

Land Acquisition Recap (Updated 10/22/2020)

The Grafton and Upton Railroad (GURR) has entered into a Purchase and Sale agreement with the owner of 364 West St. These 155 acres of undeveloped land are located north of the Hopedale Pond, bordering Upton. 25 acres are wetlands, the other 130 acres are classified as forestry, which triggers State Law, Chapter 61B, providing the Town of Hopedale with the opportunity match the agreement - A "right of first refusal" for the Town to acquire the property.

So should the Town of Hopedale acquire this property?

Per the environmental studies this property is an essential part of the watershed for Hopedale's existing water supply sources. The natural sloping topography of the property funnels and filters stormwater runoff and groundwater to the Mill River aquifer system that provides critical supply for the Hopedale wells and the downstream communities. Hopedale's Board of Selectmen and Water & Sewer Commissioners both emphasized this point in the Department of Public Utility filings. The Blackstone River Watershed Association states that the value of this property "for the future of Hopedale cannot be overstated".

The alternative – instead of pristine undeveloped forestry and wetlands, railroad and rail yard development. Picture what's between the Hopedale cemetery and Hopedale Town hall (today's GURR railyard) being replicated 1, 2, 3, 4 or more times between the Hopedale Pond and Upton.

Per the unanimous recommendations from Hopedale's Water and Sewer Commissioners, Hopedale's Finance Committee, Conservation Committee, Parks Department, and broad community support the answer is YES – Hopedale should exercise the Right of First Refusal to pursue the resident's approval for the Town to acquire this property.

Many will state the opportunity to acquire this vitally important asset is something Hopedale simply cannot afford to pass up, especially when considering the alternative.

But can Hopedale afford to pay for this property?

Especially while considering Hopedale's override issues and very tight financial situation can Hopedale really afford to acquire this property? YES. Absolutely yes, Hopedale can afford the property and fortunately the actual cost is very modest, dare we say, maybe even 'dirt cheap'.

Unlike the Town's override situation related to the annual operating budget, this acquisition is a one-time capital purchase, paid as a loan over time.

Because of the importance of this property, additional funding from public grants and private sources is very possible. In fact, the Hopedale Foundation recently approved their support of \$50,000 per year for 15 years should the Town acquire the property. A \$750,000 total commitment!

Although there are still variables outstanding to establish an exact funding plan, the current property tax estimate, using the average property tax values equates to:

Approximately \$25 a year (Less than ½ %)

Additionally, other Town owned land could be sold to further offset this expense and other areas of town are certainly available for new commercial development. All of which ensures that this acquisition does not impact Hopedale's ability to fund future capital requirements.

The Finance Committee report covers this in great detail, including various funding options, concluding that YES this is affordable, and YES the Town should exercise the right of first refusal.

Acquiring this valuable asset should have little to no net effect on the property tax expenses, while also protecting the property values of the Hopedale residents.

But what about lost revenue?

Is the Town giving up badly needed new commercial revenue from new development that could be done on this property?

Hopedale certainly could use new commercial tax revenue to help cover the Town's annual operating expenses; however, the reality of this specific land does not fit normal commercial use. That's exactly why this area has remained undeveloped all this time. In hindsight, Hopedale should have acquired it long ago to protect the water supply but didn't, in part, because no one ever envisioned it being developed.

Railroads take great latitude with their Federal preemption -- making them pretty much the only industry to be able to develop on sensitive property such as this. They are not taxed on the tracks or any supporting roads. Currently, there are very few details on the potential scale of development to help estimate actual tax revenue. The development plan GURR submitted to the Department of Public Utilities for the eminent domain case is different than the plans GURR has verbally discussed at the various Hopedale meetings -- and it is perfectly within their rights to change those plans at any time.

Thus, leading to this Finance Committee conclusion -- Potential tax revenue from the rail expansion is highly speculative, especially in light of the broad property tax exemption enjoyed by GURR.

It is no surprise that there is such little detail regarding the development plans. Railroad projects don't follow the standard requirements and the associated oversight that other industries do. GURR markets themselves as not just a transportation service, but also as a real estate and construction company with the ability to "build-to-suit". "We can help develop available land to meet your individual needs". Commodities handled include plastics, paper, steel, chemicals and more.

Speculating about potential revenue and the associated development "red flags" is simply not a positive, constructive exercise.

Conclusion

The more one learns about the importance of this property and the potential GURR development, the more one becomes a supporter of the "we can't afford not to acquire the property" position. Fortunately, the actual cost of acquisition is extremely affordable.

As the owner of the property, Hopedale not only acquires a vital asset, but also takes ownership of the Town's future. Hopedale should absolutely exercise its right of first refusal and acquire the property.

List references for supporting details:

Hopedale Town website - main news page, Finance Committee and W&S sections:

- <https://www.hopedale-ma.gov/home/news/information-regarding-ppp-gu-rr-town-hopedale>
(scroll down for detailed attachments)
- https://www.hopedale-ma.gov/sites/g/files/vyhlf711/f/uploads/final_fincom_analysis_on_ch.61_potential_land_acquisition.pdf
- <https://www.hopedale-ma.gov/water-sewer-department>

DPU Filing, case 19-39:

<https://eeaonline.eea.state.ma.us/DPU/Fileroom/dockets/bynumber>

7/31/2019 Town of Hopedale (BOS) filing

08/07/2019 GURR Supplemental filing and plan

8/30/2019 Hopedale Water Sewer filing (Peter Durning)

Grafton Upton Railroad and GU Logistix

<https://gulogistix.com/> <http://graftonuptonrr.com/>

Environmental Partners Group, Inc. Environmental Study

Maps below

364 West St (155 acres of undeveloped forestry and wetlands)

1 Fitzgerald Drive (current GURR rail yard, ~18 acres)





Legend

- Grafton & Upton RR
- Town Boundary
- Tax Parcels
- Wetlands

0 500 1,000 Feet

JOHN P. ...
 ENVIRONMENTAL MANAGEMENT, INC.

PROJECT NO. 100-100-0000
 Wetland and Stream Erosion Control
 Town of Hopedale, MA.

DATE OF SURVEY	DATE OF REPORT	DATE OF REVISION

