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Town of Swampscott
Capital Improvements Committee Meeting Minutes
Monday June 13th, 2022 – 7:00 PM
Virtual Meeting

CAPITAL IMPROVEMENTS COMMITTEE MEMBERS PRESENT

Richard Raymond, David Brodsky, Ryan Hale, Jeremiah Sullivan, Kelley Begin

OTHER TOWN OFFICIALS PRESENT

Patrick Luddy, Treasurer/Collector

7:00 PM Meeting called to order

Item 1 – Discussion and/or possible vote on recommendations for Special Town Meeting Warrant Articles

RR asked the committee about what they feel the process should be going forward with regards to recommendations to town meeting on Article #1 for acquisition of land.

JS commented that he feels the committee needs to discuss any questions they have surrounding article #1 tonight and then determine if enough information is available for the committee to be comfortable taking a vote.

JS expanded that he procedurally would be comfortable taking a vote tonight, with the understanding that if new developments, specifically with regard to the property not current under contract, arose between the vote tonight and town meeting the committee would reconvene to discuss those facts and vote on any changes to the recommendation made tonight. JS asked PL for his opinion on that procedure.

PL responded to JS that he felt that procedure would be appropriate. A meeting was noticed for 6/14/22 prior to town meeting in the event any new developments occur that would warrant further deliberation on the matter, particularly regarding estimates of property value.

Chairman Raymond contemplated a motion.

JS said the committee needed to decide whether they were comfortable recommending Article #1 with the knowledge of an estimate of appraised value for the property not under contract and knowing the range for a possible final appraised value in the event the property is to be taken.

RR compared the go-forward planning process for the Hawthorne property on Humphrey Street to the process being used for the Hadley Elementary School Re-Use Project. He said he would like to see a committee established to oversee design of this project.

RR asked if CIC made the Hadley Re-Use project subject to a design committee.

JS recalled that ultimately the Select Board made that decision

DB asked how the committee may validate the estimate of appraised value for the property currently not under contract.

JS commented that typically appraised value will be higher than assessed value; he would not use assessed value as an indicator of value. He recapped that two properties went through a successful negotiation process and are under contract for an agreed upon value. The remaining property is subject to ongoing negotiation and if an agreement is not reached there is an alternative process in place to acquire it.

RH highlighted that he felt the committees three main concerns with any project are ensuring that there is good rigor behind the amounts of the appropriation, the intended use of the funds, and what is the impact to the overall plan and demand for limited funds.

DB commented that he felt the real estate market was at a peak at the moment, and that is something to consider in particular when considering this appropriation.

RR commented that the project could be tied back to the town's Master Plan which discusses at length the revitalization of the waterfront, given that the largest property to be acquired is downtown on the waterfront.

RR asked PL how much tax revenue the Hawthorne property generated in the last fiscal year. PL responded appx. \$150,000, and that the Glover property to be re-zoned under Article #2 generates appx. \$75K.

RR asked for clarification that the rezoning and redevelopment of Glover will generate additional tax revenue that offsets the loss of the Hawthorne property tax revenue.

PL commented that the Glover property is estimated to have the potential to offset the loss in tax revenue, and perhaps generate additional revenue once redeveloped pursuant to the rezoning contemplated in Article #2.

JS asked the committee if they felt there was more information they needed to make a recommendation.

RR said he would be comfortable making a recommendation in favor of Article #2 so long as there is public oversight of the re-use of the Hawthorne property.

RH commented that the current draft of the motion language does include a stipulation that re-use of the Hawthorne property is subject to review via a public process. JS expanded that he believed this was similar language to what was used to warrant the establishment of the Hadley Re-Use committee.

RH asked PL to recap the impact that this appropriation may have on the capital plan going forward. Specifically, he asked if this borrowing is going to affect the existing capital plan and if the committee is going to have to go back in and modify previously approved projects. PL confirmed that the project was an add, to be funded through the town's excess levy capacity and the strategic use of the town's reserves as discussed with the finance committee and the CIC previously. The expectation is that CIC plans will not need to be modified to accommodate this added project.

RH also asked for clarification that loss of revenue from the Hawthorne property was contemplated. PL confirmed this and again reiterated the expectation that the Glover property redevelopment will ultimately offset the loss of revenue from the acquisition of the Hawthorne property.

DB asked if there was anything procedurally that would have prevented the Select Board and other groups to come to the CIC with the details of this project in such a short amount of time prior to town meeting.

PL responded that the process seems to have been slow-moving.

DB highlighted that the town has mis-stepped on land acquisitions before and feels that this was last-minute which makes it difficult for the committee to do extensive independent analysis outside of what the Boards and staff have presented to them.

RR asked RH if he felt the vote should be made tonight or if he felt the committee should hold until the meeting prior to town meeting, knowing that Finance Committee and Select Board have favorably made recommendations.

JS highlighted that although the committee may have preferred a better process around this project, there will not be substantial new information due diligence available in the next 24hrs.

RR asked if this was not built into the capital plan for a reason for annual town meeting.

PL commented that the Purchase & Sale was not signed until the afternoon before annual town meeting where the acquisition of Hawthorne became a real opportunity for the town, so due to the timing of the opportunity the project was not brought before CIC in the normal course of their annual review.

RH summarized that the committee is being asked to approve a “not to exceed” number when they contemplate this appropriation because the comps used are not known and there is some variability with one property not being under contract. The committee has draft warrant language, they may either approve it knowing the range of figures that were discussed in executive session, or they can propose amendments to the language which would require further explanation at town meeting.

DB commented he felt that the situation is unfortunate because the committee recognizes that the project is important, however he is still troubled by the timing and process followed to this point. He doesn't know that anyone is at fault for that, but that it has eroded the committee's abilities regarding the project.

KB commented that she suspects the negotiations had been ongoing for some time and did not materialize in a public format until recently. KB agreed with DB that not having a lot of lead time to analyze a high-dollar value project like this does make the committee's job difficult, and that this is not the first time the committee has had this problem. The process itself does allow town meeting members to bring that fact up and have more discussion on how this project has evolved.

JS agrees with DB and KB regarding relative discomfort with the process, regardless he did comment he is personally in favor of the project, and made a motion.

On **MOTION** (Jeremiah Sullivan) and **SECONDED** (Richard Raymond) it was **VOTED** that the Capital Improvements Committee recommend town meeting take favorable action on Article 1 of the June 14th, 2022 Special Town Meeting warrant.

ROLL CALL: Richard Raymond (**YES**), David Brodsky (**YES**), Ryan Hale (**YES**), Jeremiah Sullivan (**YES**), Kelley Begin (**YES**)

RH asked if the committee needed to also revote its recommendations on the capital plan contemplated in Article #3 because of the addition of two new projects. PL responded that was not necessary because the committee already did so in a prior meeting.

DB asked if the committee members would be in favor of creating a policy surrounding last-minute requests for next cycle to avoid them in the future (excluding emergencies) and on process alone not support a project.

RR stated he could be supportive of that as long as emergency is defined; the committee has to retain a level of flexibility to respond to emergent issues.

RH agreed with DB and RR's comments.

RR and PL are to coordinate a meeting over the Summer to plan the FY24 process and timeline for CIC.

Meeting Adjourned 7:32 PM.

True Attest,



Patrick Luddy
Treasurer/Collector

Approved by vote of the capital improvement committee 9/12/2023