



TOWN OF HOPEDALE

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

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Finance Committee

Christopher P. Hodgens, Jr., Chair

September 4th, 2020 Meeting Agenda 5 pm, Via Zoom

Join Zoom Meeting

<https://us02web.zoom.us/j/88990543422>

Meeting ID: 889 9054 3422

Password: No Password Required

RECEIVED

By Lisa M. Pedroli at 2:58 pm, Sep 02, 2020

Call to Order 5:00PM via Zoom Meeting

Approval of Minutes

- Regular Meeting: August 27th
- Regular Meeting: September 2nd

Discussion Items

- Old Business
 - Update Regarding Proposed Postcard Notice of Election to Residents – Vote may be taken
 - Discuss/Finalize the *Due Diligence for the Right of First Refusal* Analysis (attached) - Vote may be taken
- New Business
 - Nomination of Recording Secretary – Vote may be taken

Other

- This time is being reserved for topics that the chair did not reasonably anticipate would be discussed

Action Items

Schedule Next Meeting

Adjournment

Pursuant to Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §18, and the Governor's March 15, 2020 Order imposing strict

limitation on the number of people that may gather in one place, this meeting of the Town of Hopedale Finance Committee will be conducted via remote participation to the greatest extent possible. Specific information and the general guidelines for remote participation by members of the public and/or parties with a right and/or requirement to attend this meeting can be found on the Town of Hopedale's website, at www.hopedale-ma.gov. For this meeting, members of the public who wish to listen/watch the meeting may do so in the following manner: Hopedale Cable Access. No in-person attendance of members of the public will be permitted. but every effort will be made to ensure that the public can adequately access the proceedings in real time, via technological means. In the event that we are unable to do so, despite best efforts, we will post on the Town of Hopedale's website an audio or video recording, transcript, or other comprehensive record of proceedings as soon as possible after the meeting.

If you are a person with a disability who needs any accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact the ADA Coordinator, Hopedale Town Hall, 78 Hopedale Street, Hopedale, MA 01747, or please call (508) 634-2203 at least 7 days in advance of the scheduled meeting.

DRAFT

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 Impact on Property Tax Revenue

Our analysis shows that failure to exercise the right to purchase will have an unfavorable net impact on 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 purview 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.

I. POTENTIAL 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. 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 \$1,922,001.¹ 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 also based on Hopedale's use of a 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.² 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 revenues generated by the property at 1 Fitzgerald Drive may not provide a suitable benchmark for future revenue.

We also note that railroad taxation is intrinsically complex. Land purchased 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.**³ 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. Consequently, 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."⁴ While the building and surrounding land (outside of the 5 rods of exempt property) could be taxable, the "rail yard" as proposed would not provide any tax benefit (i.e., \$0 in real estate tax revenue) to Hopedale.

Additionally, the GURR has stated that the "benefits of freight rail include . . . highway traffic congestion and road wear reduction."⁵ 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) in Massachusetts.⁶ Freight rail

¹ Per the Worcester County Registry of Deeds

² <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIX/Chapter59/Section2A>

³ <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXXII/Chapter160/Section87>

⁴

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

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

⁶ https://www.mass.gov/files/documents/2018/01/26/2018PubComm_1.pdf

does reduce greenhouse gas emissions⁷ 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.”⁸

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 purchase rights based solely upon undocumented and untested potential revenue streams.

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.”⁹ 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%.

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

⁸ https://www.mass.gov/files/documents/2018/01/26/2018PubComm_1.pdf

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

¹⁰ If we were to take (1) the median home value of a single family home in Hopedale (\$359,884 in August 2020)¹¹ 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).

Median Home Values

X

of Homes within 750 ft of Active Track

X

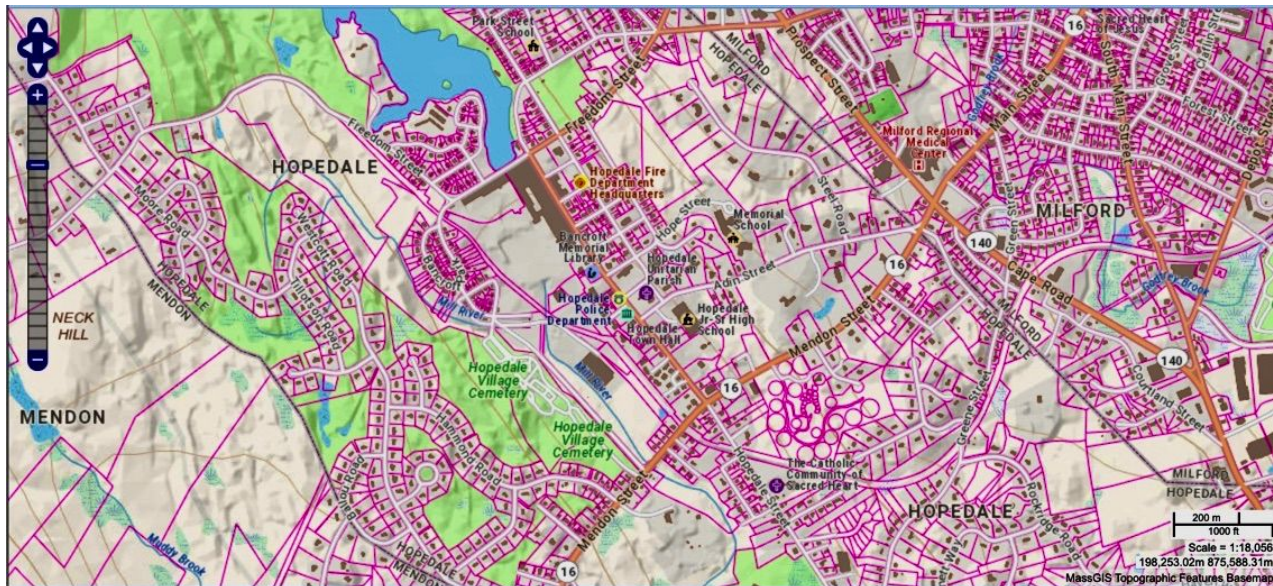
(1 - .06) Decrease in Value

X

Effective FY2020 Residential Tax Rate

=

Estimated Impact



Using the assessor’s map (above)¹² 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. Again, this example is used for illustrative purposes only. In order to

¹⁰

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

¹¹ <https://www.zillow.com/hopedale-ma/home-values/>

¹² http://maps.massgis.state.ma.us/map_ol/hopedale.php

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

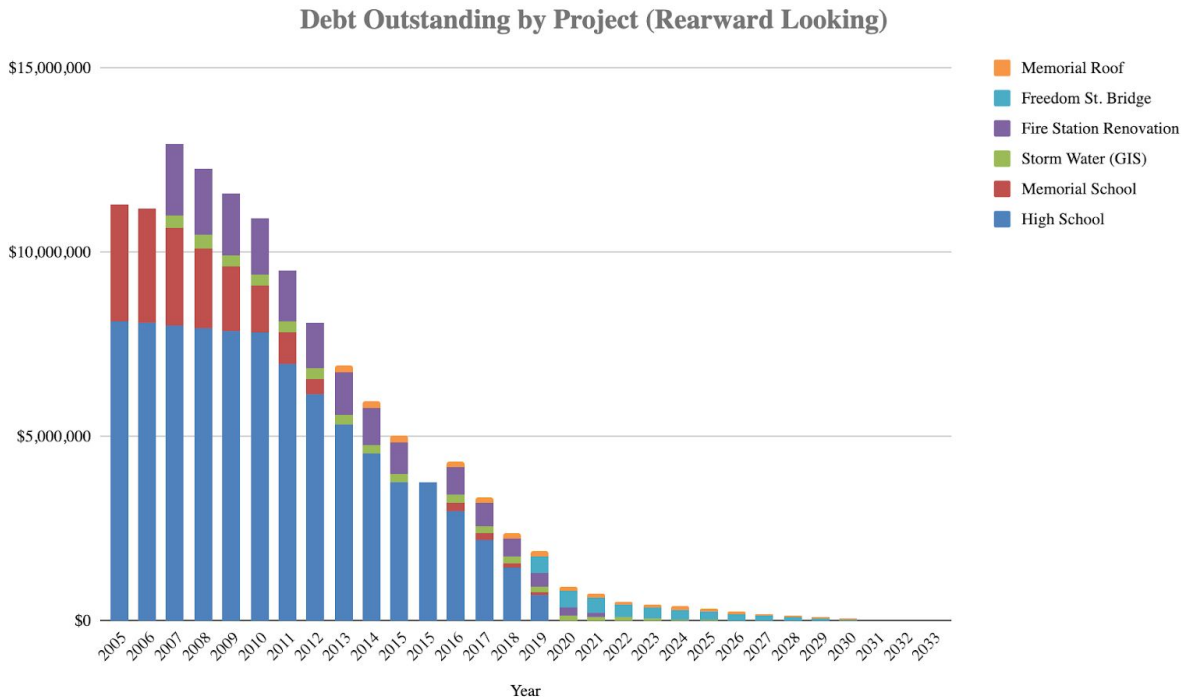
Favorable Decrease in Interest Rates

Recent economic headwinds created by the Covid-19 pandemic have resulted in repeated decreases in the Federal Funds Rate set by the Federal Reserve.¹³ As a result, the interest rates for municipal bond issues have correspondingly decreased.

¹³ <https://www.federalreserve.gov/monetarypolicy/openmarket.htm>

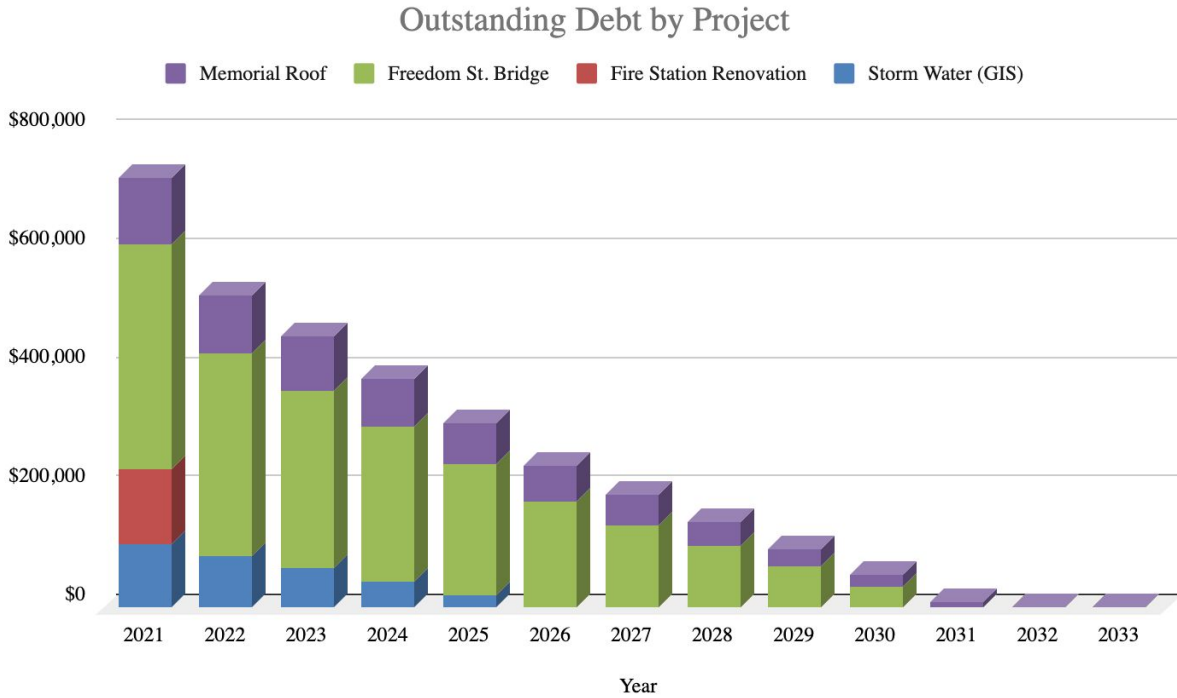
Favorable Decrease in the Town's Outstanding Debt Obligations¹⁴

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). 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.

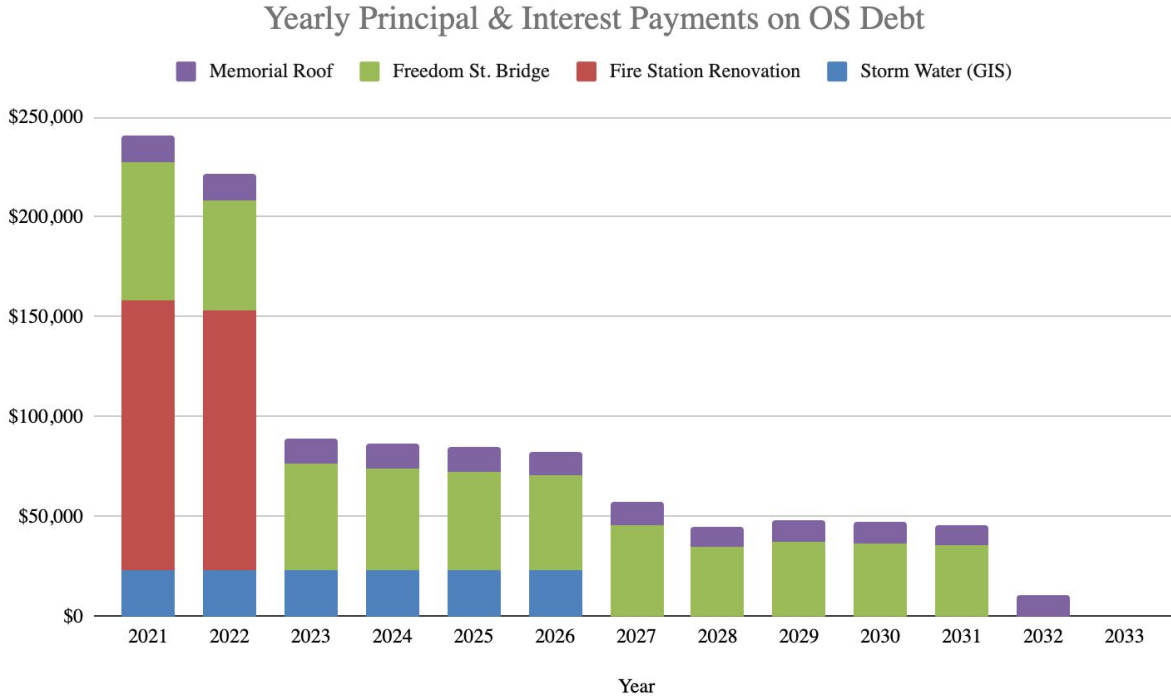


¹⁴ Data provided by the Town Treasurer/Collector

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.¹⁵ 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

¹⁵ https://en.wikipedia.org/wiki/Hopedale,_Massachusetts

further industrial development of such a large portion of the total land mass and water resources.
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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 \$517,443.¹⁷ 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. 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.”¹⁸ In essence, Hopedale is seen as a favorable borrower and receives more favorable financing opportunities to match.

¹⁶ https://www.hopedale-ma.gov/sites/g/files/vyhlf711f/uploads/water_ban_2020_-_2.pdf

¹⁷ Massachusetts Department of Revenue Database

¹⁸ https://www.moody.com/research/Moodys-assigns-Aa3-to-Hopedale-MA-GOs--PR_906143931

10 Year Declining Debt

Year	Outstanding	Interest		Debt Service
	Principal	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	Interest		Debt Service
	Principal	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

Year	20 Year Declining Debt			
	Outstanding Principal	Principal	Interest 3.50%	Debt Service
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

We have included graphical representations of the yearly debt service (for the three repayment periods) within **Exhibit A** 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.

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.¹⁹

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 Grants²⁰ are “annual grant opportunities for municipalities and nonprofit groups to improve and protect their urban forests. These 50/50 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.

¹⁹ <https://www.mass.gov/files/documents/2017/09/09/overridesandexclusions.pdf>

²⁰ <https://www.mass.gov/guides/urban-and-community-forestry-challenge-grants>

The Community Preservation Fund²¹ 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 Program²² 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 Program²³ 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,²⁴ 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 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.

²¹ <https://www.mass.gov/doc/igr-2019-14-community-preservation-fund/download>

²² <https://www.mass.gov/how-to/apply-to-the-drinking-water-supply-protection-grant-program>

²³ <https://www.mass.gov/service-details/massachusetts-land-and-water-conservation-fund-grant-program>

²⁴ <https://www.milforddailynews.com/news/20200826/no-decision-yet-on-hopedale-land-deal>

Given the wealth of resources available from both public and private organizations, Hopedale should actively seek these resources under all funding scenarios.

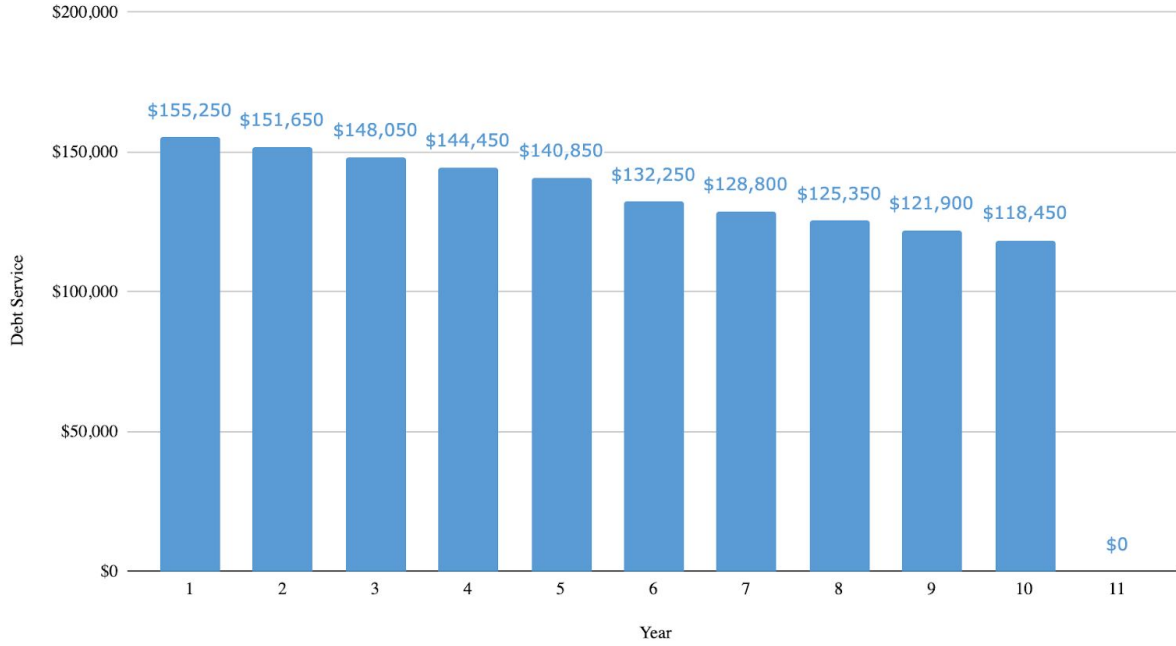
V. CONCLUSION

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:

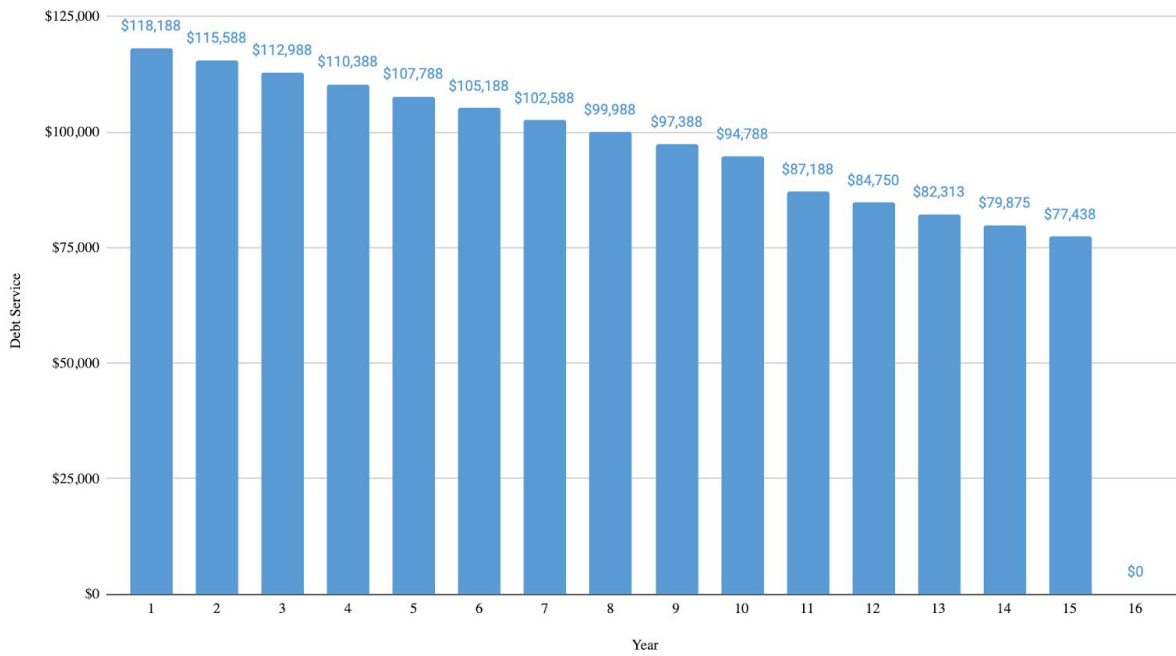
- (1) Potential tax revenue from rail expansion is highly speculative especially in light of the broad property tax exemption enjoyed by GURR.
- (2) Rail expansion has a demonstrably negative impact on adjacent residential property values and will reduce residential property tax revenues.
- (3) The unique 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.

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

