

**Meeting Minutes
Board of Selectmen
August 24, 2020**

Zoom: <https://us02web.zoom.us/j/81013336415?pwd=d3JTNDRUcXBDEkE3N2pYeDBJeUY3dz09>

Meeting ID: 810 1333 6415

Passcode: 412204

Call to order 7:00 p.m. via Zoom Meeting

Chair Keyes convened the meeting at 7:01PM

Pledge of Allegiance

A. Consent Items

1. Approval of Vendor Warrant 21-06
2. Approval of April 17, 2020 Regular Minutes
3. Approval of May 26, 2020 Regular Minutes
4. Approval of June 6, 2020 Regular Minutes
5. Approval of July 20, 2020 Regular Minutes
6. Approval of July 30, 2020 Regular Minutes
7. Approval of August 20, 2020 Regular Minutes

Selectman Wesley made a motion to approve consent items 1-7. Selectman Arcudi seconded the motion.

Wesley – Aye, Arcudi – Aye, Keyes - Aye

B. Appointments and Resignations

- Termination of Employment – Call Firefighter Paul Moffi – Letter Attached

Selectman Arcudi made a motion to terminate the employment of Call Firefighter Paul Moffi effective August 24, 2020. Selectman Wesley seconded the motion.

Arcudi – Aye, Wesley – Aye, Keyes – Aye

- Resignation of Selectman Thomas Wesley

Selectman Arcudi made a motion to move this resignation to the end of Section B. Selectman Wesley seconded the motion.

Arcudi – Aye, Wesley – Aye, Keyes – Aye

- Resignation of Sam Hockenbury – Finance Committee

Selectman Wesley made a motion to accept the resignation of Sam Hockenbury as the Chair of the Finance Committee. Selectman Arcudi seconded the motion.

Wesley – Aye, Arcudi – Aye, Keyes – Aye

- Resignation of Barbara Oman from the Housing Authority – Letter Attached

Selectman Arcudi made a motion to accept the resignation of Barbara Oman from the Housing Authority effective August 12, 2020. Selectman Wesley seconded the motion.

Arcudi – Aye, Wesley – Aye, Keyes – Aye

- Reappointment of Amy Burns to the Housing Authority

Selectman Arcudi made a motion to reappoint Amy Burns to the Housing Authority effective August 24, 2020. Selectman Wesley seconded the motion.

Arcudi – Aye, Wesley – Aye, Keyes - Aye

- Reappointment of Nancilee Fuller to the Housing Authority

Selectman Wesley made a motion to reappoint Nancilee Fuller to the Housing Authority effective August 24, 2020. Selectman Arcudi seconded the motion.

Wesley – Aye, Arcudi – Aye, Keyes – Aye

- Appointment of Carole Mullen to the Master Plan Steering Committee – Letter Attached

Selectman Wesley made a motion to appoint Carole Mullen to the Master Plan Steering Committee effective August 24, 2020. Selectman Arcudi seconded the motion.

Wesley – Aye, Arcudi – Aye, Keyes – Aye

- Resignation of Selectman Thomas Wesley

Selectman Arcudi made a motion to accept the resignation of Selectman Thomas Wesley. Chair Keyes seconded the motion.

Arcudi – Aye, Keyes – Aye

C. New Business

1. Set Election Hours for September 15th Election (proposed 1 pm-8 pm) (Vote)

Selectman Arcudi made a motion to accept the Election hours of 1PM-8PM on September 15th. Selectman Wesley seconded the motion.

Arcudi – Aye, Wesley – Aye, Keyes – Aye

2. Review Election Warrant for September 1st Primary (Sign)

The Town Administrator confirmed that the Election Warrant has been signed by the Selectmen

3. FY20 Year-End Budget Transfers; Close Deficits & Roll Forward Encumbrances

Selectman Arcudi made a motion to accept the FY20 Year-End Budget Transfers. Selectman Wesley seconded the motion.

Arcudi – Aye, Wesley – Aye, Keyes – Aye

D. Old Business

1. Notice of Right of First Refusal re West Street; Discussion re: GURR Proposal; *Michael Milanoski, President, GURR*; Receive Recommendations and/or Feedback from Board/Committee Chairs (No Vote Taken)

E. Public and Board Member Comments (votes will not be taken)

1. Selectman Thomas Wesley's Farewell remarks

F. Correspondence and Selectmen Informational Items (votes will not be taken)

G. Requests for Future Agenda Items

H. Administrator News – Office Updates

- ✓ Street Light LED Conversion Project
- ✓ Website Redesign
- ✓ Draper Mill Updates
- ✓ Master Planning Steering Committee - Kickoff
- ✓ MassWorks – Mendon Street (Route 16) at Hopedale Street Intersection Improvements Project, MassWorks Infrastructure Program
- ✓ Meeting Minutes – Catching Up
- ✓ Green Communities, CMRPC

Selectman Wesley made a motion for adjournment. Selectman Arcudi seconded the motion.

Arcudi – Aye, Keyes – Aye, Wesley - Aye

Please note the Board of Selectmen agenda may be subject to change and items not anticipated maybe discussed.

Pursuant to Governor Baker’s Order of March 12, 2020 suspending certain provisions of the Open Meeting Law (OML), G.L. c30A §18, and the Governor’s Order of March 15, 2020 imposing limitations on the number of people that may gather in one place, this meeting of the Town of Hopedale Board of Selectmen will be conducted via remote participation.

If you wish to speak, please reserve comments until the Public Comment section of the meeting. If you are using video, you may either raise your hand to be acknowledged by the Chair or use the “Raise Your Hand” button. Please wait to speak until you are acknowledged by Chair. If participants cannot conduct themselves in accordance with these guidelines, they will be removed from meeting.

Also Streamed Live, click here: https://townhallstreams.com/towns/hopedale_ma

Submitted by:

Lindsay Mercier, Executive Assistant

Adopted: _____

Len Guertin
14 Anthony Road
Hopedale, MA 01747
508-473-3033
len.guertin@gmail.com

August 26, 2020

Town of Hopedale
Attn: Board of Selectmen
78 Hopedale Street
Hopedale, MA 01747

Dear Selectmen:

It is with deep regret that I must submit my resignation, effective immediately, for my seat on the Town of Hopedale Finance Committee.

I was initially approved by my employer for an "outside of work activity" as a member of the Finance Committee. This activity was subsequently denied due to a direct conflict of interest after a deeper investigation.

I work for a financial services company on the Defined Contribution recordkeeping side of the house. The Town of Hopedale has an active 403b retirement plan that is recordkept by my employer and the plan offers my employer's mutual funds as available investment options. My employer's Ethics department deemed this a direct conflict of interest.

I can not serve on any town board/committee due to this strict stance on conflict of interest. If the activity could ever be called into question, the activity is denied with no option to appeal.

I am very disappointed by this news. I was looking forward to working with the Finance Committee, town departments, and the Board of Selectmen to come up with a plan that would make a difference to the Town of Hopedale and its residents.

If my employment status ever changes, or the conflict of interest ceases to exist, I would love the opportunity to try working together again. Until then, I am relegated to the peanut gallery as a resident and will continue to participate in meetings and help where I can.

Sincerely,

A handwritten signature in black ink, appearing to read 'Len Guertin', with a horizontal line extending to the right.

Len Guertin



TOWN OF HOPEDALE

78 Hopedale Street - P.O. Box 7
Hopedale, Massachusetts 01747

Tel: 508-634-2203 Fax: 508-634-2200
Email: ssette@hopedale-ma.gov

BOARD OF SELECTMEN

Brian R. Keyes, Chair
Louis J. Arcudi, III
Vacant

Town Administrator

Diana M. Schindler

September 10, 2020

Len Guertin
14 Anthony Road
Hopedale, MA 01747

Re: Resignation from the Finance Committee

Dear Len,

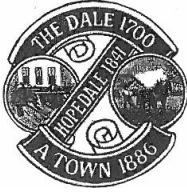
At the Board of Selectmen meeting held on September 14, 2020, the board regretfully accepted your resignation from the Finance Committee effective September 14, 2020.

The Board of Selectmen would like to thank you for your commitment to the Town of Hopedale, and your willingness to serve the community. The Board wishes you well in your future endeavors.

Sincerely,

Lindsay Mercier

Executive Assistant to the Board of Selectmen



TOWN OF HOPEDALE

78 Hopedale Street - P.O. Box 7
Hopedale, Massachusetts 01747

Tel: 508-634-2203 Fax: 508-634-2200
Email: ssette@hopedale-ma.gov

Board of Selectmen

September 10, 2020

Michelle Bird

Re: Resignation from the Master Plan Steering Committee

Dear Michelle,

At the Board of Selectmen meeting held on September 14, 2020, the board regretfully accepted your resignation from the Master Plan Steering Committee effective September 14, 2020.

The Board of Selectmen would like to thank you for your commitment to the Town of Hopedale, and your willingness to serve the community. The Board wishes you well in your future endeavors.

Sincerely,

Lindsay Mercier

Executive Assistant to the Board of Selectmen



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78 Hopedale Street - P.O. Box 7
Hopedale, Massachusetts 01747

Tel: 508-634-2203 Fax: 508-634-2200
Email: ssette@hopedale-ma.gov

BOARD OF SELECTMEN

Brian R. Keyes, Chair
Louis J. Arcudi, III
Vacant

Town Administrator

Diana M. Schindler

September 10, 2020

Vanessa Calabrese
69 Laurelwood Drive
Hopedale, MA 01747

Re: Resignation from the Conservation Commission

Dear Vanessa

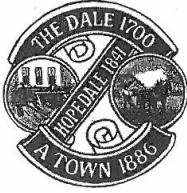
At the Board of Selectmen meeting held on September 14, 2020, the board regretfully accepted your resignation from the Conservation Commission effective September 14, 2020.

The Board of Selectmen would like to thank you for your commitment to the Town of Hopedale, and your willingness to serve the community. The Board wishes you well in your future endeavors.

Sincerely,

Lindsay Mercier

Executive Assistant to the Board of Selectmen



TOWN OF HOPEDALE

78 Hopedale Street - P.O. Box 7
Hopedale, Massachusetts 01747

Tel: 508-634-2203 Fax: 508-634-2200

Board of Selectmen

Louis J. Arcudi, III, Chairman
Thomas A. Wesley
Brian R. Keyes

Town Administrator

Steven A. Sette

September 10, 2020

Phil Schwachman

Dear Phil,

At a meeting of the Board of Selectmen on **September 14, 2020**, you were appointed to serve in the Master Plan Steering Committee. To serve the Town of Hopedale, you must present yourself to the Town Clerk and be sworn to be qualified for office. This is a Unexpired Term.

The Board of Selectmen would like to once again thank you for your commitment to the Town of Hopedale, and your willingness to serve the community

Sincerely,

Board of Selectmen

THIS IS TO CERTIFY THAT
Phil Schwachman
has been appointed to serve as a member
Master Plan Steering Committee

On _____, I _____ duly swore in the above candidate to serve
(Date) (Town Clerk signature)

The Town of Hopedale for the above-mentioned position.

Town Clerk's Office provides signed copies to:

Appointee
Board, Department or Committee
Payroll Clerk

SEP - 1 2020

Board of Selectmen

TO: Lindsay Mercier
FROM: Robyn York, Director, Bancroft Memorial Library
RE: Donations to the library for the Statue of Hope/putting on Selectman agenda
DATE: Aug. 27, 2020

Lindsay,

I received 2 donations for the Statue of Hope this summer and need to have them put on the Selectmen's agenda for the next meeting to have them formally receive them. The first gift is from The Hopedale Foundation in the amount of \$1,000 and the second is from Margaret and Thomas Silva of Hopedale in the amount of \$100.

I am including copies of the payments to town form and copies of the checks in case you need those. The originals will be held by Stephanie, the Treasurer.

Please let me know if you need anything further.
Thank you.

Robyn
ryork@cwmares.org or 508-634-2209

TOWN OF HOPEDALE

SCHEDULE OF DEPARTMENTAL PAYMENTS TO TREASURER

No: 1

LIBRARY

8/27/2020

SCHEDULE NUMBER

DEPARTMENT

| SOURCE | DEPOSIT TO | REF CODE # | AMOUNT |
|-------------------------|---|------------------|------------|
| FROM WHOM (Description) | Source (Acct #) | | |
| | LIBRARY FINES - cash | 28-610-4320-4625 | |
| | | 28-610-4320-4625 | |
| | COPIES/FAX - CASH | 28-610-4320-4625 | |
| | | 28-610-4320-4625 | |
| | MARGE HATTERSLEY MEMORIAL | 29-610-4830-4809 | |
| | | 29-610-4830-4809 | |
| | LIBRARY DONATIONS - cash | 29-610-4830-4818 | |
| | | 29-610-4830-4818 | |
| | LIBRARY BOOKS & MATERIALS cash | 29-610-4830-4880 | |
| | | 29-610-4830-4880 | |
| | STATUE OF HOPE PLAZA | 29-610-4830-4899 | |
| | The Hopedale Foundation - check #11792 | 29-610-4830-4899 | \$1,000.00 |
| | Margaret & Thomas Silva - check #403 | 29-610-4830-4899 | \$100.00 |
| | ELAINE MALLOY MEMORIAL DONATIONS | acct # TBD | |
| | SLIN FUNDING OVERRAGE | | |
| | *Federal grant | | |
| | TOWN OF HOPEDALE | 01-122-4830-1000 | |
| | | CASH = | |
| | | CHECKS = | |
| | | TOTAL | \$1,100.00 |

No: 1
To the Accountant,

7/3/2019

The above is a detailed list of moneys collected by the__Library__, amounting in aggregate to One Thousand One Hundred and 00/100 dollars for the period ending 8/27/2020, which has been paid to the Treasurer, whose receipt is held therfor.

Treasurer



 Library -Director
 Department & Title

ROCKLAND TRUST

11792

HOPEDALE FOUNDATION
PO BOX 123
HOPEDALE, MA 01747

83-447/113

CHECK NUMBER

6/29/2020

PAY TO THE ORDER OF Bancroft Memorial Library

\$ 1,000.00

One Thousand and 00/100 ***** DOLLARS

Bancroft Memorial Library
50 Hopedale Street
Hopedale, MA 01747

MEMO

[Handwritten Signature]
AUTHORIZED SIGNATURE

⑆011792⑆ ⑆011304478⑆ 1001132001⑆

MARGARET A SILVA
THOMAS F SILVA
1 BANCROFT PARK
HOPEDALE, MA 01747

403

83-447/113
361

7/28/20 Date

CHECK NUMBER

Pay to the Order of Town of Hopedale

\$ 100⁰⁰

One hundred

Dollars

ROCKLAND TRUST

For Statue of Hope Plaza Area

[Handwritten Signature]

⑆011304478⑆ 1301209301⑆ 0403

TOWN OF SPENCER AND TOWN OF HOPEDALE

INTERMUNICIPAL AGREEMENT FOR PARTICIPATION IN THE CENTRAL MASSACHUSETTS REGIONAL STORMWATER COALITION FY2021 through FY2025

Agreement by and between the Town of Spencer, Massachusetts, acting by and through its Board of Selectmen (“Spencer”) and the Town of HOPEDALE Massachusetts, acting by and through its Board of Selectmen (“Hopedale”) , pursuant to the provisions of Section 4A of Chapter 40 of the Massachusetts General Laws.

Whereas, Spencer is a founding member of the Central Massachusetts Regional Stormwater Coalition (“the CMRSWC”), a regional, efficiency-driven stormwater compliance project involving between 13 and 32 towns;

Whereas, Spencer has managed funds awarded to the CMRSWC by the Massachusetts Executive Office of Administration and Finance in previous state fiscal years through its Community Innovation Challenge (CIC) Grant program;

Whereas, Spencer has managed funds awarded to the CMRSWC by the New England Water Environment Association (NEWEA) through its Humanitarian Assistant Grant program;

Whereas, Spencer has managed matching shares contributed to the CMRSWC from participating communities in previous fiscal years, and has obtained intermunicipal agreements from each participating community for those contributions;

Whereas, the CMRSWC Steering Committee approved, at its June 25, 2020 meeting, the expected annual contribution for participation in the CMRSWC in FY2021 to be One Thousand Dollars, and No Cents (\$1,000.00);

Whereas, Spencer and Hopedale have determined that it would be in their best interests to enter into an intermunicipal agreement for the purpose of coordinating the contribution from each participating community under the terms and conditions hereinafter set forth; and

Whereas the Boards of Selectmen of Spencer and Hopedale have each voted at a duly posted open meeting to authorize this intermunicipal agreement pursuant to the provisions of Chapter 40, Section 4A of the Massachusetts General Laws.

Now, therefore, in consideration of these premises, and for other good and valuable consideration, the parties agree as follows.

1. Spencer agrees to be the lead community for the CMRSWC Project in municipal FY2021 and is responsible for making required payments for all CMRSWC subcontractors supplying services and all vendors supplying purchases in accordance with tasks authorized by the CMRSWC Steering Committee, managing the budget for authorized tasks, and receiving any grants. If at some time Spencer is no longer able to serve in this role, the CMRSWC Steering Committee shall identify another member community to serve as the fiscal lead.

2. To fund the CMRSWC project, Spencer agrees to attempt to obtain intermunicipal agreements from all participating communities for each community's contribution.

3. Payment of the established fee for a municipal fiscal year entitles Hopedale to participate in all services, activities, and events offered by the CMRSWC that year. This includes access to fee-based services (such as the online mapping and inspection platform, use of survey devices and water quality monitoring tools), receipt of Annual Report narratives and any regulatory updates, participation in pilot projects and partnerships, and attendance at training events and presentations. In the event that Hopedale elects to withdraw, it shall retain ownership of products delivered in previous fiscal years during which it participated but will not have future access to fee-based services. If Hopedale withdraws, it will be provided with a digital copy (GIS shapefile and Excel spreadsheet) of data within its boundaries managed by the CMRSWC online mapping and inspection platform through the end of the last fiscal year in which it participated. Infrastructure in Hopedale will continue to be visible to other members on the platform.

4. This agreement shall become effective on July 1, 2020 and shall expire June 30, 2025. This extended commitment term decreases the effort to administer the CMRSWC and increases the strength of the CMRSWC's voice. Any member, including Hopedale, shall be able to withdraw from the CMRSWC at any time with 60 days' notice, provided in writing to the Spencer Town Administrator (or, in the case of Spencer, to the CMRSWC Steering Committee). There will be no credit or pro-rating of the annual fee for withdrawal. The term of the agreement is subject to extension or revision by vote of the CMRSWC Steering Committee and written amendment signed by all parties.

5. In the event that a community participating in the CMRSWC withdraws, Spencer will attempt to replace said non-participating community for the next fiscal year such that the total number of participating communities remains around 30. Additional communities may be invited to participate at the approval of the CMRSWC Steering Committee.

6. The matching share for each participating community for FY2021 is set at One Thousand Dollars, and No Cents (\$1,000.00) and will set at Four Thousand Dollars, and No Cents (\$4,000.00) for FY2022 through FY2025.

7. Each participating community shall make full payment of the fee identified above to the "Town of Spencer" prior to July 31 of each year, for participation during the fiscal year beginning July 1st of that same year. The fee may be adjusted only by vote of the CMRSWC Steering Committee and by written amendment signed by all parties, with Hopedale able to withdraw from the CMRSWC at any time as noted in #4, above.

8. This agreement sets forth the entire understanding of the parties with respect to its subject matter. Any amendment of this agreement must be in writing and authorized by votes of the Boards of Selectmen of Spencer and Hopedale. This agreement shall be governed by the laws of the Commonwealth of Massachusetts. If any provision of this agreement is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, then both parties shall be

relieved of their obligations under that provision, and the remainder of the agreement shall be enforced to the fullest extent permitted by law.

Executed by the parties authorized representatives.

TOWN OF SPENCER
By its Board of Selectmen

TOWN OF HOPEDALE
By its Board of Selectmen

Dated: _____

Dated: _____

THE HOPEDALE FOUNDATION

P.O. Box 123
Hopedale, MA 01747-0123

August 26, 2020

Town of Hopedale
Board of Selectmen
78 Hopedale Street
P.O. Box 7
Hopedale, MA 01747

Town of Hopedale

SEP - 1 2020

Board of Selectmen

Gentlemen:

At the request of the Town of Hopedale's Board of Water & Sewer Commissioners the Trustees of The Hopedale Foundation met recently to discuss consideration of financial support to purchase certain property for which the Town has a "Right of First Refusal".

After careful consideration the Trustees approved, with one recusal, the following vote.

If the Town of Hopedale decides to exercise its option to purchase property at 364 West Street, Hopedale, MA; Assessors Map 2; Block 5; recorded in the Worcester District Registry of Deeds Book 56336 Page 136, The Hopedale Foundation would be willing to assist the Town of Hopedale in reducing its financial burden as a result of the purchase.

Respectfully,



Michael A. Diorio
Administrator

cc: Board of Water & Sewer Commissioners
Hopedale Finance Committee

Town of Hopedale

Finance Committee

Due Diligence for the Right of First Refusal



*Respectfully submitted to the Board of Selectmen, Town Meeting, and Residents of
Hopedale*

EXECUTIVE SUMMARY

Through our consideration of the relevant financial information contained herein, the Finance Committee concludes that Hopedale should exercise its right to purchase the 155 acres of land -- situated at 364 West Street -- under Chapter 61, Section 8 of the Massachusetts General Laws (“MGL”). We have included the key considerations used in determining a favorable recommendation to acquire the property, as well as the potential funding sources below:

1. Potential Localized Impact on Property Tax Revenue

Our analysis shows that failure to exercise the right to purchase will have an unfavorable net impact on (localized) property values (and thus, tax revenues/receipts).

2. Favorable Interest Rate/Borrowing Environment

We conclude that our outstanding debt obligations are manageable for continued borrowing. Further, the Federal Reserve has created a low interest rate environment for borrowers -- resulting in a likely low cost of borrowing.

3. Acquisition of approximately 5% of Hopedale’s Total Land Mass and Water Resources

The acquisition of the property in question would allow Hopedale to gain control over approximately 5% of the total land mass and water resources of the town. This asset would provide the town with the necessary control over sensitive environmental regions. Additionally, the town could determine the destiny of future development.

4. Funding Sources

Hopedale has several options when it comes to funding the acquisition of the subject property. These options include: utilization of free cash, municipal bond issuance, debt exclusion, and grant funding.

It is important to note that the considerations herein are generally of a financial nature. We understand that there are additional necessary considerations regarding environmental and water access issues. The focus of this report, however, is on Hopedale’s financial future and the feasibility of purchasing the land at 364 West Street under MGL Ch. 61, S. 8, and the potential financial impact of the Grafton & Upton Railroad’s (“GURR”) intention to expand operations.

These issues are within the Finance Committee’s broad purview,¹ and it is our responsibility to provide the Board of Selectmen (“BoS”) -- and residents -- with the necessary information needed to achieve the most favorable outcome for the Town of Hopedale. Beyond the clear mandate from the General Laws and the Hopedale By-Laws, the BoS has requested municipal boards and committees for input on the feasibility of purchasing the subject property.

I. POTENTIAL LOCALIZED IMPACT ON PROPERTY TAX REVENUE

Present Tax Revenue

The subject property comprises 155.240 acres of forested lands and is currently assessed at \$459,258 (less than \$3,000 per acre). Annual tax revenue for fiscal year 2020 was \$12,919.

Under Chapter 61 of the Massachusetts General Laws, the property is enrolled in the Massachusetts Forest Stewardship Program. The program gives landowners preferential tax treatment to maintain their property as a forest. The Commonwealth of Massachusetts operates the program and helps property owners to develop land management plans that may include protection of wildlife, aesthetics, and recreation. Land values are set by the state Farm Land Advisory Committee. Valuations are low and based on the current use of the property (i.e., the productive potential of land for growing trees), not the higher fair market value or development value of the land. Thus, tax assessments and municipal tax revenues are low in order to assist the owner in maintaining the land as open space. In exchange for favorable tax treatment by the municipality and a corresponding loss of tax revenue over an extended period of time, a right of first refusal to purchase the land is provided to a municipality should the owner decide to sell. The owner of the subject property has indicated an intent to sell, and Hopedale now has the exclusive right to purchase the land if it so chooses. The current owners are selling the property for \$1,175,000.

Potential Benefits of Expanded Freight Rail Activity/Acquisitions

The GURR has expressed a strong interest in purchasing the land in order to expand railroad operations. According to the Corporations Division of the Massachusetts Secretary of the Commonwealth, the GURR is a domestic profit corporation organized for “railroad operations” with its principal office located at 7 Eda Avenue in Carver, Massachusetts. In 2009, the GURR merged with Torco, Inc., (a Maine corporation).

¹ MGL Ch. 39 § 16 (finance committee “shall consider any or all municipal questions for the purpose of making reports or recommendations to the town”); Chapter 79 §3 of the Town Bylaws, MGL Ch. 39 §16.

There are 2 key considerations when assessing the potential impact of expanded freight railroad activity. First, we considered the potential benefits of expanding railroad activity and the resulting increase in industrial tax revenues. Second, we considered the net impact of increased rail activity on the surrounding residential property values. These two factors are further evaluated below.

It is important to consider the potential benefits/opportunity cost associated with either development by the GURR or “lost” revenues if the land is acquired by Hopedale. The GURR has used its recent acquisition of 1 Fitzgerald Drive as a benchmark for the potential revenues generated by development of the land in question. The GURR purchased the Fitzgerald Drive property (approximately 15.2 acres) on November 26, 2019 -- for a consideration of \$1,922,001.² The estimated tax revenues that the GURR would pay on this property -- based on the revenues generated in FY2020 -- would be approximately \$64,167 per year. This estimate is based on three unverified assumptions: (1) Hopedale will continue its two-tiered tax rate; (2) the GURR will not expand its rail footprint; and (3) the GURR will not seek a tax exemption.

Hopedale presently uses a two-tiered tax rate for residential and commercial/industrial properties. Hopedale is fully within its right to consider enacting a “tri-tiered” tax rate -- creating distinct rates for commercial and industrial property.³ An enhanced industrial tax rate could have the near-term impact of raising industrial tax revenues, as well as, curtailing exponential growth of industrial use. As the potential development of the land at 364 West Street is relatively unknown and the tax policy has not yet been ascertained, we believe that the historical pre-GURR revenues generated by the property at 1 Fitzgerald Drive could provide a suitable benchmark for future revenue; however, many unknowns remain as to the GURR’s ability to increase their tax exemption.

We also note that railroad taxation is intrinsically complex. Land owned by a railroad within “five rods in width [of rail(s)], taken or purchased for railroad, depot or station purposes” is **exempt from municipal taxation**.⁴ Five “rods” is approximately 83 feet. Said another way, the railroad “right of way” (i.e. rail beds) are exempt from taxation, as well as, 83 feet of the surrounding land. Notably, the GURR has proposed “plans to add five tracks on either side of the existing track, capable of holding up to 200 rail cars, and at least one building.”⁵ Thus, unlike other property tax payers, the GURR can unilaterally decrease the amount of property taxes paid

² Per the Worcester County Registry of Deeds

³ <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIX/Chapter59/Section2A>

⁴ <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXXII/Chapter160/Section87>

⁵

<https://www.telegram.com/news/20190813/grafon-amp-upton-railroad-releases-additional-plans-for-proposed-land-take-in-hopedale>

by increasing the size of its tax exempt property. While the building and surrounding land (outside of the 5 rods of exempt property) could be taxable, the “rail yard” as proposed -- as a portion of the potential development -- would not provide any tax benefit (i.e., \$0 in real estate tax revenue) to Hopedale. Based on the unique property tax status enjoyed by the GURR, we caution against relying too heavily on projected tax revenues using newly-acquired 1 Fitzgerald Drive as a basis.

Additionally, the GURR has stated that the “benefits of freight rail include . . . highway traffic congestion and road wear reduction.”⁶ This is largely true when considering logistics within the Commonwealth in total; however, we would expect a significant increase in truck traffic and wear on Hopedale roads due to the transloading operations at both 1 Fitzgerald Drive and 364 West Street. While rail activity may reduce truck traffic in Hopkinton, for example, it would logically be greatly increased in Hopedale. Furthermore, the GURR is a class III “short line” railroad (as defined by the Surface Transportation Board) operating on only 16.5 miles of track -- the 3rd smallest privately-held railroad (by active track miles) entirely within the territorial borders of Massachusetts.⁷ Freight rail does reduce greenhouse gas emissions⁸ in total; however, “there are also localized air quality impacts near rail lines and rail yards, as most rail travel in Massachusetts is through the use of fossil fuels.”⁹

The prospect of enhanced tax revenues from the subject property is also deceptive and may easily distort a financial analysis. The GURR posits a false choice — railroad purchase will create tax revenue while municipal purchase will not. This reasoning is faulty for at least two reasons. First, the GURR does not bring any special revenue stream to the table. ANY sale of the property to ANY private party will necessarily result in higher revenues precisely because the current assessments are artificially low due to the Forest Stewardship Program. Second, purchase by the town does not preclude future tax revenue. Once owning the property, Hopedale can decide on future sales to private parties and open new streams of tax revenue while safeguarding natural resources.

Because most of the future revenues/costs remain speculative with respect to rail expansion, we recommend that Hopedale refrain from waiving its significant purchase rights based solely upon undocumented and untested potential revenue streams.

6

<https://www.milforddailynews.com/news/20190812/grafon-amp-upton-railroad-releases-additional-plans-for-proposed-land-take-in-hopedale>

⁷ https://www.mass.gov/files/documents/2018/01/26/2018PubComm_1.pdf

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<https://www.milforddailynews.com/news/20190812/grafon-amp-upton-railroad-releases-additional-plans-for-proposed-land-take-in-hopedale>

⁹ https://www.mass.gov/files/documents/2018/01/26/2018PubComm_1.pdf

Potential Net Impact of Freight Rail Expansion on Surrounding Property Values

While there may be potential benefits to continued railroad expansion and development (as with all development), there are also many risks associated with such expansion. When considering the potential financial impact of the GURR expanding freight rail service, it is important to refrain from evaluating potential impacts in isolation. For instance, there will be an impact to the land in question (potentially positive in a financial sense), as well as an impact to property values/assessments along the increasingly active tracks throughout the town (potentially negative).

In fact, some studies have shown that increasing “freight trip counts showed a negative and statistically significant impact on the sale price of smaller houses, and some larger houses, for each additional daily freight train trip.”¹⁰ It is entirely possible that increased rail activity (traffic and laying of new track) could result in a decrease in surrounding property assessments of 5-7%.¹¹ If we were to take (1) the median home value of a single family home in Hopedale (\$359,884 in August 2020)¹² as a marker of assessed value, (2) use the number of approximate homes within the 750 foot radius of active tracks, (3) factor in a 6% decrease in assessed values due to an increase in rail activity, and (4) use the FY2020 residential tax rate, we can approximate the potential **loss** in Hopedale revenue (formula included below).

$$\begin{aligned} & \text{Median Home Values} \\ & \times \\ & \text{\# of Homes within 750 ft of Active Track} \\ & \times \\ & \text{(1 - .06) Decrease in Value} \\ & \times \\ & \text{\underline{Effective FY2020 Residential Tax Rate}} \\ & = \\ & \text{Estimated Impact} \end{aligned}$$

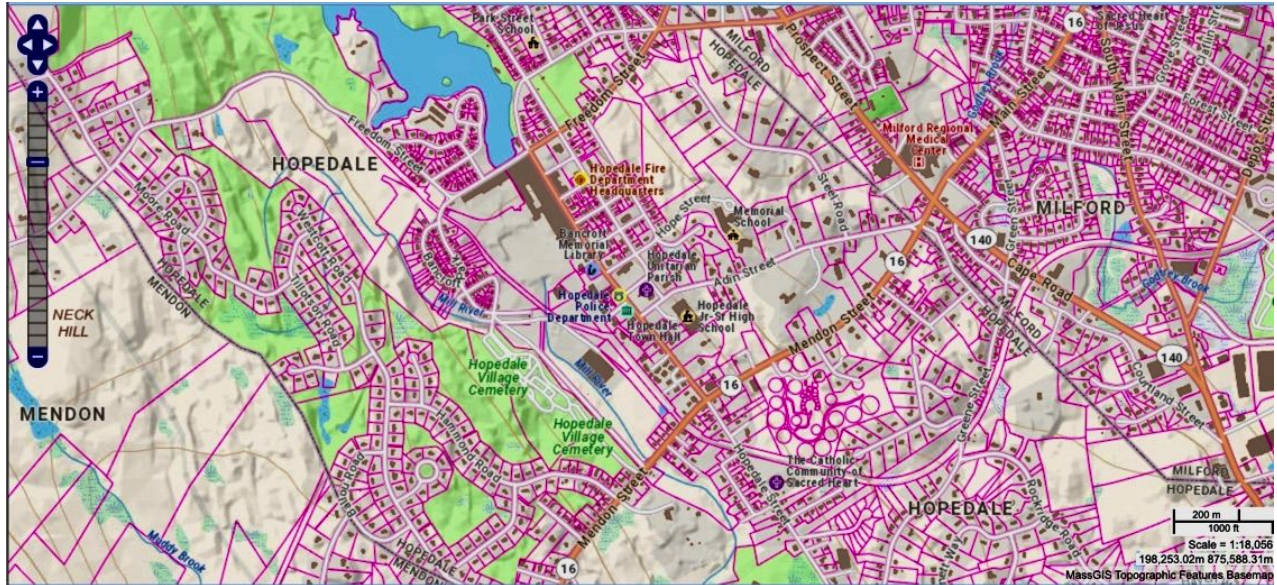
¹⁰

<http://www.coaltrainfacts.org/docs/The-effect-of-freight-railroad-tracks-and-train-activity-on-residential-property-values.pdf>

¹¹

<http://www.coaltrainfacts.org/docs/The-effect-of-freight-railroad-tracks-and-train-activity-on-residential-property-values.pdf>

¹² <https://www.zillow.com/hopedale-ma/home-values/>



Using the assessor's map (above)¹³ there are approximately 350 residential properties within the 750 foot radius of active railroad tracks within the town. A 6% decrease in home values (using the approximate 350 properties) would have a net negative impact on tax revenues of approximately \$130,000 over the longer term.

An argument may be made that the decrease in property values has already been “baked in” to the formula because the railroad has been in existence since the 1800's. While this argument has some appeal on the surface, it does not stand up to close scrutiny. The GURR in Hopedale has been essentially defunct for more than a generation. The existing rail beds throughout the residential portions of town have ostensibly functioned as overgrown walking trails up until fairly recently -- with the laying of new tracks and the replacement of long-abandoned grade crossings. Commonsense suggests that residential property values will certainly face a negative impact from the conversion of a railroad that exists essentially on paper into an active freight hauling line through neighborhoods.

Even if one were to accept the proposition that property values already reflect railroad proximity, Hopedale would still “lose out” on future growth in the years to come. Depressed home values -- for any reason -- do not benefit Hopedale in the long-term. While it is true that in the near-term Hopedale could simply raise the tax rate to recoup the lost values (and resulting tax revenues/receipts), this measure would lead to further inequities in the rate setting -- as homes/residents nowhere near the railroad activity would have to contribute more each year to “make up” for the losses in values/receipts. Furthermore, all towns in the Commonwealth are capped at a \$25/thousand tax rate -- so continuously raising tax rates to make

¹³ http://maps.massgis.state.ma.us/map_ol/hopedale.php

up for declining property values (without new growth to the tax levy limit/ceiling) would not be a sound long-term policy. Again, this example is used for illustrative purposes only. In order to arrive at a more precise estimate, a thorough analysis would be needed. Still, this illustrative example shows how an increase in freight rail activity -- as a result of the GURR's development of 364 West Street and other owned areas -- would likely have a detrimental effect on surrounding property values and residential tax revenues. We are unaware of any instance where a freight rail actually increases adjacent residential property values.

Given our considerations of the potential impact of increased freight rail activity on residential property tax revenues, we do not believe that such increased activity would result in a net benefit to Hopedale over the long-term.

II. FAVORABLE INTEREST RATE/BORROWING ENVIRONMENT

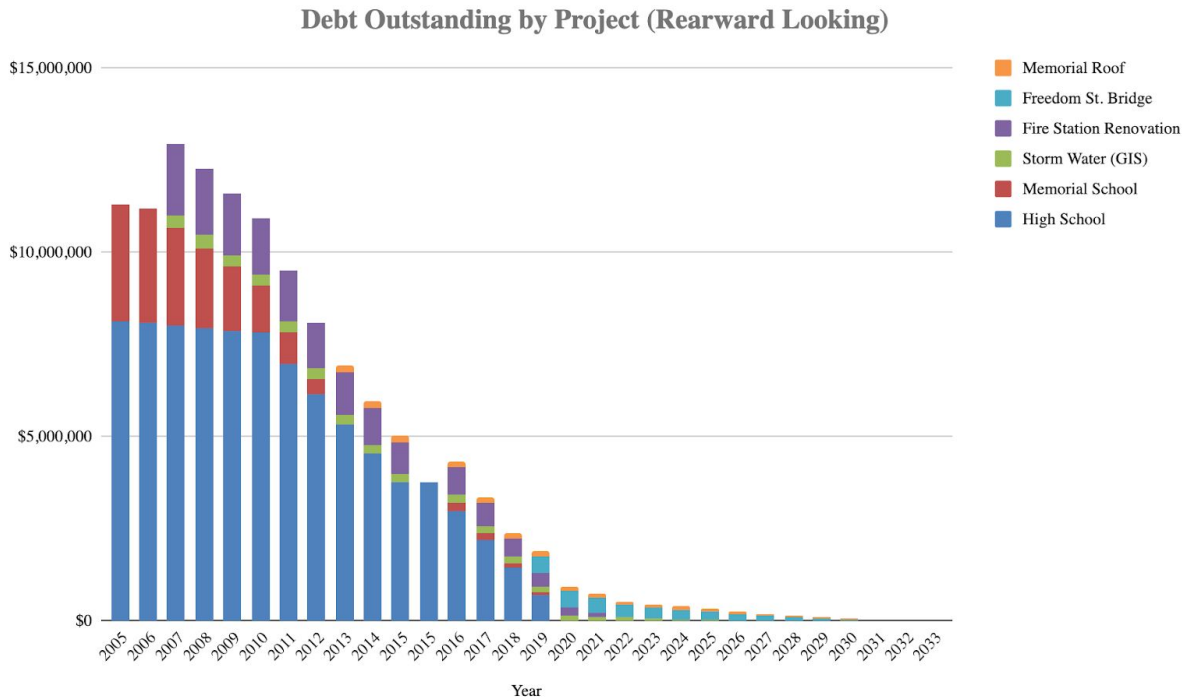
Favorable Decrease in Interest Rates

Recent economic headwinds created by the Covid-19 pandemic have resulted in repeated decreases in the Federal Funds Rate set by the Federal Reserve.¹⁴ As a result, the interest rates for municipal bond issues have correspondingly decreased.

¹⁴ <https://www.federalreserve.gov/monetarypolicy/openmarket.htm>

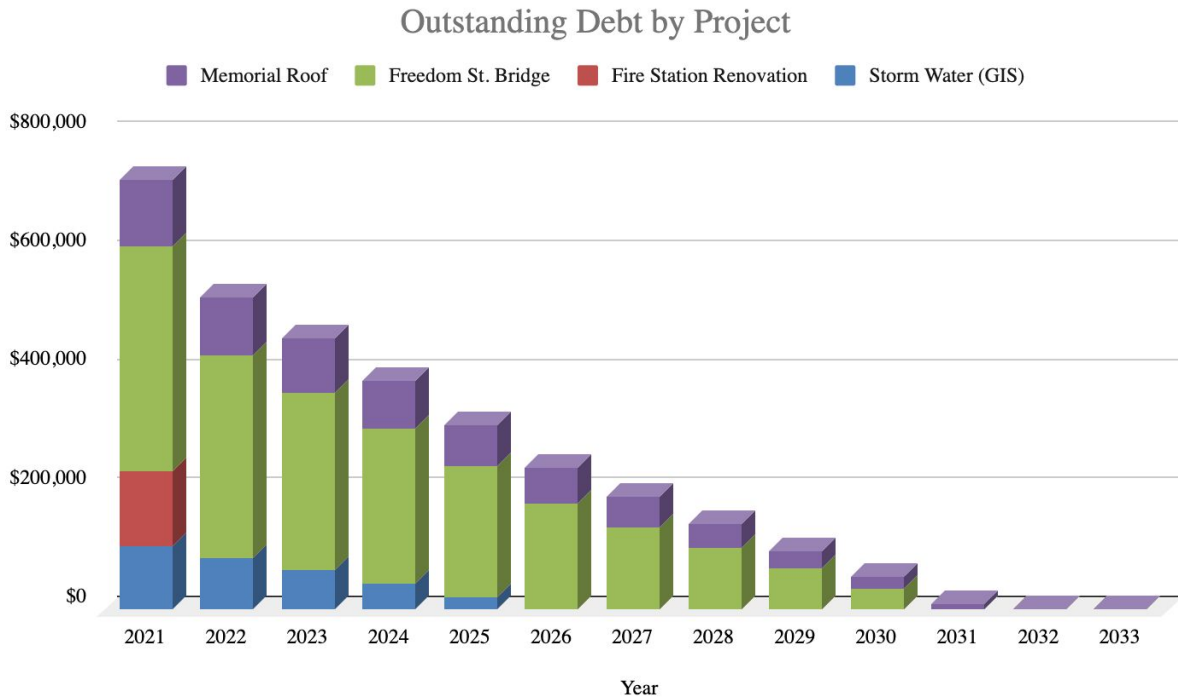
Favorable Decrease in the Town's Outstanding Debt Obligations¹⁵

Over the last decade (2010 - 2020), Hopedale has worked diligently to decrease its outstanding debt obligations. This effort is best evidenced by the consistent decline in outstanding debt balances over the past decade (as seen in the below chart). Hopedale also has significant borrowing capacity -- as evidenced by the Town's very low utilization of available borrowing capacity to date. It is important to note that the below chart is *not* inclusive of public school reimbursements -- which totaled approximately \$7.6M over the last 8 years.

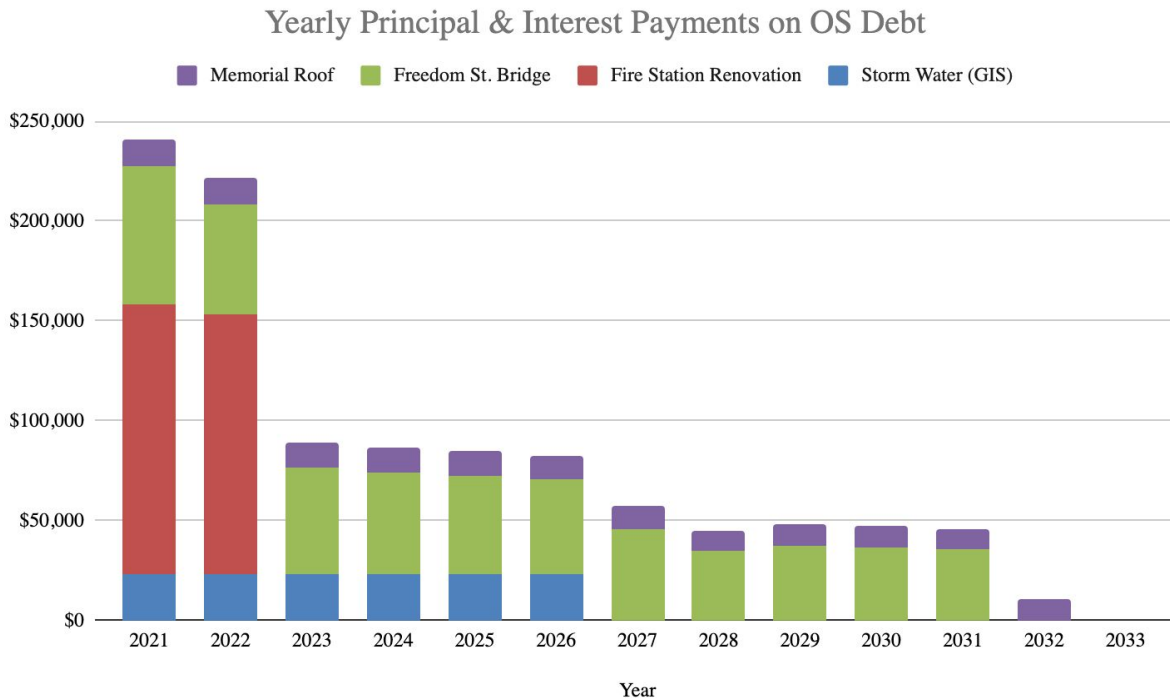


¹⁵ Data provided by the Town Treasurer/Collector

This decline in the outstanding debt balance will continue over the next several fiscal years. Following the payoff of the remaining balance on debt issued for fire station renovations in FY2022, the outstanding debt balance is projected to drop below \$550k. This decrease is illustrated in the below chart.



Hopedale, at current borrowing, is projected to see a significant decrease in yearly principal and interest payments on outstanding debt. By FY2023, the Town will have paid off the remaining balance on debt issued for fire station renovations -- resulting in a significant decrease in the yearly expenditure (as seen below).



The issuance of additional debt to fund the acquisition of 364 West Street will lead to an increase in the outstanding debt and yearly principal and interest expenditures; however, total outstanding debt and yearly expenditures -- inclusive of the potential debt issuance -- will remain significantly below historical levels. Therefore, issuing additional debt is entirely reasonable and possible.

III. ACQUISITION OF APPROXIMATELY 5% OF THE TOWN’S TOTAL LAND MASS / WATER RESOURCES

The property at 364 West Street comprises 155 acres of land and water. This acreage represents approximately 5% of the Town of Hopedale’s land mass and water resources.¹⁶ Given the fact that Hopedale (including public and private -- developed and undeveloped -- land) has a total area of 5.3 square miles, the property in question represents a significant portion of the town. With yearly water shortages and required bans on consumption, Hopedale should be wary of

¹⁶ https://en.wikipedia.org/wiki/Hopedale,_Massachusetts

further industrial development of such a large portion of the total land mass and water resources.
17

IV. FUNDING SOURCES

Utilization of Free Cash

We may elect to utilize available “free cash” to fund a portion of the land acquisition. As of 7/1/2019 (FY2020) the town maintained a free cash balance of \$517,443.¹⁸ For FY2021, the actual free cash to be generated remains largely uncertain. We believe that utilizing free cash is a decision to be made at a later date (post-acquisition) -- as we do not yet know what grant money may be awarded to offset the purchase price. If we find, at the end of FY2021, that there is an excess of free cash, we can reexamine the benefits of early extinguishment of debt.

Issuance of New Debt (Municipal Bond)

We requested Hopedale’s financial advisor, UniBank Fiscal Advisory Services, Inc., to provide this committee with conservative borrowing estimates. The estimates provided by UniBank include a declining debt schedule. This type of debt service “front loads” the principal payments in the earlier years -- resulting in higher payments in the beginning that decline towards the end of the repayment period. These estimates are for 10, 15, and 20 year repayment periods -- with interest rates ranging from 3% - 3.5%. These conservative rates are on the higher end of the market (for planning purposes). Past bond issuances have resulted in Hopedale successfully securing the lowest interest rates in the market ranges. We have used \$1,175,000 (purchase price) and \$1,225,000 (purchase price, including ancillary legal costs, recording costs, etc.) as example total borrowings. Given the likely additional expenses associated with land acquisition (in general), we believe the \$1,225,000 figure to be more representative of the likely borrowing necessary. Hopedale has also been assigned an “aa3” credit rating from Moody’s Investors Service due to its “limited size tax base with an above average socio-economic profile, satisfactory financial position which has weakened somewhat in recent years, and manageable debt, pension, and OPEB liabilities.”¹⁹ In essence, Hopedale is seen as a favorable borrower and receives more favorable financing opportunities to match.

¹⁷ https://www.hopedale-ma.gov/sites/g/files/vyhlf711/f/uploads/water_ban_2020_-_2.pdf

¹⁸ Massachusetts Department of Revenue Database

¹⁹ https://www.moody.com/research/Moodys-assigns-Aa3-to-Hopedale-MA-GOs--PR_906143931

| 10 Year Declining Debt | | | | |
|-------------------------------|----------------------------------|------------------|----------------|---------------------|
| Year | Outstanding Principal | Interest | | Debt Service |
| | | Principal | 3.00% | |
| 1 | 1,175,000 | 120,000 | 35,250 | 155,250 |
| 2 | 1,055,000 | 120,000 | 31,650 | 151,650 |
| 3 | 935,000 | 120,000 | 28,050 | 148,050 |
| 4 | 815,000 | 120,000 | 24,450 | 144,450 |
| 5 | 695,000 | 120,000 | 20,850 | 140,850 |
| 6 | 575,000 | 115,000 | 17,250 | 132,250 |
| 7 | 460,000 | 115,000 | 13,800 | 128,800 |
| 8 | 345,000 | 115,000 | 10,350 | 125,350 |
| 9 | 230,000 | 115,000 | 6,900 | 121,900 |
| 10 | 115,000 | 115,000 | 3,450 | 118,450 |
| | | 1,175,000 | 192,000 | 1,367,000 |

| 15 Year Declining Debt | | | | |
|-------------------------------|----------------------------------|------------------|----------------|---------------------|
| Year | Outstanding Principal | Interest | | Debt Service |
| | | Principal | 3.25% | |
| 1 | 1,175,000 | 80,000 | 38,188 | 118,188 |
| 2 | 1,095,000 | 80,000 | 35,588 | 115,588 |
| 3 | 1,015,000 | 80,000 | 32,988 | 112,988 |
| 4 | 935,000 | 80,000 | 30,388 | 110,388 |
| 5 | 855,000 | 80,000 | 27,788 | 107,788 |
| 6 | 775,000 | 80,000 | 25,188 | 105,188 |
| 7 | 695,000 | 80,000 | 22,588 | 102,588 |
| 8 | 615,000 | 80,000 | 19,988 | 99,988 |
| 9 | 535,000 | 80,000 | 17,388 | 97,388 |
| 10 | 455,000 | 80,000 | 14,788 | 94,788 |
| 11 | 375,000 | 75,000 | 12,188 | 87,188 |
| 12 | 300,000 | 75,000 | 9,750 | 84,750 |
| 13 | 225,000 | 75,000 | 7,313 | 82,313 |
| 14 | 150,000 | 75,000 | 4,875 | 79,875 |
| 15 | 75,000 | 75,000 | 2,438 | 77,438 |
| | | 1,175,000 | 301,438 | 1,476,438 |

20 Year Declining Debt

| Year | Outstanding | Interest | | Debt Service |
|------|-------------|------------------|----------------|------------------|
| | Principal | Principal | 3.50% | |
| 1 | 1,175,000 | 60,000 | 41,125 | 101,125 |
| 2 | 1,115,000 | 60,000 | 39,025 | 99,025 |
| 3 | 1,055,000 | 60,000 | 36,925 | 96,925 |
| 4 | 995,000 | 60,000 | 34,825 | 94,825 |
| 5 | 935,000 | 60,000 | 32,725 | 92,725 |
| 6 | 875,000 | 60,000 | 30,625 | 90,625 |
| 7 | 815,000 | 60,000 | 28,525 | 88,525 |
| 8 | 755,000 | 60,000 | 26,425 | 86,425 |
| 9 | 695,000 | 60,000 | 24,325 | 84,325 |
| 10 | 635,000 | 60,000 | 22,225 | 82,225 |
| 11 | 575,000 | 60,000 | 20,125 | 80,125 |
| 12 | 515,000 | 60,000 | 18,025 | 78,025 |
| 13 | 455,000 | 60,000 | 15,925 | 75,925 |
| 14 | 395,000 | 60,000 | 13,825 | 73,825 |
| 15 | 335,000 | 60,000 | 11,725 | 71,725 |
| 16 | 275,000 | 55,000 | 9,625 | 64,625 |
| 17 | 220,000 | 55,000 | 7,700 | 62,700 |
| 18 | 165,000 | 55,000 | 5,775 | 60,775 |
| 19 | 110,000 | 55,000 | 3,850 | 58,850 |
| 20 | 55,000 | 55,000 | 1,925 | 56,925 |
| | | 1,175,000 | 425,250 | 1,600,250 |

15 Year Declining Debt

| Year | Outstanding | | Interest | |
|------|-------------|-------------------|----------|--------------|
| | Principal | Principal Payment | 3.25% | Debt Service |
| 1 | \$1,225,000 | \$83,000 | \$39,813 | \$122,813 |
| 2 | \$1,142,000 | \$83,000 | \$37,115 | \$120,115 |
| 3 | \$1,059,000 | \$83,000 | \$34,418 | \$117,418 |
| 4 | \$976,000 | \$83,000 | \$31,720 | \$114,720 |
| 5 | \$893,000 | \$83,000 | \$29,023 | \$112,023 |
| 6 | \$810,000 | \$83,000 | \$26,325 | \$109,325 |
| 7 | \$727,000 | \$83,000 | \$23,628 | \$106,628 |
| 8 | \$644,000 | \$83,000 | \$20,930 | \$103,930 |
| 9 | \$561,000 | \$83,000 | \$18,233 | \$101,233 |
| 10 | \$478,000 | \$83,000 | \$15,535 | \$98,535 |
| 11 | \$395,000 | \$79,000 | \$12,838 | \$91,838 |
| 12 | \$316,000 | \$79,000 | \$10,270 | \$89,270 |
| 13 | \$237,000 | \$79,000 | \$7,703 | \$86,703 |
| 14 | \$158,000 | \$79,000 | \$5,135 | \$84,135 |
| 15 | \$79,000 | \$79,000 | \$2,568 | \$81,568 |
| 16 | \$0 | \$0 | \$0 | \$0 |
| 17 | \$0 | \$0 | \$0 | \$0 |
| 18 | \$0 | \$0 | \$0 | \$0 |
| 19 | \$0 | \$0 | \$0 | \$0 |
| 20 | \$0 | \$0 | \$0 | \$0 |

We have included graphical representations of the yearly debt service within **Exhibit A** (\$1,175,000 purchase price) and **Exhibit B** (\$1,225,000 purchase price +) below.

We could also consider a repayment schedule with uniform payments over the life of the loan. This method/loan type may make it easier to budget for the yearly required debt service. In addition, we considered what receipts could be generated from selling under-utilized municipal property throughout town. These receipts could help to further offset the yearly debt service on any new bond issuance. We have illustrated an example in **Exhibit C** below.

Debt Exclusion

The Town could also acquire the property through a “debt exclusion.” A debt exclusion -- or capital outlay expenditure exclusion -- is defined as follows:

A capital outlay expenditure exclusion (Ch. 59 Sec. 21C (i 1/2)) is a mechanism that allows a community to raise the total dollar cost of a capital purchase or capital project through a one-year increase in the tax levy. In this way, the city or town avoids long term interest costs, if it were to borrow the needed funds. A capital exclusion can only be used to fund purposes, specified in Ch. 44 Sec. 7 and Sec. 8, for which a community may incur debt.

A debt exclusion (Ch. 59 Sec. 21C(j)) raises additional tax revenue to pay debt service costs to finance a capital project, or sometimes to fund a major capital purchase (i.e., a fire engine). The excluded amount, or additional tax, is not specified in the referendum language, but need not equal the anticipated annual debt service obligation in its entirety. A limit on the amount to be raised is initially set in the bond authorization which actually funds the capital project or purchase. It requires a two-thirds vote of town meeting, a town council or city council. The additional property taxes are not permanent, but are removed from the levy when the term of the bond ends.²⁰

In effect, a debt exclusion would require a two-thirds vote of town meeting. If we were to use a debt exclusion over a 10 year term, we could cover the yearly debt service of approximately \$136,700. Approximating 2,600 property taxpayers, this would equate to a yearly “surcharge” of \$53/year on average. While this yearly exclusion is not large, the borrowing capacity of Hopedale is large enough that a debt exclusion will not be necessary.

Grant Funding

Another funding source would be grant funding. This funding source is much more difficult to ascertain -- as there is no guarantee that certain grants would be won, what interested organizations would contribute if the land is acquired, etc. We have explored several grants below:

Urban and Community Forestry Challenge Grants²¹ are “annual grant opportunities for municipalities and nonprofit groups to improve and protect their urban forests. These 50/50

²⁰ <https://www.mass.gov/files/documents/2017/09/09/overridesandexclusions.pdf>

²¹ <https://www.mass.gov/guides/urban-and-community-forestry-challenge-grants>

matching grants help develop, grow and sustain programs that plant, protect and maintain a community's public tree resources and develop partnerships with residents and community institutions.” The “Intent to Apply” is due by October 1, 2020 -- with the “Final Proposal” due November 1, 2020. This grant could potentially cover 50% of the costs to acquire the land.

The Community Preservation Fund²² would be worth exploring if the Community Preservation Act passes the ballot vote on 9/15/2020. Establishing a community preservation fund through the Community Preservation Act would potentially provide the Town with 50% matching funding from the state for the land acquisition/debt service.

The Drinking Water Supply Protection Grant Program²³ provides “funding for protecting and conserving the quality and quantity of public drinking water supply sources in the Commonwealth.” Additionally, this grant provides funding related to the “acquisition of land in existing Department of Environmental Protection approved drinking water supply protection areas or land in estimated protection areas of identified and planned future water supply wells or intakes.”

Unfortunately, this grant is currently closed for applications for the current year (applications closed on 1/1/2020); however, this grant program may provide an ideal combination of funding and purpose for the acquisition of 364 West Street.

The Massachusetts Land and Water Conservation Fund Grant Program²⁴ provides “up to 50% of the total project cost for the acquisition, development, and renovation of: Parks, Trails, and Conservation areas.” To that end, eligible projects include the “acquisition of parkland or conservation land,” which well fits the purpose of the Hopedale’s potential acquisition of land under the right of first refusal. Similar to the above grant program, this grant program is currently closed for applications for the current year (applications closed 4/8/2020); however, this grant program may also provide an ideal combination of funding and purpose for the acquisition of 364 West Street. This grant, in particular, requires an “open space plan” in the application. It would be in Hopedale’s best interest to prioritize drafting an open space plan to gain access to funding sources for this project and many others.

The Metacomet Land Trust,²⁵ as well as other private organizations have indicated interest in assisting Hopedale in securing funding for the acquisition of 364 West Street. Hopedale has been the beneficiary of many notable organizations -- the Hopedale Foundation for one -- over the

²² <https://www.mass.gov/doc/igr-2019-14-community-preservation-fund/download>

²³ <https://www.mass.gov/how-to/apply-to-the-drinking-water-supply-protection-grant-program>

²⁴ <https://www.mass.gov/service-details/massachusetts-land-and-water-conservation-fund-grant-program>

²⁵ <https://www.milforddailynews.com/news/20200826/no-decision-yet-on-hopedale-land-deal>

years. Seeking assistance from private organizations may prove to be beneficial not just for the direct funding that these organizations could potentially provide, but also for the expertise and wealth of knowledge that conservation groups could bring to Hopedale.

The Hopedale Foundation²⁶ has indicated interest in assisting Hopedale in acquiring the property under the right of first refusal. The Foundation is a hallmark institution of the Town and has generously provided major support to the Hopedale Public Schools, college-bound graduates, and residents -- to name a few beneficiaries -- over the years. We have provided an example of what a yearly contribution from the Foundation might look like in **Exhibit C**.

Given the wealth of resources available from both public and private organizations, Hopedale should actively seek these resources under all funding scenarios. Any financial assistance (through public and/or private grants) could greatly reduce the total -- and yearly -- outlay Hopedale, and taxpayers, would have to contribute to fund the acquisition.

²⁶ Letter from the Trustees of the Hopedale Foundation to the Board of Selectmen, dated August 26, 2020.

V. CONCLUSION

After careful consideration of all available information, the Finance Committee concludes that Hopedale should exercise its right to purchase the 155 acres of land -- situated at 364 West Street -- under Chapter 61, Section 8 of the Massachusetts General Laws ("MGL"). As more fully set forth above, this conclusion is based upon the following facts:

- (1) Potential tax revenue from rail expansion is highly speculative especially in light of the broad property tax exemption enjoyed by GURR.
- (2) Rail expansion has a demonstrably negative impact on adjacent residential property values and will reduce/dilute residential property tax revenues over the near/long term.
- (3) The unique circumstances of the current economy, sound financial management by Hopedale, and declining balances on long-term debt have created ample borrowing capacity to finance the purchase.
- (4) Purchasing the subject property (which represents 5% of Hopedale's land area) will enable Hopedale to decide the highest and best use of the property while maintaining full control over environmental concerns.
- (5) There are numerous grants available to assist Hopedale in this land acquisition and paying down the debt going forward. Hopedale should aggressively pursue these grants.

Hopedale Finance Committee

by its duly appointed members,

Christopher Hodgens, Jr., Chair

Elizabeth Callahan

Don Comastra

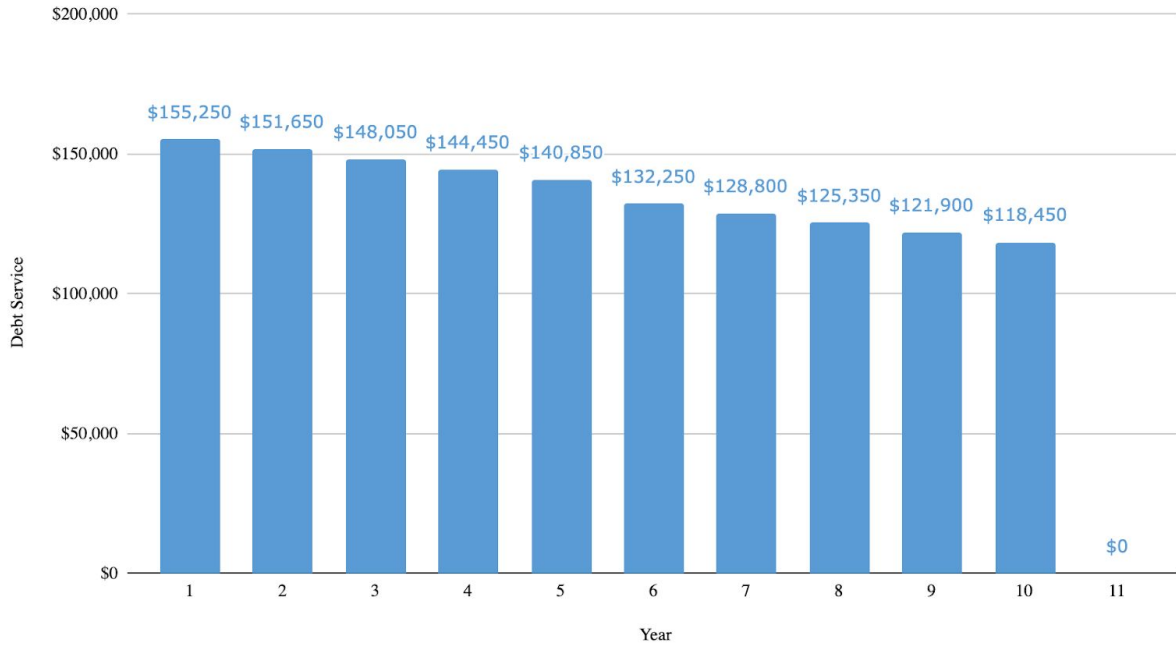
Karla Hopkins

Dennis Madigan

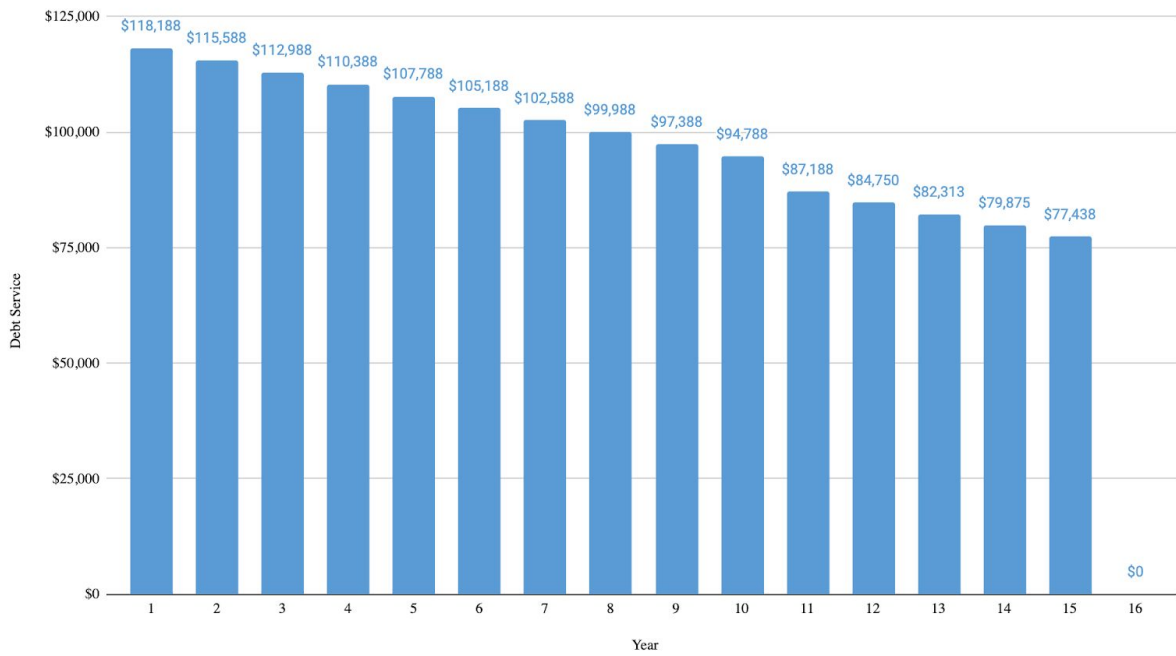
Colleen Strapponi

EXHIBIT A:

10 Year Note (3% Rate) Debt Service



15 Year Note (3.25% Rate) Debt Service



20 Year Note (3.5% Rate) Debt Service

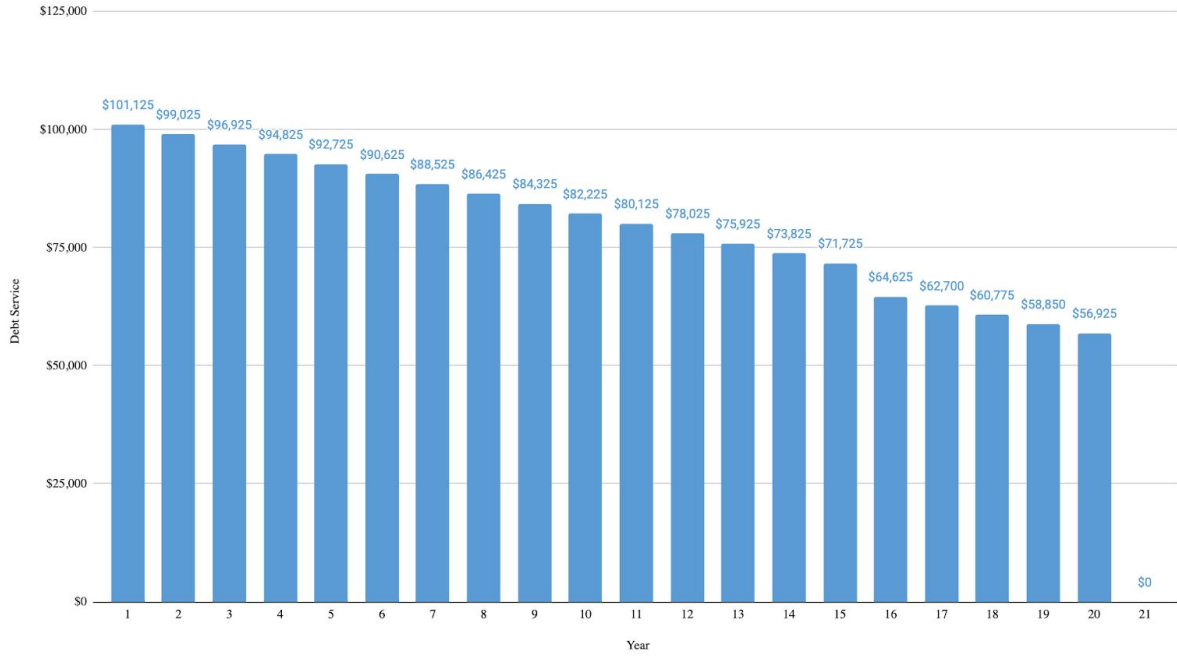


EXHIBIT B:

15 Year Note (3.25% Rate) Debt Service

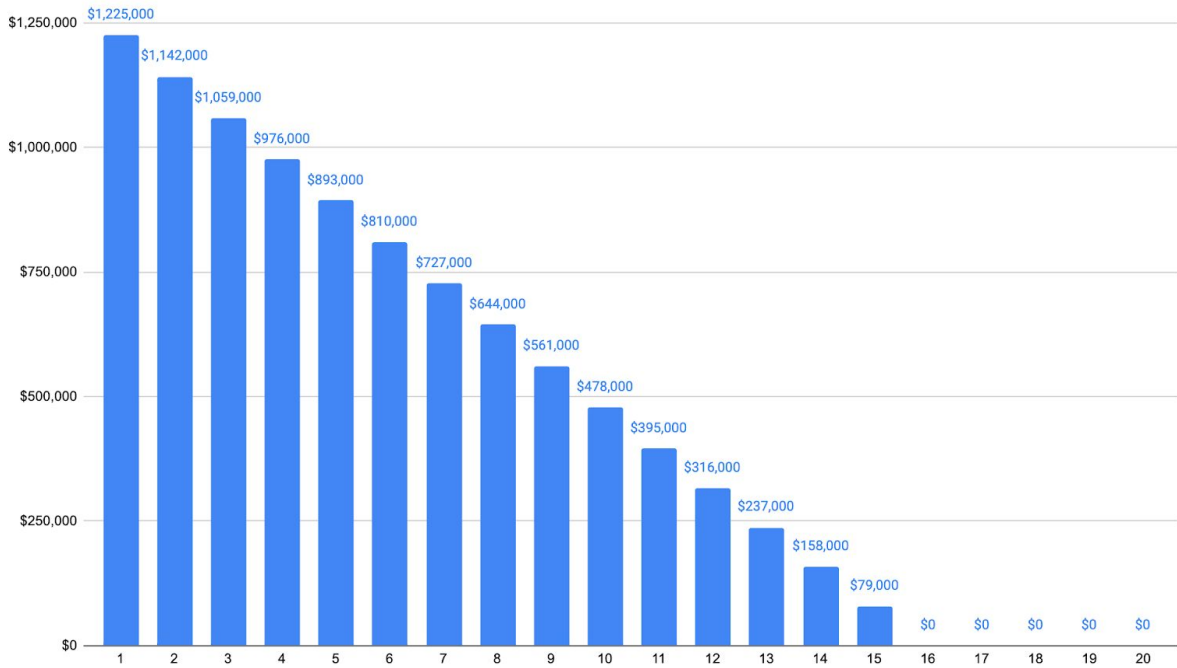


EXHIBIT C:

*It is important to note that the below hypothetical net debt service is entirely an estimate. The Hopedale Foundation (or any other public/private grant-writing entity) has not provided any details as to either the yearly, or total, financial contribution. The illustration merely seeks to show how a combination of grant funding and land sale proceeds can minimize the yearly (and total) impact to Hopedale’s budget.

| 15 Year Declining Debt | | | | | |
|-------------------------------|-------------|--------------------|----------------------------------|--------------------------|------------------|
| Year | Outstanding | | Yearly Hopedale Foundation Gift* | Municipal Land Proceeds* | Net Debt Service |
| | Principal | Debt Service | | | |
| 1 | \$1,225,000 | \$122,813 | \$100,000 | \$0 | \$22,813 |
| 2 | \$1,142,000 | \$120,115 | \$80,000 | \$0 | \$40,115 |
| 3 | \$1,059,000 | \$117,418 | \$80,000 | \$0 | \$37,418 |
| 4 | \$976,000 | \$114,720 | \$40,833 | \$73,887 | \$0 |
| 5 | \$893,000 | \$112,023 | \$40,833 | \$71,189 | \$1 |
| 6 | \$810,000 | \$109,325 | \$40,833 | \$68,492 | \$0 |
| 7 | \$727,000 | \$106,628 | \$40,833 | \$65,794 | \$1 |
| 8 | \$644,000 | \$103,930 | \$40,833 | \$63,097 | \$0 |
| 9 | \$561,000 | \$101,233 | \$40,833 | \$60,399 | \$1 |
| 10 | \$478,000 | \$98,535 | \$40,833 | \$57,702 | \$0 |
| 11 | \$395,000 | \$91,838 | \$40,833 | \$51,004 | \$1 |
| 12 | \$316,000 | \$89,270 | \$40,833 | \$48,437 | \$0 |
| 13 | \$237,000 | \$86,703 | \$40,833 | \$45,869 | \$1 |
| 14 | \$158,000 | \$84,135 | \$40,833 | \$43,302 | \$0 |
| 15 | \$79,000 | \$81,568 | \$40,833 | \$40,734 | \$1 |
| 16 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 17 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 18 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 19 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 20 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | \$1,540,250 | \$749,996 | \$689,906 | \$100,348 |



271 Oak Street, Uxbridge, MA 01569

508-278-5200

www.thebrwa.org

To Hopedale Select Board

From BRWA

The Blackstone River Watershed Association supports the purchase of the Morneau Trust property located at 364 West Street by the Town of Hopedale. As a non-profit organization focused on the Blackstone River and its tributaries in Massachusetts, our association believes that these forests and wetlands are critical parts of the Mill River watershed. This 155-acre property can continue to provide a wide array of public benefits to the citizens of Hopedale, downstream communities, and ultimately the Narragansett Bay estuary if it is maintained as forest and wetland conservation land.

Intact forests and wetlands that are found on this property represent the best ecotypes for providing natural filtration, recharging groundwater, and maintaining stream water quality. Located along the Mill River and near the Hopedale Parklands, the value of this large tract of open space for the future of Hopedale cannot be overstated. This property represents almost 5% of the entire Town. There is currently no public road access into the property and there are no buildings or development. This is totally unique for Hopedale and represents a natural asset deserving of permanent protection.

Features of this property that are particularly noteworthy include the following:

- Aquifer recharge
- Potential future water supply wells for the Town
- Intact forest and wetland habitats
- Aquatic and riparian habitat
- Flood attenuation
- Surface water runoff protection through forest and other vegetation
- Wildlife habitat
- Possible future public recreation use

We encourage the Select Board to exercise their right of first refusal as a result of this property leaving Chapter 61 protection status and acquire this property for the benefit of both the citizens of Hopedale and the Blackstone River watershed.

A handwritten signature in cursive script, appearing to read "James E. Blaise".

President, BRWA