented for events; and the Hartwell Recreation Center, which is available for athletic events. Further research was suggested to determine how these projects were financed and how they are managed.

B. Harvard – Doug reported that Harvard, with a population of 6,000 (12,000 including Fort Devens) does not have a community center and that there has been no formal discussion on the need or desire for one. The town has significant assets dedicated to sports and recreation, including a youth center, donated by Devens and used primarily by ninth and tenth graders; 2,000 acres of conservation land; and a large lake, Bear Hill Pond, at which swimming, sailing, skating, and skiing are available.

C. Carlisle – Samantha reported that Carlisle is very similar to Dover in terms of demographics and size. According to the 2000 census there were 4,700 people and 1,600 households in Carlisle. Median household income is approximately $130,000. Carlisle has little commerce, with one store in the center of town. The only community space of note is a community room located at Carlisle Village Court, an
eighteen unit elderly housing project that was built in 1979. The town is in the early stages of investigating the development of a possible joint COA/Recreation Department facility and representatives of the town’s Council on Aging (COA) are currently interviewing other towns to determine what kind of community facilities are presently in use.

D. Newton – Rick reported on the adaptive reuse of two Newton schools into affordable elderly and/or family housing. In 1992, after ten years of standing vacant and deteriorating, the Warren Junior High School was converted into 59 apartments, one-third of which were reserved for affordable occupancy. The developer was a Newton non-profit that used favorable financing from the state along with CDBG loans through the City of Newton and CDAG funding through EOCD. The same non-profit also redeveloped the historic John W. Weeks School into 67 mixed income apartments for seniors and 8 three bedroom units for low-income families. The project was financed with a combination of favorable MassHousing financing, historic tax credits, and HUD project-based Section 8 subsidies.

5. Public-Private Partnerships
Rick presented ideas outlined in the attached sheet. These ideas were generally discussed. It was also suggested that another alternative was to have the town build a building and lease out retail or commercial space in the building.

6. Next Steps
Justine suggested that getting uniform information from comparable towns would be helpful and offered to draft a matrix to be distributed before next meeting.

Justine adjourned the meeting at 8:15 PM.
Respectfully Submitted, Richard J. Henken, Rotating Clerk
Public/Private Partnerships

1. Sell land to a private, profit motivated developer who will maximize value.
   - Will buy the land based on a market oriented highest and best use price, generating maximum cash proceeds for the town.
   - Will provide highest ongoing property tax revenues as a result of maximizing value.
   - May or may not offer a “public purpose” as a quid pro quo.

2. Lease land to a private, profit motivated developer who will maximize value.
   - Will provide a significant annuity (in lieu of one-time cash payment).
   - Will generate slightly lower ongoing tax revenues due to lower net operating income.
   - May or may not offer a “public purpose.”

3. Sale/Leaseback or Ground Lease Offset by Town Uses.
   - Sell or lease land to developer who will provide space for Town uses.
   - Value of land/property tax payments will be limited by the amount the Town pays for rent (to the extent it is below market).
   - A tax arbitrage may be possible as a private owner can generate income tax benefits that could be potentially shared.
   - May be able to get the same building for lower cost than if built and owned by Town.

4. Trade development rights for public benefits.
   - Price land based on highest and best use.
   - Subtract value of public benefits from fee simple highest and best use to arrive at final land price.
   - Lower revenues to the Town than under alternative scenarios, but free and/or reduced rate space for Town activities could provide offset.

Key Decision Variables

1. What is highest and best use?
2. What value is associated therewith?
3. Is there support for a market oriented highest and best use versus a “negotiated” program?
4. How much space does the Town really need or want?
5. How much is the Town willing to pay for its space?