

**TOWN OF CONCORD
SELECT BOARD
AGENDA
December 12, 2016**

7PM – Select Board Room – Town House

1.	Call to Order
2.	Consent Agenda: <ul style="list-style-type: none"> • Town Accountant's Warrants • Minutes • Gift Acceptance Florence Von Fremd Lynch \$2000 Beede Center Dive Well Lift Gift Account Raymond C. Holland \$1000 Beede Center General Purpose Gift Account • One Day Special Licenses Concord Youth Theatre 1/7/17 7PM-11PM 51 Walden Street (Wine Only) • Request to Increase Seating at Verrill Farm
3.	Executive Session Minutes
4.	Town Manager's Report
5.	Authorize / Approve a year end borrowing for CMLP Broadband – Kerry Lafleur
6.	Committee on Disability – Jean Goldsberry
7.	Receive and Review Public Private Partnership Study Report
8.	Receive and Review Estabrook Woods Study Access Committee Report
9.	Update from CHDC and the Grantham Group – Junction Village
10.	Request from CCRSD re: Signs at CCHS
11.	Annual License Renewals
12.	Recap Special Town Meeting
13.	Public Comments
14.	Committee Liaison Reports
15.	Miscellaneous/Correspondence
16.	Committee Nominations:
17.	Committee Appointments:
18.	Executive Session for the purposes of discussing ongoing litigation

PENDING

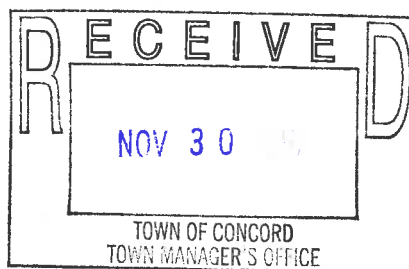
Monday	December 26	All Day	Christmas Observed	Town Offices Closed
Monday	January 2	All Day	New Year Observed	Town Offices Closed
Monday	January 9	4 PM	Close 2017 Town Meeting Warrant	Town Manager's Office
Monday	January 9	7 PM	Select Board Meeting	Town House
Monday	January 16	All Day	Martin Luther King Jr. Day	Town Offices Closed
Monday	January 23	7 PM	Select Board Meeting	Town House
Monday	January 23	7:30PM	Town Caucus	Town House

Weekly One Day License Log – December 12, 2016

Applicant Name & Number	Phone Number	Date of Event	Location of Event	Type of Alcohol	
16-137 Concord Youth Theatre	978-371-1482	January 7, 2017	51 Walden Street	Wine Only	Event Coordinator: Corinne Kinsman Bartenders: Corinne Kinsman Under 21: Yes First License in Concord: No

Gift Acceptance Log – December 12, 2016

Gift Received From:	Date of Meeting:	For Gift Account:	Total Amount:
Florence Von Fremd Lynch	December 12, 2016	Beede Center Dive Well Lift Gift Account	\$2,000.00
Abode Builders of New England	December 12, 2016	Beede Center General Purpose Gift Account	\$1,000.00



Steve,

I have just completed my review of your proposal to have 24 seats within the café within the Verrill Farm farmstand. Based on my analysis you have 81 parking spaces on site currently and your proposed seating including the expanded retail spaces require on 29 parking spaces.

Conclusion; You have adequate parking for your proposed uses on the site. This analysis does not take into consideration special event uses of the site which are governed by your Board of Appeals special permits and "field parking areas".

Please proceed with any change you may need to make regarding your Selectman licensing.

John

Thanks.

I will review this material and get back to you all with my conclusion regarding parking.

Thanks.

John

JOHN R MINTY | BUILDING COMMISSIONER
TOWN OF CONCORD, MA
141 KEYES ROAD | CONCORD, MA 01742 | OFFICE 978.318-3280
JMINTY@CONCORDMA.GOV

From: James Forrest [<mailto:jforrest@omr-architects.com>]
Sent: Monday, November 28, 2016 5:55 PM
To: John Minty; Laurie Livoli
Cc: 'verrillfm@aol.com'; jen@verrillfarm.com
Subject: Verrill Farm Cafe

John,

License Number: 2016-44

FEE \$50.00

COMMONWEALTH OF MASSACHUSETTS

TOWN OF CONCORD

This is to Certify that:

**Verrill Farm LLC
d/b/a Verrill Farm
11 Wheeler Road**

IS HEREBY GRANTED A COMMON VICTUALLER'S LICENSE

In said Concord and at the place only and expires December thirty-first, 2016, unless sooner suspended or revoked for violation of the laws of the Commonwealth respecting the licensing of common victuallers. **SEATING CAPACITY: 12 seats inside and two tables with 10 seats outside seasonally.** This license is issued in conformity with the authority granted to the licensing authorities by General Laws, Chapter 140, and amendments thereto.

In Testimony Whereof, the undersigned have hereunto affixed their official signatures.



[Handwritten signatures of the Concord Select Board members]

CONCORD SELECT BOARD

**THIS LICENSE SHALL BE DISPLAYED ON THE PREMISES IN A CONSPICUOUS POSITION
WHERE IT CAN EASILY BE READ**

Date Issued: December 14, 2015

Town of Concord
Finance Department
Memorandum

TO: Select Board

VIA: Chris Whelan, Town Manager

FROM: ^{RAM} Kerry A. Lafleur, Finance Director

SUBJ: Advance of Funds in lieu of Borrowing

DATE: December 6, 2016

Under Article 48 of the 2013 Annual Town Meeting, the Treasurer, with the approval of the Select Board, was authorized to borrow the sum of \$1,000,000 to be expended under the direction of the Town Manager for the purpose of beginning to provide telecommunication services to Concord residents and businesses, including broadband internet services and telephony. This borrowing authorization falls under the Light (Enterprise) Fund. To date, \$659,335.49 has been expended and there is an open Purchase Order in the amount of \$50,374.00, for a total commitment of \$709,709.49.

A total of \$100,000 of this authorization was permanently financed as a part of the June 1, 2014 General Obligation Bond Issue and \$500,000 was permanently financed as a part of the May 19, 2016 General Obligation Bond Issue, leaving \$400,000 authorized but unissued. A total of \$109,709.49 has been expended but not yet borrowed.

The Concord Municipal Light Plant is required to adhere to a calendar year for financial reporting. As such, it should not close its annual reporting period with a deficit in a capital projects account. The amount identified above as expended but not yet borrowed would be considered a deficit and therefore should be closed prior to December 31, 2016. In order to close this deficit, I propose that the General Fund advance funds to the Light Fund under the *Advance of Funds in Lieu of Borrowing* provision found in MGL Chapter 44, Section 20A.

Under this provision, any town that has authorized debt may spend for those purposes from available unrestricted funds in anticipation of borrowing, rather than issuing short-term debt. Any internal borrowing or advance must be repaid during the same fiscal year and be made according to the rules promulgated by the Department of Revenue.

The rules require that the Treasurer document the advance on a prescribed form and that a copy of the form be provided to the Debt Section of the Bureau of Accounts at the Department of Revenue, within 48 hours following the approval by the Select Board.

Interfund advances are typically made from the General Fund, though advances from Stabilization Funds are also allowed. The aggregate amount of all interfund advances outstanding at any time during the fiscal year is limited to the unappropriated balance of the Certified Free Cash or Stabilization Fund or one- (1%) percent of the Annual Operating Budget, whichever is greater.

On June 1st of each year, the Treasurer and Town Accountant must review all outstanding interfund advances. If payment of the reimbursement is not anticipated by June 30th, the Treasurer must issue debt to provide the required reimbursement. No advance may be carried as a receivable of the General Fund.

In this case, if approved, repayment of this advance would be made through the issuance of bonds (the "General Obligation Bond Issue of 2017") prior to the end of the fiscal year. This bond issue is also likely to include permanent financing of the School Transportation Facility (excluded), Road Improvements, School Remodeling, Firefighting Apparatus, Rideout & Emerson Playground Improvements and the Town's share of the Ball's Hill Road land acquisition.

If the Town was to issue short-term debt to cover this deficit, the associated costs would be a minimum of \$2,500.

At this time, I respectfully request that the Select Board authorize the Interfund Transfer of \$200,000 from the General Fund to the Light Fund.

Draft

**Report of the Public-Private
Partnership Study Committee**

Jean Goldsberry, Chair
Abraham Fisher, Clerk
Carol Aronson
Ingrid Detweiler
Miguel Echavarri
Bob Grom
Dorrie Kehoe
Peter Mahler
Tom Rarich

December 12, 2016

Tom McKean, Select Board Liaison

DRAFT Report to the Select Board

Executive Summary

In the Spring of 2016, the Select Board created the Public-Private Partnership Study Committee, charging it to:

- Become knowledgeable about public-private partnerships in Concord and elsewhere.
- Solicit public input.
- Consider whether the town should make the process transparent by providing ways for the public to participate in reviewing short and long-term public-private partnerships.
- Consider the financial impact of P3 projects on the town.

The committee met frequently for approximately seven months. This report documents the recommendations of the committee, as follows:

1. There should be a standing “P3 Committee,” charged with evaluating proposed Public-Private Partnerships (P3s) and monitoring ongoing P3s.
2. That committee should have dedicated staff support, especially with respect to keeping the records of all P3s in a consistent place for public study.
3. The Town Manager or his/her designee should act as the “gatekeeper” to the P3 processes documented herein.
4. Every new and existing P3 should be governed, in addition to any lease or contract, by a Memorandum of Understanding (MOU) which clearly sets out the “rules” for that particular P3.
5. The standing P3 Committee should review all Town of Concord P3s on (at least) an annual basis.
6. Efforts should be made to expand this process to include partnerships between the schools (including the Regional School District) and private entities.

Introduction

Recognizing that the Town of Concord's reliance on the use of tax-based funds is limited and therefore public-private partnerships will continue to be used to fund Town and school-related projects, the Select Board appointed a Public Private Partnership Study Committee—P3 Study Committee—in April, 2016. The Committee was charged "...to explore issues surrounding public private partnerships, including the benefits and the drawbacks of such arrangements." At the first meeting, Select Board chair Michael Lawson said the goal is to help the town develop a process to review and monitor future P3s in a responsible manner.

The Study Committee was asked to:

- Become knowledgeable about public-private partnerships in Concord and elsewhere.
- Solicit public input.
- Consider whether the town should make the process transparent by providing ways for the public to participate in reviewing short and long-term public-private partnerships.
- Consider the financial impact of P3 projects on the town.

A definition of a P3 was established to guide the process.

A public-private partnership (P3) is a relationship between a public body and a private body, in which the resulting product is a governmental asset or a public benefit (not always physical). This relationship involves monetary or physical assets of the town. A service contract, grant, and/or gift do not necessarily create a public-private partnership. A P3 may receive grants and/or gifts.

Committee Members: Carol Aronson, Ingrid Detweiler, (representing the League of Women Voters of Concord-Carlisle), Miguel Exchavarri, Abraham Fisher (Clerk), Jean Goldsberry (Chair), Robert Grom (Liaison from the School Committee), Dorrie Kehoe, Peter Mahler (representing the Rotary Club of Concord), Tom McKean (Select Board Liaison), and Tom Rarich. The charge included a representative from CC@Play, but the designated member was unable to participate.

Goals of a P3 Process

Private /Public Partnerships have existed for many years and are a substantial benefit to the town of Concord. To date, these relationships have been handled by public officials (e.g. Town Manager & Boards, Regional School Superintendent & Committee, Community Preservation Committee) with different mechanisms.

The purpose of this report is to propose a consistent process for managing existing and new partnerships and the projects they create going forward. Much like town ordinances define what can and cannot be done on private property, all citizens and organizations who envision a partnership with the town will be able to reference, and use, a standard P3 process as they plan and manage their project.

A goal of the P3 process is to include multiple opportunities for public involvement in planning and carrying out the project that may affect them and the community.

Another goal is to provide up-front enumeration of all the costs, revenues, and benefits that may accrue, and provide a standard review process to assist with the management of contingencies that might arise during a project.

The proposed P3 committee and its documentation will also provide an institutional memory to aid future project planning and supervision.

Just as the Town Governance Study Committee recommended creation of an Audit Committee, which includes town and school representatives, we hope this proposal will be adopted whenever a partnership is created between private organizations and the Town.

Recommendations

This document recommends to the Select Board ways for evaluating and approving new P3s as well as monitor ongoing P3s to ensure they are fulfilling their original mission.

The Study Committee's research and deliberation about what makes a successful public-private partnership, confirmed the need for a clear explanation of the purpose and process for each proposed partnership. There should also be clarity concerning the sources of funding to pay for the project as well as what will be accomplished and the time frame. No partnership should be undertaken without clear public education and involvement. We are convinced that if the public is aware of proposals and has an opportunity to follow a project through to fruition, there is less likelihood of misunderstandings.

The Study Committee recommends:

1. The need for an open process with opportunity for public input to evaluate all P3 projects.
2. Private organizations wishing to undertake a project on Town property must notify the Concord Town Manager's office where the project will be reviewed and a determination made whether to consider the proposed P3.
3. Establishment of a P3 Committee to study proposals forwarded from the Town Manager's office or passed at town meeting. This committee shall serve as the liaison with the public, ensuring an open process.
4. Each new and existing P3 should be governed by a Memorandum of Understanding approved by all parties.
5. Any 'stakeholders' acting as a town decision maker should recuse themselves from votes on whether the project should go forward.

The Study Committee met 2-3 times per month throughout the spring, summer, and fall. Two public hearings were held—one in September to solicit public input and one in December to receive public comment on a draft report.

The Study Committee reviewed P3 information from the League of Women Voters, the National Council for Public Private Partnerships, as well as from other towns and groups. Committee members researched former or existing P3s in Concord to glean information about how they were started, the relationship between the town and the private entity, what each P3 had in common, and what worked well.

One example of an ongoing P3 is the Doug White Turf Fields located behind the high school. In 2007, Friends of Concord-Carlisle Playing Fields (FCCPF) served as the private partner in proposing and overseeing construction of two artificial turf fields at the regional high school campus. Through its fund-raising efforts, FCCPF provided a large share of the money to pay for the project, while the Town of Concord oversaw the work. FCCPF has continued the P3 partnership with the town by providing \$50,000 a year towards field maintenance. In addition to these funds, FCCPF is obligated to raise funds to cover future costs of replacing the artificial turf. The use of the fields is co-operatively managed by the high school athletic director and town youth sports programs.

Another example of an ongoing P3 is the Concord Visitor Center. The facility is owned by the town and run by the Chamber of Commerce. The chamber pays \$1.00 per year plus utilities for the building, and it provides the staffing. The committee identified many P3s ranging from small partnerships such as the Center for Restorative Justice, to large projects initiated by the Concord Free Public Library Corporation, Emerson Umbrella and CC@Play.

The Study Committee worked to devise a process that would allow much more transparency for the citizens of Concord and not be onerous for P3s. The objective was to involve citizens early in the process so they could be informed and participate. The charge states in part that the Committee should “consider whether the Town should make a special effort to guarantee transparency, access to information, and public participation in either short-term public-private partnerships focused on a specific project or in long-term partnerships providing an ongoing service or creating an enduring relationship.”

The Study Committee strongly recommends that such an effort be made. While there are many legitimate reasons a private entity might choose to operate privately when reasonable, in accordance with its mission, ultimately a P3 is performing a governmental function and thus should provide the same kind of public access that a purely public enterprise is legally obligated to provide. “Transparency” has perhaps become a cliché, but it represents a desire for openness to public input and public scrutiny without which public trust will inevitably be lost.

Town Manager’s Office

The Town Manager’s office (TM) is the gatekeeper for most P3 partnerships. A partnership can be initiated by a citizen, a private entity, a town meeting article, or the Town Manager’s office. Typically, a P3 is initiated by a private entity, although there have been examples (Ball’s Hill land acquisition) where the Town Manager initiated the conversation with a private entity.

The TM or his designee determines if the proposed relationship meets the definition and criteria of a P3 and decides if the proposal should be forwarded to the P3 Committee. The P3 Committee evaluates the proposal and suggests guidelines and conditions which the TM incorporates into a Memorandum of Understanding (MOU). Once the draft MOU is completed, the Committee reviews the MOU prior to forwarding it, together with its recommendations, to the Select Board for a determination whether the proposal should move forward.

Town Staff Person

The staff person provides administrative support to the P3 Committee and coordinates with town departments to provide input to the Committee. This person is knowledgeable about P3 policies and criteria. The staff person maintains a document file for all P3 projects, adding relevant documents to the Town website.

The Study Committee recognized that there is a cost to the town in staffing the P3 Committee. It is important that the community understand that P3's are not free – there is a cost to insuring that the outcome is a benefit to both the public and the private entity.

Memorandum of Understanding

In its research, the Study Committee found in many cases the details of the agreement between the public and private entities can be difficult to determine. It became clear that good practice requires that such agreements be made explicit and recorded carefully, to the benefit of all parties.

The Study Committee recommends strongly that in addition to any contract or lease with the Town, each P3 should be governed by a Memorandum of Understanding (MOU). MOUs should outline specific requirements that must be met by the private organization. To the greatest extent possible, MOUs should be written in language that is clear and understandable to a layman. MOUs should describe the nature of the project/partnership with regard to a number of key elements.

1. The MOU should clearly describe all costs and revenues to the Town and the private entity. This should include: costs of the initial project, ongoing operating expense (including labor), any projected long term maintenance expenses, any required town services, any capital replacement costs, and any other burdens on Town resources. The MOU should further describe the anticipated sources of revenue—private donations and taxpayer funds, including any Community Preservation Act grants. If taxpayer funds are needed, it may be appropriate for the MOU to require Town Meeting approval of those funds.
2. The MOU should clearly set out the impact on the Town. This should include a statement of how the proposal aligns with town goals and needs, how it will affect other town activities, and how it will benefit the town character. This statement should include some estimate of the number of residents, households, and businesses affected both by the project work and by the completed project. Any connection with the Town's Comprehensive Long Range Plan should be identified, and any conflict with that plan should be explicitly justified.
3. The project schedule should be described in the MOU. For larger (more expensive) projects and projects of longer duration, the MOU should set out measurable milestones and a timeframe for completion. Milestones should exist for both project goals (i.e. construction targets) and fundraising. The MOU should clearly describe contingency plans in case milestones are not met. These contingencies minor extensions (subject to continued oversight), renegotiation of the agreement, and termination of the partnership.
4. The MOU should commit the P3 to regular public review by the P3 committee. For an ongoing partnership, such review should be at least annual. Reviews of specific projects may be conducted on a cyclical basis (i.e. quarterly), at specific milestones, or as desired by the Committee. For example, the MOU might commit the P3 to quarterly review, to review at specified milestones (i.e. 25% and 75% design points), AND to review when such review seems necessary to the committee.
5. The items on this list are a minimum suggestion. Other requirements may be imposed by the P3 committee as it sees fit.

The Study Committee recognizes that P3s already in existence at the time this report is adopted, may or may not already be governed by an MOU. It is envisioned that the above recommendations will eventually apply to all existing, as well as new P3s. Where P3 lease agreements and MOUs are already in

place, the provisions therein would be included in a P3 MOU, which may – or may not – require enhancements to cover all the topics recommended above. It is not envisioned that every minor change to a lease or rental agreement will require a review by the P3 committee prior to approval.

Private Partner

The Private Partner is typically an organization that can be a non-profit or a for-profit entity. The private partner can have its own board of directors and is not bound by public meeting requirements. The private partner may have a lease or some other type of legal agreement with the town.

P3 Committee

The Committee’s primary responsibility is to evaluate the potential P3 and make a recommendation to the Select Board to approve or deny the public private partnership.

The P3 Committee is composed of seven members who will serve three-year staggered terms.

- 1 member of the Finance Committee
- 1 representative from the most recent Comprehensive Long Range Plan Committee
- 1 representative from the Schools—K-8 or Regional School Committee
- 4 members-at-large appointed by the Select Board

All P3 Committee meetings are open to the public and minutes are taken in conformance with the state Open Meeting Law. The Committee reviews all new P3 proposals and may hold a public hearing to explain the project and receive public comment. Information gathered from the review process is forwarded to the TM for inclusion in a Memorandum of Understanding and is the basis for making a recommendation to the Select Board. The Committee may also review a list of gifts made to the Town and may also elect to review the impact expired P3s have had on current Town operations and finances.

The P3 Committee is also responsible for monitoring each active P3 project, making sure the project meets the milestones outlined in the MOU. The Committee also conducts an annual review of each ongoing P3 to ensure it conforms to the MOU and to consider any changes to the scope of work. Additional meetings could be scheduled as needed to consider questions or issues about existing P3 projects.

Select Board

The Select Board is responsible for determining if a specific Public-Private Partnership should be created. They will receive a report and a copy of the Memorandum of Understanding developed by the Town Manager and the P3 Committee for each new partnership. They will then vote to approve or deny the partnership.

School Connection

The P3 Study Committee has discussed and deliberated on the benefits of including Concord Schools—both K-8 Concord schools and the Concord-Carlisle Regional High School—in its recommended procedures. The Study Committee agreed that the Town of Concord and the Concord schools would benefit by having a common process for approval of new projects as well as monitoring of current and ongoing projects.

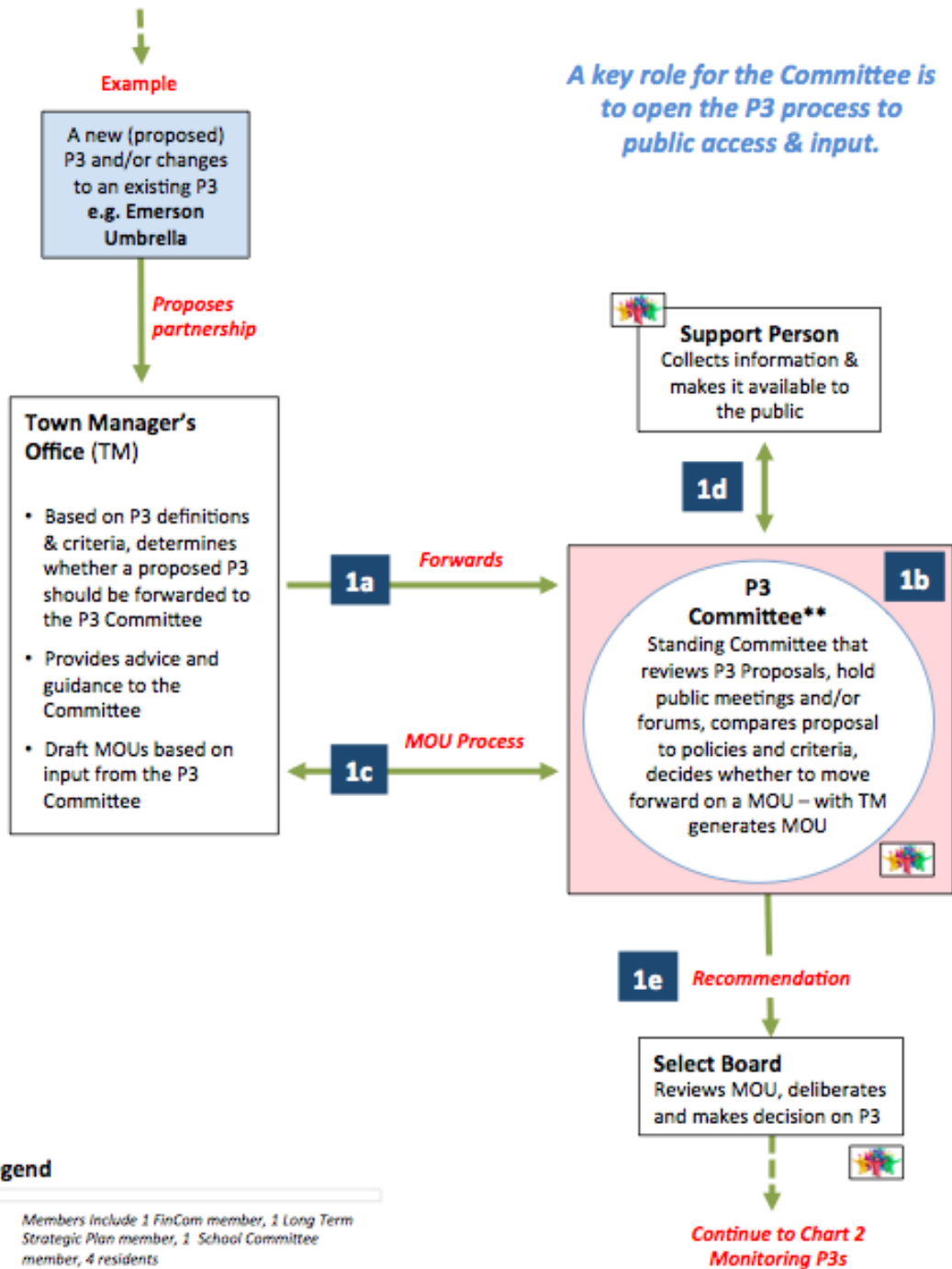
It is the consensus of the P3 Study Committee that the Concord Public Schools—K-8—and Concord-Carlisle Regional School District participate in a common process involving the Town P3 Committee for approval and monitoring of public-private partnerships.

Conclusion

The Study Committee devoted many hours considering a wide range of questions. Ultimately the committee determined that P3s in Concord should be addressed in a more consistent fashion, designed to increase the opportunities for public participation without becoming too burdensome on the generosity of the private partner. The Study Committee believes that the process and structures outlined in this report have the greatest likelihood of achieving the goals of consistency and openness while remaining cognizant that the operation of a private entity is not normally subject to public scrutiny.

Appendix 1 - Flowchart of the P3 Process

Chart 1 -- Evaluating P3s



Legend

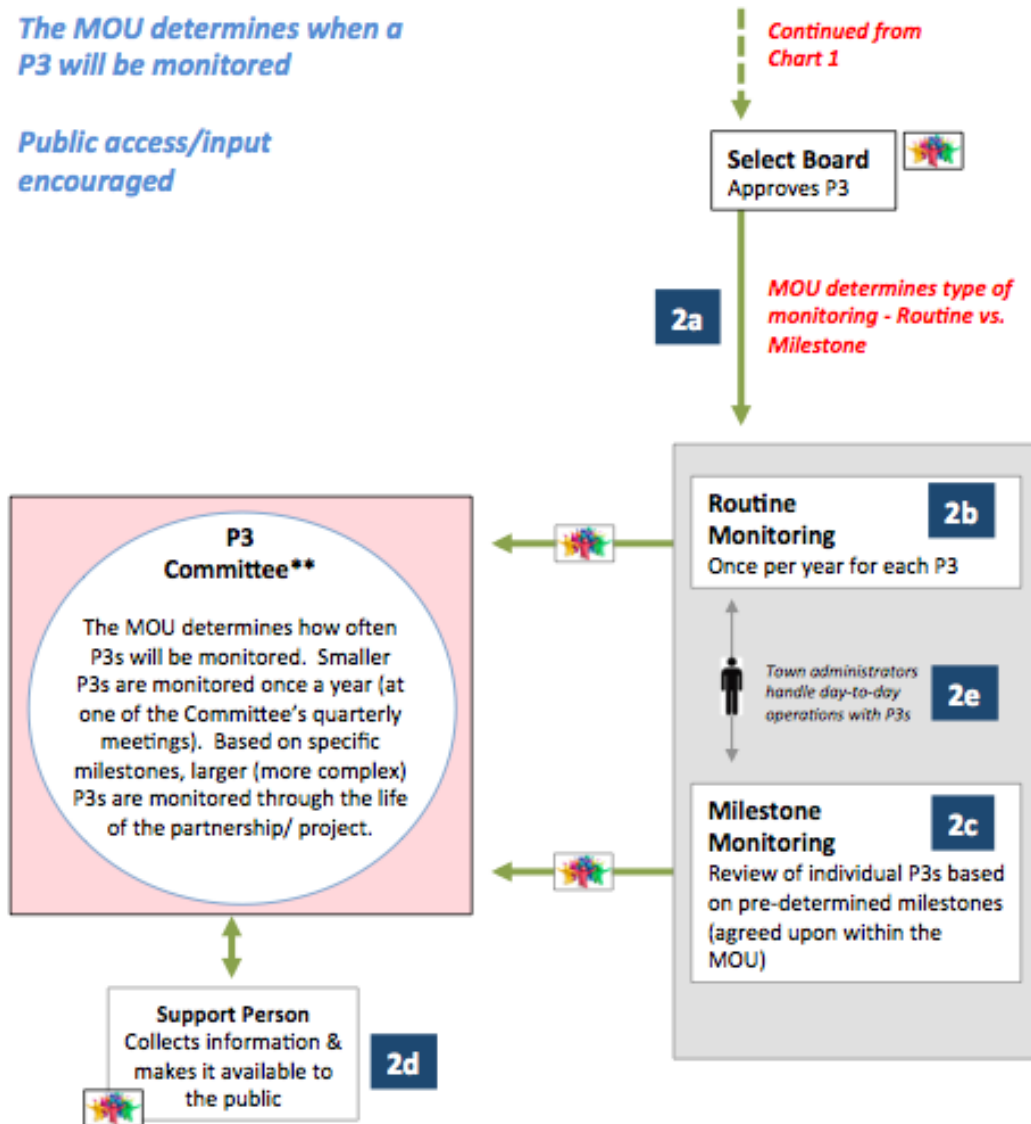
- ** Members include 1 FinCom member, 1 Long Term Strategic Plan member, 1 School Committee member, 4 residents

Meetings open to the public and subject to Open Meeting Laws and/or information made available to the public

Chart 2 -- Monitoring P3s


The MOU determines when a P3 will be monitored

Public access/input encouraged



Legend

** Members include 1 FinCom member, 1 Long Term Strategic Plan member, 1 School Committee member, 4 residents

 Meetings open to the public and subject to Open Meeting Laws and/or information made available to the public

Narrative for the Diagrams

Note that:

- Chart 1 shows the evaluation process for new and existing P3s.
- Chart 2 shows the process by which the Committee monitors existing P3s.

P3 Process – Evaluating P3s (Chart 1)

The following icon in **Chart 1** shows where the public has access to Committee meetings and P3 related documents.



As shown by **Chart 1 – 1a**, the Town Manager’s office starts the evaluation process by determining which proposals should be forwarded to the Committee. Smaller proposals that don’t meet P3 criteria, will remain within the purview of the Town Manager’s office.

If the Town Manager refers the proposal to the P3 Committee, the Committee will then review the proposal to determine whether it meets P3 policies and criteria and whether it is a good fit for the Town (Refer to **Chart 1 – 1b**). With the approval of the Committee to move the proposal forward, the Town Manager’s office drafts an MOU in collaboration with the Committee and negotiation with the private entity.

Chart 1-1c The MOU is drafted, based on the recommendations in the MOU section of the report

Chart 1-1d shows the role of the Support Person during the Evaluation process. For more information, please refer to the section detailing the Support Person’s responsibilities.

The Committee makes a recommendation to the Select Board on whether to accept or reject a P3 proposal. The decision to accept or reject a P3 resides with the Select Board. If the Committee recommends that the Select Board accept the P3 proposal, then it provides the MOU agreement between the Town and the private entity. (**Refer to Chart 1-1e**).

P3 Process – Monitoring P3s (Chart 2)

Please note that the following icon in **Chart 2** shows where the public has access to Committee meetings and P3 related documents.



With the Select Board's approval of a P3, the Committee assumes the role of overseeing the project. The MOU determines the frequency with which the P3 will be reviewed by the Committee. Note that in all cases it is anticipated that ongoing P3s will be reviewed at least annually (**Refer to Chart 2-2a**).

It should be noted that the day-to-day relationship with the partnership would remain with Town staff (Refer to **Chart 2-2e**). While not shown on Chart 2, the Town Manager's Office will alert the Committee of any P3 seeking to change its MOU. Such an action would trigger a new evaluation process, as outlined in **Chart 1**.

The Committee will review smaller (simpler) P3s annually during one of its quarterly review meetings (Refer to **Chart 2-2b, Routine Monitoring**).

For larger (more complex) P3s, the Committee is likely to review them several times over the life of the partnership (**Refer to Chart 2-2c, Milestone Monitoring**). Reviews are based on milestones identified by the MOU. For example, a construction related P3 might have several open meeting reviews when 25 % is completed and 50% is completed.

Chart 2-2d shows the role of the Support Person in the Monitoring process. For more information, please refer to the section detailing the Support Person's responsibilities.

Appendix 2 - Useful links

League of Women Voters "Best Practices" position paper:

<http://lww.org/content/strategies-best-practice>

League of Women Voters "Privatization Policy Debate"

<http://lww.org/content/privatization-public-policy-debate>

National Council for Public-Private Partnerships "7 Keys to Success"

<http://www.ncppp.org/ppp-basics/7-keys/>

November 22, 2016

Michael Lawson, Chair
Select Board
Town of Concord
Box 535
Concord MA 01742

Dear Members of the Select Board,

On behalf of the Estabrook Woods Access Study Committee, we write to submit our Final Recommendations duly voted at our November 17, 2016 meeting in fulfillment of our committee charge.

The Committee was appointed in April of 2016 and charged with considering how to address the increased pressure for adequate and safe parking at Estabrook Woods trail heads, to review other impacts from increased visitor use, and to make recommendations to the Select Board on or about December 1, 2016.

We met regularly from late April through November. We began our work by reviewing the correspondence that had been received in the months prior to our creation, and continued to review the many emails that were sent to the Committee over the summer and fall. We held two well attended public hearings, one in June to solicit ideas and the second in October with the purpose of presenting preliminary recommendations for public comment. Approximately 60 people came to our hearing in June, and nearly half took the opportunity to share their thoughts with the committee. More than 75 people attended the hearing in October.

As a Committee, we familiarized ourselves with the unique history of land protection and landownership in the Woods, particularly the significance of Harvard University's woodland preserve. We inventoried current access and parking spaces around the Woods, with the help of the Concord Public Works and Natural Resources divisions. Members also visited other conservation lands in Concord and in other communities to assess parking, rules and regulations, and usage.

We used a number of approaches to spread the word about our committee and solicit comments, including a guest commentary in the Concord Journal and the Carlisle Mosquito,

notices at each of the main entry points to the Woods, and through our committee's webpage, which invited public input.

Our agendas, minutes, presentations, maps, documents, and correspondence received and reviewed by the Committee are available in our Committee records.

Following the second public hearing, the Committee amended a few of its preliminary recommendations and took a final vote. The Committee reached consensus on many of our recommendations, and where we lacked consensus we have tried to express our differences in opinion.

The Committee considers two of our recommendations to be most important: These are:

- **Work with town counsel and direct abutters on Estabrook Road to resolve legal uncertainties regarding the current dirt road trail in order to secure permanent public access at this location.**
- **Work with the Trustees of Reservations (TTOR) to determine the feasibility and process for constructing a dirt or gravel parking lot for the Punkatasset Town Conservation Land on TTOR's Apthorp property, with a goal of building such a lot as soon as possible**

As we complete our work as a Committee, we are struck by how important it is that the conversation about Estabrook Woods continue after our Committee is discharged. We are still hearing positive suggestions from residents of Concord and Carlisle. And there is much to understand and resolve with important Estabrook partners: Harvard University, the Town of Carlisle, the Concord and Carlisle Land Trusts, The Trustees of Reservations, Middlesex School, and many significant landowners. Their interests and their partnership are critical to the Woods.

We thank you for the opportunity to work together toward the preservation, stewardship and enjoyment of this special place.

Polly Reeve, Co-chair
Sally Schnitzer, Co-chair
Jeff Adams
Kathy Angell
Nick d'Arbeloff of Carlisle
Justin King
Lisa Pohl
Bonnie Pohlig
Neil Rasmussen
Peter Siebert

Town of Concord
Estabrook Woods Access Study Committee
Final Recommendations
As Voted November 17, 2016

The Estabrook Woods is an unusual, historic, and precious place. A woodland preserve comprised of over 1400 acres, more than 20 properties and primarily owned by private entities, it has for years been enjoyed and deeply appreciated by the public. However, many people who visit the Woods do not realize that although the Town of Concord owns the 100-acre parcel in the Woods known as Punkatasset, the rest of the land is privately owned and protected from development as a result of a 60 year collaboration with Harvard University.

Harvard's 672 acres within the Woods were preserved in the 1960s for habitat protection, research, and education. This was followed by the preservation of hundreds of additional acres by generous Concord and Carlisle residents. In support of Harvard's teaching and research in the environmental sciences, zoology, ecology, and animal behavior, the Towns of Concord and Carlisle, the land trusts of Concord and Carlisle, private owners, the Trustees of Reservations, and thoughtful visitors have worked together for half a century to protect and steward additional land surrounding the preserve. On this private land, the granting of public access varies. Some private land owners have given general or limited and specific permission for access across their property. From the beginning, Harvard has generously permitted public access on its land for compatible recreation, so long as use remains modest and quiet and does not interfere with research and conservation efforts. The Town of Concord conservation land at Punkatasset is open to the public in accordance with rules and regulations adopted by the Town of Concord's Natural Resources Commission.

Balancing three objectives – stewardship of the woods for conservation, education, and research; respecting the interests of the landowners; and welcoming the public – is not simple, but our committee believes it is possible.

Because our committee was appointed by the Select Board to purposefully represent different perspectives, backgrounds, and points of view, it is not surprising that there are some areas where we have been unable to reach consensus. However, we are unanimous in our commitment to respectfully and seriously work toward a thoughtful resolution.

The Committee makes the following final recommendations. Most of our recommendations enjoy the consensus of the full committee. Where the committee had a split vote, the item is shaded, and a vote margin is given.

Two of our recommendations stand out as being of the highest priority. We recommend that the Town:

- **Work with town counsel and direct abutters on Estabrook Road to resolve legal uncertainties regarding the dirt road trail at the end of the paved public road in order to secure permanent public access at this location.**

- **Work with the Trustees of Reservations (TTOR) to determine the feasibility and process for constructing a dirt or gravel parking lot for the Punkatasset Town Conservation Land on TTOR’s Apthorp property, with a goal of building such a lot as soon as possible.**

Recommendations:

1. Educate the public about the unique nature of the Estabrook Woods.

The Committee concludes that some visitors believe that the Woods are part of a large public park or a regional dog park, when in fact most of the land is privately owned for the purpose of research and conservation, with portions of trails generously open to the public. With few exceptions, these properties are managed by private landowners, without public funding or public staff.

These misunderstandings are exacerbated by the internet, where information about the Woods (accurate and inaccurate) is now broadly available, attracting more users and sometimes conveying inaccuracies about the ownership, purpose, stewardship, and management of the Woods. Therefore, the Committee recommends:

- a. That the Town work with landowners to post welcome signs at each primary access point, designed to educate visitors about the unique nature, ownership, and purpose of the Woods and the importance of respect for landowners and stewardship of the Woods. Visitors should be encouraged to “Honor Estabrook Woods.” We encourage placing rustic kiosks at appropriate points in the woods near each entry point as the most attractive and clear way of communicating this information.
- b. That similar information be posted on various websites, including the Town’s Division of Natural Resources website, to encourage more reasonable visitor expectations about the Woods, parking, and use.

2. Foster observance of consistent guidelines that promote mutual respect.

The Committee recognizes that some visitors, particularly at Estabrook Road, have failed to treat landowners, other users, and the Woods with respect. While most visitors are respectful and courteous, some are discourteous to landowners and others, vandalize or trespass on private property, fail to keep their dogs in control, and don’t make an effort to remove dog waste.

Further, the Committee believes that the lack of signage at trailheads and directional signage at certain locations within the woods contributes to trailhead conflicts and directional confusion.

The Committee believes that there is considerable power behind community and landowner embrace of visitor guidelines and courtesies. Therefore, the Committee recommends:

- a. That visitors be encouraged to observe a set of common courtesies, or guidelines:

Dogs permitted only as follows:

- i. Dogs must be on leash from parking area to “leash release” signs
- ii. No more than two dogs per person
- iii. Dogs must be under owner’s control at all times

- iv. Pack out all dog waste
- v. Commercial dog walking prohibited

Access

- vi. Access from dawn to dusk only
- vii. Parking allowed only in designated areas
- viii. No commercial activities, hunting, swimming, camping, or fires
- ix. No motorized vehicles

Trail Use

- x. Remain on established trails and do not enter those marked “private”
 - xi. Walk bikes through muddy or sensitive areas
 - xii. Leave historic Estabrook Woods cleaner than you found it.
- b. That the Town and landowners, working together, post these guidelines at the primary entrances to the Woods, and at other locations as needed.
 - c. That the Town provide clear yet tasteful signs to denote where parking is permitted on Town roads or parking lots.
 - d. That the Town provide signs in parking areas notifying visitors of the limit of two dogs per person, and the requirement that dogs be leashed until Leash Release signs in the Woods.
 - e. That Leash Release signs be posted inside the Woods by the Town and/or landowners on access trails to indicate where dogs can be off leash (for example: “Dogs may be off leash beyond this point” and on the reverse side: “Dogs must be leashed beyond this point.”)
 - f. That the Concord Police Department, Animal Control Officer, and Natural Resources Division work with neighbors and assist as possible to encourage observance of posted guidelines, parking restrictions, and enforcement of town bylaws regarding dogs.
 - g. That the Concord Trails Committee review published maps, signs, and other trail information to harmonize the information available, to minimize confusion, and to provide trail signage where needed.

3. Resolve legal uncertainties.

Two very different legal opinions regarding the status of access at the end of Estabrook Road beyond the paved road remain unresolved. Uncertainty has made it difficult for our committee to propose solutions to some of the issues that led to the creation of our committee.

Estabrook Road was the historic road to Carlisle, dating back to the 17th century. Town records show that the Town of Concord in 1932 successfully petitioned the Middlesex County Commissioners to discontinue Estabrook Road as a public way from a point beyond #393 Estabrook Road, where the current dirt road trail continues beyond the chain at the end of the paved portion of the road. Town Counsel is of the opinion that the Town’s actions in 1932

resulted in the abandonment of the obligation to maintain this portion of Estabrook Road without giving up public rights of access.

Direct abutters disagree with the Town about the public rights of access, relying on their attorney's legal opinion that the 1932 vote resulted in the portion of the road beyond #393 becoming a private way with ownership held by the direct abutters, each extending to the middle of the way, and that this also gave them control of access rights. Pursuant to this interpretation, the abutters have expressly granted permission for public use upon certain conditions and have stated that they would like to continue to do so if conditions can be met. Property owners in the Estabrook Road area have requested that the town make the current temporary parking restrictions permanent, and abutters have stated that they would rescind permission for the public to use the access trail if additional parking is created or allowed along the paved public road. Our committee understands that the paved portion of Estabrook Road is a Concord public road.

The Committee recommends:

- a. That the Select Board and Town Manager work with town counsel and direct abutters to resolve legal uncertainties regarding the current dirt road trail in order to secure permanent public access at this location. This is a primary and urgent goal that has been previously conveyed to the Select Board.

4. Address parking issues.

The Committee looked for ways to welcome visitors to Estabrook Woods while providing safety, security, stewardship, and no undue burden on a single neighborhood. Therefore we recommend:

- a. That the Town immediately begin working with the Trustees of Reservations (TTOR) to determine the feasibility of providing a low key parking lot made of gravel, dirt, or other permeable surface on TTOR's Apthorp Land at the entrance to Punkatasset, within sight of Monument Street, with a goal of building it as soon as possible. The Committee is divided as to the number of cars to accommodate, with a majority preferring 16-20 and the minority preferring 12-16.¹ Providing additional and safer parking here welcomes visitors to the Woods where the Town has a public purpose and resources, including enforceable regulations and staff to protect the land and to welcome the public. An off street lot also allows the Town to eliminate on-street parking on Monument Street.
- b. That the Town permit and assist in providing roadside parallel parking for 11 cars on Estabrook Road. *(Note, this is the number of spaces currently permitted, with parking restrictions in effect.)*
- c. Assuming that a parking lot **can** be built on TTOR's Apthorp Land, the Committee further recommends:

¹VOTE: Five members of the committee voted for 16-20 spaces, and four voted for 12-16. The representative from Carlisle agreed with the minority.

- i. Post “no parking” on Monument Street at the Punkatasset entrance to eliminate on-street parking.
 - ii. By a majority vote, we recommend keeping the “no parking” restriction on the remainder of Estabrook Road.² The total number of cars parked on the road would then total 11.
 - iii. The Committee considered whether to temporarily provide additional parking on Estabrook Road while the parking lot is being planned and built. A majority of the Committee favored no additional temporary parking, maintaining the number of parking spaces at eleven. A minority of the committee recommended **temporarily** lifting a portion of the “no parking” restriction on Estabrook Road sufficient to provide parking for 3 to 8 additional cars.³
- d. If a parking lot **cannot be built** at the Aphorp land, the committee recommends:
- i. That the NRC work with the Town’s public safety staff and neighbors to provide safer parking for 13 cars at Punkatasset, including the possibility of improvements to roadside parking, speed limits, and/or some spaces provided on conservation land.
 - ii. By a majority vote, the committee recommends that no additional parking be added at Estabrook Road, thereby maintaining the number of parking spaces at eleven. For some, the uncertainty over the legal rights of direct abutters to close the access and their intent to close it if additional spaces are added was a factor. A minority of the committee recommends lifting a portion of the “no parking” restriction to allow additional parking.⁴
- e. That the Natural Resources Commission undertake due diligence and consult with neighbors to accommodate roadside parking for 3-5 cars on the town’s frontage on Monument Farm Road. Add a single parking sign: “Conservation Land Parking.”

5. **Specific recommendations for Chamberlin Woods** [Concord Land Conservation Trust (CLCT) land on Lowell Road].

In addition to the posting of informational signage noted in Section 1 and 2 above, the Committee recommends:

² Vote: Seven members voted to keep the current parking restrictions in place for the rest of Estabrook Road. Two members voted to lift the parking restrictions sufficient to provide 11 additional spaces. The representative from Carlisle agreed with the majority.

³ VOTE: Five members voted to maintain the parking restrictions while the Aphorp lot is being built. Four members voted to provide temporary parking on Estabrook Road until the Aphorp lot is complete, at which time the additional parking would be removed. The representative from Carlisle agreed with the majority.

⁴ VOTE: Six committee members voted to maintain the parking restrictions. Three members voted to remove the parking restrictions in order to allow 5 to 11 additional cars. The representative from Carlisle agreed with the majority.

- a. Preserve the “country road” appearance. It was felt that the shoulder did not need to be enhanced.
- b. That the “Trail Head” sign temporarily posted by the Town be removed. CLCT should be asked to mark the trail entrance in keeping with signs used at other entry points to the Woods as well as other Town and CLCT properties.
- c. If parking usage significantly increases, consider whether there may eventually be a need to define the parking area at either end with “park between” signs.
- d. That CLCT be strongly urged to deal with the poison ivy in the field, which discourages use of the trail.
- e. That town plows provide roadside shoulder parking after snow storms, including plowing to leave access to the entrance through the stone wall.
- f. That CLCT work with Middlesex School and other private abutters to see if some simple trail adjustments could make this access more appealing and to avoid conflicts with private owners. Ideas include slight rerouting to avoid privately held land, possible loop trails, seeking permission for a trail to Mink Pond, and additional directional signage.

6. Specific recommendations for Estabrook Road.

In addition to the posting of informational signage noted in Section 1 and 2 above, the Committee recommends:

- a. That the Town work with the neighbors to address design changes, including grading or relocating the existing parking spaces and removing or relocating boulders, that could improve the situation while keeping the rural, historic feeling of the road, with such changes and work to be done consistent with the Town’s responsibility.
- b. The Town and direct abutters consider use of low key split rail fencing to keep people and their dogs on paths, and additional informational signs (for example: “Private path, do not enter” or “Please stay on path”) to encourage visitors to respect property rights.
- c. That town plows provide roadside shoulder parking after snow storms.

7. Specific recommendations for Punkatasset on Monument Street

In addition to the posting of informational signage noted in Section 1 and 2 above, and the creation of an off-street parking area on the Apthorp land, the Committee recommends:

- a. In the short term, the Town’s public safety staff should address the Punkatasset parking situation along Monument Street, to provide clearer signage that defines the existing on-street parking spaces, to improve the shoulder where the new curb cuts have been installed, and to make any other improvements for visitor and road safety as may be advisable.

8. Specific recommendations for Monument Farm Road.

In addition to the posting of informational signage noted in Section 1 and 2 above, the Committee recommends:

- a. That the Natural Resources Commission (NRC) add a sign to identify the conservation land, as well as trail markers as needed.
- b. That the NRC work to relocate the conservation land trail so it is fully on town land.

9. Other general recommendations:

- a. The Committee recommends that the Town convene an initial meeting of conservation organizations, landowners, members of the public, and other stakeholders with the purpose of creating or reconstituting an ongoing formal or informal group to meet as needed in order to:
 - i. Field concerns from residents and visitors to the Woods
 - ii. Gather facts and information necessary to discuss issues and build consensus around solutions to both known and anticipated problems.
 - iii. Communicate information regarding the Woods to visitors and residents
 - iv. Work with landowners to further the purposes of conservation restrictions, and to foster understanding of the rights and responsibilities of landowners
 - v. Engage citizens as informed “ambassadors” for the Woods, such that they can help educate other visitors/residents, and amplify the flow of information to and from visitors/residents
- b. Recommend that the Town of Concord and its departments work generally and collaboratively toward the goal of protecting appropriate access to the Woods.

10. Increased measures (not recommended at this time):

The Committee also discussed the following suggestions, but decided they were not warranted at this time. If issues persist, these might be reconsidered in the future.

- a. Parking by permit only
- b. Resident-only parking
- c. Require leashes throughout the Estabrook Woods on weekends and holidays⁵
- d. Require leashes throughout the Estabrook Woods at all times
- e. Allow dogs to enter the woods only at certain access points
- f. Prohibit dogs in the Estabrook Woods entirely

⁵ See Lexington MA Willard Woods as an example

To The Board of Selectmen and The Estabrook Woods Access Study Committee,

Neighbors living along Monument Street with users of Punkatasset and many donors to Concord's conservation efforts over decades join together to voice our concerns.

We are deeply troubled by the Committee's recommendation to construct parking for 20-24 cars in the Apthorp front field now owned by the Trustees of Reservations.

While we understand the sensitive issues on Estabrook Rd. we too are concerned about shifting the burden of high volume traffic to Punk. The pond, ski hill and surrounding lands including Harvard's are vital resources to conservation/recreation. We cannot allow a path of no return.

We agree off street parking may be necessary to provide safe access, but the appropriate number of cars should be limited to 10-12 only. The present number of cars along the street has adequately served Punk's parking since the 1960s.

Many questions still unresolved require careful consideration including construction cost, lot maintenance, litter (both human and dog), snow plowing, nighttime use, spill over, and most importantly policing.


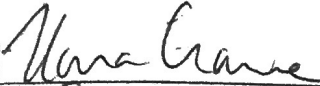

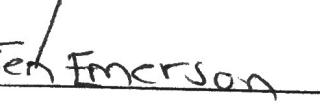
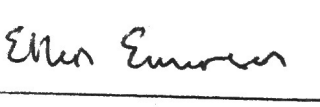
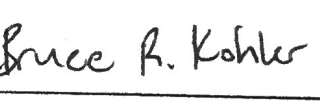
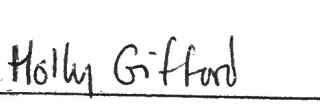
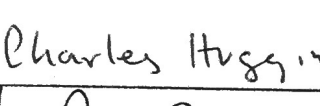
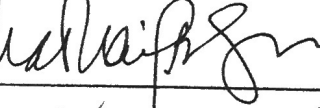
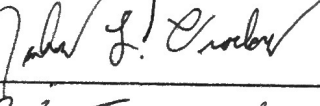
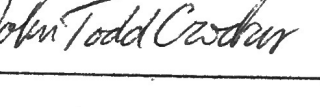
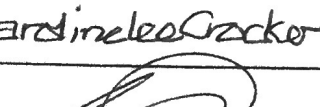

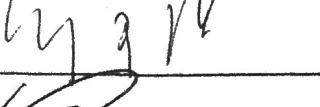
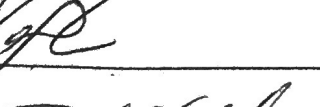
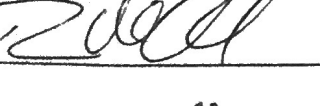
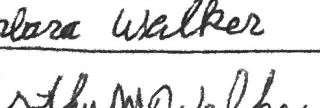
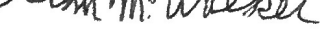
We urge the Board of Selectmen and the Estabrook Woods Access Study Committee to treat Punkasset just as we treat any other Conservation land throughout the Town with limited parking.

As citizens we must respect what previous generations so generously protected for all of us to enjoy.



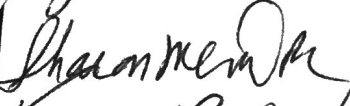
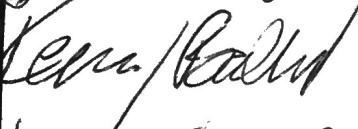

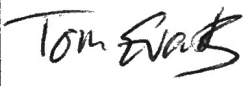
Thank you for all your work.

We sign individually but we speak as one.

Signatures for attached letter about Parking at Punkatasset

4E	PRINT NAME	STREET ADDRESS	DATE
	Brian Cramer	820 Monument St.	11/14
	Kara Cramer	820 Monument St.	11/14
	Ray Emerson	1061 Monument St.	11/14
	Ken Emerson	1061 Monument St.	11/14
	Ellen Emerson	1061 Monument St.	11/14
	Bruce R. Kohler	1061 Monument St.	11/14
	Holly Gifford	1171 Monument St.	11/14
	Charles Huggins	54 Hawthorne Ln.	11/14
	Nathaniel B. Guild	790 Monument St.	11/14
	John Crocker	842 Monument St.	11/14
	John T. Crocker	45 Hubbard St.	11/14
	Cardinaleo Crocker	45 Hubbard St.	11/14
	Gordon Benis	754 Monument	11/14
	Lansing Old	607 Lowell Rd.	11/14
	Lucie McCullough	806 Monument St.	11/14
	Roman McCullough	806 Monument St.	11/14
	Barbara Walker	13 Chestnut St.	11/15
	Arthur M. Walker	13 Chestnut St.	11/15

Signatures for attached letter about Parking at Punkatasset

E	PRINT NAME	STREET ADDRESS	DATE
	Betsy Don	89 College Rd.	11/14/16
	Abby White	851 Monument St.	11/14/16
	Sharon Mendosa	574 Harrington Ave	11/16/16
	KEVIN BARBONI	97 BUTTRICK LN., CARLISLE	11/16/16
	Vicki Evarts	18 Windmill Hill	11/16/16
	Tom Evarts	18 Windmill Hill	11/16/16

Signatures for attached letter about Parking at Punkatasset

NAME	PRINT NAME	STREET ADDRESS	DATE
	Tim + Mervyn Dible	42 Nashua Rd	11/16
	James Athanasios	196 PARK LANE	11/16
	Jack S Griswold Jr	369 Sudbury rd	11/16/2016
	Zachary Gaud	112 Great Meadows Rd	11/16
	Christopher Moore	586 Barrets Mill Rd	11/16
	Evan Ricker	104 BOLTON ST	11/16
	Timothy White	851 Monument Street	11/16
	Vincent Lorusso	1437-1 Monument St.	11/16

* submitted electronically



Town of Concord
Finance Committee
22 Monument Square
P.O. Box 535
Concord, Massachusetts 01742

Date: October 20, 2016

To: Concord Select Board

Attn: Michael Lawson, Chair

From: Concord Finance Committee

Re: Information Request Regarding the Potential Town Meeting Request for Funds for the Development of the Junction Village Affordable Assisted Living Facility (aka Christopher Heights of Concord)

Copies: Concord Housing Development Corporation, Attn: Phillip Posner, Chair;
Kerry Lafleur, Concord Finance Director

In light of an expected 2017 Town Meeting request for significant funding for the proposed Junction Village development, several Finance Committee members have been tasked with analyzing the available information and proposing questions and additional information we may ask of the project proponent to assist the Committee in determining its recommendation to the Meeting. While there are definite benefits to the Town from this project, a significant financial commitment by the Town is involved and the Finance Committee has a responsibility to exert due diligence in examining its financial aspects.

PROPOSED QUESTIONS AND ADDITIONAL INFORMATION REQUESTED

1. Please provide an updated development pro-forma including an updated construction cost estimate, construction contingency, and update on proposed funding and sources.
 - a. The updated construction cost estimate should be based on a quantity survey taken off current design documents. The estimate should include lines for escalation at a stated yearly rate calculated by quarter to the proposed midpoint of construction and design contingency.
 - b. Please identify the cost of a sewage treatment plant meeting MDES requirements and whether the cost is to be included in the construction contract (as a line item in the construction cost estimate) or elsewhere in the development pro-forma.
 - c. What does the \$1,300,000 Developer fee (line 197 of the Sources and Uses statement) cover? Is that profit/cash flow to Grantham?
 - d. What does the \$200,000 Development Consultant cost (line 189 of that statement) cover?
 - e. Including any fee that Grantham is proposed to receive for managing construction, what is the net inflow or outflow of cash by Grantham during the development phase and, separately, during the operating years?
2. Please provide an updated 20-year operating pro forma including income statements, detailing major assumptions, including vacancy, rents, and mortgage interest rate. Include both pdf and .xls files.
3. Provide detail around proposed bank mortgage financing – current market conditions, range of interest rate options based on varying amounts of initial equity. The plan calls for a 6.5% mortgage rate; what are the circumstances where that rate would be lower? What is the assumed term of the mortgage?
4. Please provide an updated 20-year pro forma balance sheet, including declining bank mortgage balance and owner's equity.

5. Please provide the Internal Rate of Return on the project, assuming a Grantham equity contribution of 0, \$1 million, \$2 million, and \$3 million. In what form is the equity?
6. What is the current project schedule? What is the schedule on which any proposed Town funds will be distributed?
7. If construction costs turn out to be even greater than those currently estimated, what is Grantham Group's financing plan?
8. Has the Town been granted a right to receive back any contribution the Town may contribute to the project, either from operating budget or from proceeds during a sale? Will the Grantham Group be open to such an arrangement, where the Town in the future can get "paid back" in the future for any contribution it may make?
9. What liabilities does the Town face if the operation of Christopher Heights of Concord fails? How would the property survive bankruptcy? Under what circumstances could the Town become responsible for any direct or indirect operating costs?
10. Are there any restrictions on Grantham Group's ability to sell the building, either during the construction phase or after construction is complete? Please detail market-based valuations of similar assisted living facilities that have been sold in the past 5 years. What is the current range of valuations for similar facilities?
11. Please provide detail on why the CHDC did not go back to market once it had refined the scope of the project as currently envisioned.
12. What is the minimum amount of contribution by the Town needed to support whatever criteria are needed to get DHCD or other subsidies? In the 2013 proposal, the local subsidy contribution was listed at \$500,000. Is that still deemed sufficient by DHCD; if not, why not?
13. At this time, has a ground lease been executed between Grantham and CHDC? If so, please provide a copy.

Given the short window before preparations for Town meeting we would appreciate your response in a timely manner with a target of November 20th if at all possible.

Thank you very much for working with the Finance Committee to provide a transparent review of this important project. We appreciate the responsiveness of the CHDC and Grantham to date.

Attachment: Appendix for supporting information

APPENDIX

BASIC FACTS

1. Concord Housing Development Corporation (CHDC) issued an RFP in 2013 for use of prison land that CHDC was given by the state. A total of 11 proposals came in, and CHDC initially selected a proposal to build a mixed income family rental project. After feedback from the neighborhood, CHDC concluded that building an assisted living facility on the site would better meet the needs of the town, and that CHDC refined its scope accordingly. Two of the eleven proposals that CHDC received proposed building an assisted living facility. CHDC did not elect to go back to market and solicit additional proposals specifically from developers specializing in assisted living facilities. Instead, CHDC selected 1 of the 2 assisted living proposals that it had in hand, that of the Grantham Group, a for-profit entity.
2. There is current support for the Grantham proposal from a number of town entities, including the Select Board, Town Manager, and Concord Housing Development Corporation. There are numerous perceived benefits to the town, with the primary one being staying above the 10% Subsidized Housing Inventory level.
3. Despite the benefits, at issue is the significant change in the budget for the project since the time of the initial proposal. The projected development cost is now \$16,922,000, an increase of \$3,352,000 (+25%) versus Grantham's original proposal of \$13,570,000. The result is a significant funding gap, as seen below:

	<u>2013 Proposal</u>	<u>2017 Projection</u>	<u>Difference</u>
Total Development Cost	\$13,570,000	\$16,922,000	\$3,352,000
Grantham Proposed Sources of Funds:			
Sale of Tax Credits	\$4,600,000	\$4,600,000	
Bank Mortgage	\$8,035,000	\$8,322,000	\$287,000
DHCD Subsidy	\$435,000	\$1,000,000	\$565,000
Grantham Cash Equity	<u>0</u>	<u>0</u>	
Shortfall	\$500,000	\$3,000,000	\$2,500,000

4. The Town has been asked to fund the shortfall.¹
5. The deed requires that the land be used for affordable housing (100% of the units) or, initially, public open space². All 83 of the proposed units are within State guidelines for affordable housing. Of these, 17 units will be affordable (costing no more than 30% of a household's annual income) at or below 30% of area median income (AMI), 26 units will be affordable at or below 60% of median income, 40 units will be affordable at or below 150% of median income³. Per DHCD, all units receiving LIHTC tax credit assistance must have 20% or more households earning no more than 50% of area median income or 40% or more households earning no more than 60% of the area median income. In addition, ten percent of the total units must be reserved for persons or families earning less than 30% of area median income (DHCD website on LIHTC eligibility). The Junction Village project will remain affordable in perpetuity⁴.
6. Some Town funding is required by DHCD for a grant and/or low income housing tax credits (LIHTC).

¹ Junction Village Funding Advisory Committee Final Report 4 22 16

² DHCD re Junction Village support (5-24-16)

³ Junction Village Update, May 2016 (CHCD presentation), p. 17

⁴ DHCD re Junction Village support (5-24-16)

BENEFITS FOR THE TOWN

1. Provides affordable assisted living available to Town residents, without preference for Concord residents except during initial lease up.
2. Enables Town to stay above 10% Subsidized Housing Inventory until 2030 and avoid development under Chapter 40B that may not comply with Town zoning bylaws.
3. Saves the Town the costs of additional family housing services that would take place under Chapter 40B, possibly amounting to about \$96,975 to \$426,126 per year.⁵
4. Puts property that is currently owned by a non-profit (CHCD) and not taxed onto the tax roll due to for-profit ownership of the building.

COSTS FOR THE TOWN

1. To fund the shortfall, the developer has requested a subsidy of \$3,000,000, of which, at this time, \$2,400,000 in potential funds have been identified from some Town sources.⁶ This includes \$1,000,000 divided between 2 yearly Community Preservation funding cycles and \$1,000,000 from the Town's free cash account. For the remaining \$400,000, the Concord Housing Foundation will seek to raise \$200,000 and a request will be made to the regional HOME Consortium, of which Concord is a member, to grant another \$200,000.
2. Increased tax funds could also be used to increase funding for the subsidy.⁷
3. A reduced tax rate or PILOT arrangement is proposed (Development Agreement with CHDC),⁸ but may not be agreed to by the Town.

RISKS FOR THE TOWN

1. The benefits to the Town depend on the facility operating in a financially sound manner.
2. Any construction development project is inherently risky. These risks include increased costs due to unforeseen site conditions, unforeseen regulatory requirements, unforeseen design requirements, and unforeseen material cost increases. Other risks, such as errors, omissions, and default, are insured against but can still result in delays and some costs.

AVAILABLE SOURCES OF INFORMATION:

1. CHCD Enabling Legislation
2. Release Deed (Jan. 28, 2013)
3. Development Pro-Forma (Sources and Uses of Funds) (date 12/12/15? (not clear))
4. Junction Village Update, May 2016 (CHCD presentation)
5. Chapter 40B Comprehensive Permit application
6. Operating Pro-Forma 4-2016 (Concord OneStop)
7. DHCD re Junction Village support (5-24-16)
8. Junction Village - 6-1-15 Presentation to BoS FINAL
9. Junction Village Funding Advisory Committee Final Report 4 22 16
10. Memo 6/17/16 from Planning Bd. to Select Board Re: Junction Village Comprehensive Permit Application to DHCD
11. Junction Village Solicitation of Interest with Supporting Documents 2013
12. CHDC Junction Village Presentation to West Concord Advisory Committee 11.13.13

⁵ Junction Village Update, May 2016 (CHCD presentation)

⁶ Junction Village Funding Advisory Committee Final Report 4 22 16

⁷ ibid

⁸ DHCD re Junction Village support (5-24-16)



Rental OneStop

Organization: The Grantham Group, LLC

OS-R-The Granth-06091-SANDBOX-001

21 - Year Operating Proforma Years (Year 1-5)

Calendar Year:		Year 1	Year 2	Year 3	Year 4	Year 5
		(a)	(b)	(c)	(d)	(e)
INCOME:						
1622.	Extremely Low-Income Rental Assisted (below 30%)	\$0	\$0	\$0	\$0	\$0
1623.	Extremely Low-Income Non-Rental Assisted (below 30%)	\$106,392.00	\$108,519.84	\$110,690.24	\$112,904.04	\$115,162.12
1624.	Very Low-Income Rental Assisted (below 50%)	\$0	\$0	\$0	\$0	\$0
1625.	Very Low-Income Non Rental Assisted (below 50%)	\$0	\$0	\$0	\$0	\$0
1626.	Low Income Rental Assisted (below 60%)	\$0	\$0	\$0	\$0	\$0
1627.	Low Income Rental Non-Assisted (below 60%)	\$324,024.00	\$330,504.48	\$337,114.57	\$343,856.86	\$350,734.00
1628.	Moderate-Income (below 80%)	\$0	\$0	\$0	\$0	\$0
1629.	Other Income (User-defined)	\$1,262,904.00	\$1,291,319.34	\$1,320,374.03	\$1,350,082.44	\$1,380,459.30
1630.	Market Rate	\$0	\$0	\$0	\$0	\$0
1631.	Gross Potential Income	\$1,693,320.00	\$1,730,343.66	\$1,768,178.83	\$1,806,843.34	\$1,846,355.42
1632.	Less vacancy	\$84,666.00	\$86,517.18	\$88,408.94	\$90,342.17	\$92,317.77
1633.	Effective Gross Residential Income	\$1,608,654.00	\$1,643,826.48	\$1,679,769.89	\$1,716,501.18	\$1,754,037.65
1634.	Commercial (includes parking)	\$0	\$0	\$0	\$0	\$0
1635.	Less vacancy	\$0	\$0	\$0	\$0	\$0
1636.	Net Commercial Income	\$0	\$0	\$0	\$0	\$0
1637.	Effective Rental Income	\$1,608,654.00	\$1,643,826.48	\$1,679,769.89	\$1,716,501.18	\$1,754,037.65
1638.	Other Income: Laundry	\$0	\$0	\$0	\$0	\$0
1639.	Resident Service Income	\$1,656,919.80	\$1,690,058.20	\$1,723,859.36	\$1,758,336.55	\$1,793,503.28
1640.	Contract Income from Shelter or Group Home	\$0	\$0	\$0	\$0	\$0
1641.	Other Income:	\$0	\$0	\$0	\$0	\$0
1642.	Other Income:	\$36,147.00	\$36,147.00	\$36,147.00	\$36,147.00	\$36,147.00
1643.	Other Income:	\$0	\$0	\$0	\$0	\$0
1644.	Other Income:	\$0	\$0	\$0	\$0	\$0
1645.	Total Gross Income	\$3,301,720.80	\$3,370,031.67	\$3,439,776.25	\$3,510,984.72	\$3,583,687.92
1646.	Operating Subsidies	\$0	\$0	\$0	\$0	\$0
1647.	Draw on Operating Reserves	\$0	\$0	\$0	\$0	\$0
1648.	Total Effective Income	\$3,301,720.80	\$3,370,031.67	\$3,439,776.25	\$3,510,984.72	\$3,583,687.92
		(a)	(b)	(c)	(d)	(e)
EXPENSES:						
1649.	Management	\$98,688.06	\$100,729.86	\$102,814.52	\$104,942.93	\$107,116.03
1650.	Administrative	\$719,366.34	\$740,947.33	\$763,175.75	\$786,071.02	\$809,653.15
1651.	Maintenance	\$149,061.00	\$153,532.83	\$158,138.81	\$162,882.98	\$167,769.47



Rental OneStop

Organization: The Grantham Group, LLC

OS-R-The Granth-06091-SANDBOX-001

21 - Year Operating Proforma Years (Year 1-5)

1652.	Resident Services	\$1,094,533.00	\$1,127,368.99	\$1,161,190.06	\$1,196,025.76	\$1,231,906.53
1653.	Security	\$0	\$0	\$0	\$0	\$0
1653.a	0	\$0	\$0	\$0	\$0	\$0
1654.	Electrical	\$65,800.00	\$67,774.00	\$69,807.22	\$71,901.44	\$74,058.48
1655.	Natural Gas	\$78,500.00	\$80,855.00	\$83,280.65	\$85,779.07	\$88,352.44
1656.	Oil (heat)	\$0	\$0	\$0	\$0	\$0
1657.	Water & Sewer	\$16,500.00	\$16,995.00	\$17,504.85	\$18,030.00	\$18,570.90
1658.	Replacement Reserve	\$26,975.00	\$26,975.00	\$26,975.00	\$26,975.00	\$26,975.00
1659.	Operating Reserve	\$8,300.00	\$8,549.00	\$8,805.47	\$9,069.63	\$9,341.72
1660.	Real Estate Taxes	\$40,000.00	\$41,000.00	\$42,025.00	\$43,075.63	\$44,152.52
1661.	Other Taxes	\$0	\$0	\$0	\$0	\$0
1662.	Insurance	\$84,744.00	\$87,286.32	\$89,904.91	\$92,602.06	\$95,380.12
1663.	MIP	\$0	\$0	\$0	\$0	\$0
1664.	Other	\$37,000.00	\$38,110.00	\$39,253.30	\$40,430.90	\$41,643.83
1665.	Total Operating Expenses	\$2,419,467.40	\$2,490,123.33	\$2,562,875.55	\$2,637,786.41	\$2,714,920.18
1666.	NET OPERATING INCOME	\$882,253.40	\$879,908.34	\$876,900.70	\$873,198.31	\$868,767.74
1667.	Debt Service	\$652,410.50	\$652,410.50	\$652,410.50	\$652,410.50	\$652,410.50
1668.	Debt Service Coverage	1.35	1.35	1.34	1.34	1.33
1669.	Project Cash Flow	\$229,842.90	\$227,497.84	\$224,490.20	\$220,787.81	\$216,357.24
1670.	Required Debt Coverage	\$815,513.13	\$815,513.13	\$815,513.13	\$815,513.13	\$815,513.13
1671.	(Gap)/Surplus for Cov.	\$66,740.28	\$64,395.21	\$61,387.58	\$57,685.18	\$53,254.62



Rental OneStop

Organization: The Grantham Group, LLC

OS-R-The Granth-06091-SANDBOX-001

21 - Year Operating Proforma Years (Year 6-10)

Calendar Year:		Year 6	Year 7	Year 8	Year 9	Year 10
		(a)	(b)	(c)	(d)	(e)
INCOME:						
1672.	Extremely Low-Income Rental Assisted (below 30%)	\$0	\$0	\$0	\$0	\$0
1673.	Extremely Low-Income Non-Rental Assisted (below 30%)	\$117,465.36	\$119,814.67	\$122,210.97	\$124,655.18	\$127,148.29
1674.	Very Low-Income Rental Assisted (below 50%)	\$0	\$0	\$0	\$0	\$0
1675.	Very Low-Income Non Rental Assisted (below 50%)	\$0	\$0	\$0	\$0	\$0
1676.	Low Income Rental Assisted (below 60%)	\$0	\$0	\$0	\$0	\$0
1677.	Low Income Rental Non-Assisted (below 60%)	\$357,748.68	\$364,903.65	\$372,201.72	\$379,645.76	\$387,238.67
1678.	Moderate-Income (below 80%)	\$0	\$0	\$0	\$0	\$0
1679.	Other Income (User-defined)	\$1,411,519.63	\$1,443,278.82	\$1,475,752.60	\$1,508,957.03	\$1,542,908.56
1680.	Market Rate	\$0	\$0	\$0	\$0	\$0
1681.	Gross Potential Income	\$1,886,733.67	\$1,927,997.15	\$1,970,165.29	\$2,013,257.97	\$2,057,295.52
1682.	Less vacancy	\$94,336.68	\$96,399.86	\$98,508.26	\$100,662.90	\$102,864.78
1683.	Effective Gross Residential Income	\$1,792,396.99	\$1,831,597.29	\$1,871,657.02	\$1,912,595.07	\$1,954,430.75
1684.	Commercial (includes parking)	\$0	\$0	\$0	\$0	\$0
1685.	Less vacancy	\$0	\$0	\$0	\$0	\$0
1686.	Net Commercial Income	\$0	\$0	\$0	\$0	\$0
1687.	Effective Rental Income	\$1,792,396.99	\$1,831,597.29	\$1,871,657.02	\$1,912,595.07	\$1,954,430.75
1688.	Other Income: Laundry	\$0	\$0	\$0	\$0	\$0
1689.	Resident Service Income	\$1,838,340.86	\$1,884,299.38	\$1,931,406.87	\$1,979,692.04	\$2,029,184.34
1690.	Contract Income from Shelter or Group Home	\$0	\$0	\$0	\$0	\$0
1691.	Other Income:	\$0	\$0	\$0	\$0	\$0
1692.	Other Income:	\$36,147.00	\$36,147.00	\$36,147.00	\$36,147.00	\$36,147.00
1693.	Other Income:	\$0	\$0	\$0	\$0	\$0
1694.	Other Income:	\$0	\$0	\$0	\$0	\$0
1695.	Total Gross Income	\$3,666,884.85	\$3,752,043.67	\$3,839,210.89	\$3,928,434.11	\$4,019,762.09
1696.	Operating Subsidies	\$0	\$0	\$0	\$0	\$0
1697.	Draw on Operating Reserves	\$0	\$0	\$0	\$0	\$0
1698.	Total Effective Income	\$3,666,884.85	\$3,752,043.67	\$3,839,210.89	\$3,928,434.11	\$4,019,762.09
		(a)	(b)	(c)	(d)	(e)
EXPENSES:						
1699.	Management	\$109,602.77	\$112,148.16	\$114,753.58	\$117,420.45	\$120,150.23
1700.	Administrative	\$833,942.75	\$858,961.03	\$884,729.86	\$911,271.76	\$938,609.91
1701.	Maintenance	\$172,802.55	\$177,986.63	\$183,326.23	\$188,826.02	\$194,490.80
1702.	Resident Services	\$1,268,863.73	\$1,306,929.64	\$1,346,137.53	\$1,386,521.66	\$1,428,117.31



Rental OneStop

Organization: The Grantham Group, LLC

OS-R-The Granth-06091-SANDBOX-001

21 - Year Operating Proforma Years (Year 6-10)

1703.	Security	\$0	\$0	\$0	\$0	\$0
1703.a	0	\$0	\$0	\$0	\$0	\$0
1704.	Electrical	\$76,280.23	\$78,568.64	\$80,925.70	\$83,353.47	\$85,854.08
1705.	Natural Gas	\$91,003.01	\$93,733.11	\$96,545.10	\$99,441.45	\$102,424.69
1706.	Oil (heat)	\$0	\$0	\$0	\$0	\$0
1707.	Water & Sewer	\$19,128.02	\$19,701.86	\$20,292.92	\$20,901.71	\$21,528.76
1708.	Replacement Reserve	\$26,975.00	\$26,975.00	\$26,975.00	\$26,975.00	\$26,975.00
1709.	Operating Reserve	\$9,621.97	\$9,910.63	\$10,207.95	\$10,514.19	\$10,829.62
1710.	Real Estate Taxes	\$45,256.33	\$46,387.74	\$47,547.43	\$48,736.12	\$49,954.52
1711.	Other Taxes	\$0	\$0	\$0	\$0	\$0
1712.	Insurance	\$98,241.52	\$101,188.77	\$104,224.43	\$107,351.16	\$110,571.70
1713.	MIP	\$0	\$0	\$0	\$0	\$0
1714.	Other	\$42,893.14	\$44,179.94	\$45,505.33	\$46,870.49	\$48,276.61
1715.	Total Operating Expenses	\$2,794,611.04	\$2,876,671.14	\$2,961,171.06	\$3,048,183.47	\$3,137,783.22
		(a)	(b)	(c)	(d)	(e)
1716.	NET OPERATING INCOME	\$872,273.81	\$875,372.53	\$878,039.82	\$880,250.64	\$881,978.87
1717.	Debt Service	\$652,410.50	\$652,410.50	\$652,410.50	\$652,410.50	\$652,410.50
1718.	Debt Service Coverage	1.34	1.34	1.35	1.35	1.35
1719.	Project Cash Flow	\$219,863.31	\$222,962.03	\$225,629.32	\$227,840.14	\$229,568.37
1720.	Required Debt Coverage	\$815,513.13	\$815,513.13	\$815,513.13	\$815,513.13	\$815,513.13
1721.	(Gap)/Surplus for Cov.	\$56,760.68	\$59,859.40	\$62,526.70	\$64,737.51	\$66,465.75



Rental OneStop

Organization: The Grantham Group, LLC

OS-R-The Granth-06091-SANDBOX-001

21 - Year Operating Proforma Years (Year 11-15)

Calendar Year:		Year 11	Year 12	Year 13	Year 14	Year 15
		(a)	(b)	(c)	(d)	(e)
INCOME:						
1722.	Extremely Low-Income Rental Assisted (below 30%)	\$0	\$0	\$0	\$0	\$0
1723.	Extremely Low-Income Non-Rental Assisted (below 30%)	\$129,691.25	\$132,285.08	\$134,930.78	\$137,629.40	\$140,381.98
1724.	Very Low-Income Rental Assisted (below 50%)	\$0	\$0	\$0	\$0	\$0
1725.	Very Low-Income Non Rental Assisted (below 50%)	\$0	\$0	\$0	\$0	\$0
1726.	Low Income Rental Assisted (below 60%)	\$0	\$0	\$0	\$0	\$0
1727.	Low Income Rental Non-Assisted (below 60%)	\$394,983.45	\$402,883.12	\$410,940.78	\$419,159.59	\$427,542.79
1728.	Moderate-Income (below 80%)	\$0	\$0	\$0	\$0	\$0
1729.	Other Income (User-defined)	\$1,577,624.00	\$1,613,120.54	\$1,649,415.76	\$1,686,527.61	\$1,724,474.48
1730.	Market Rate	\$0	\$0	\$0	\$0	\$0
1731.	Gross Potential Income	\$2,102,298.71	\$2,148,288.74	\$2,195,287.32	\$2,243,316.60	\$2,292,399.25
1732.	Less vacancy	\$105,114.94	\$107,414.44	\$109,764.37	\$112,165.83	\$114,619.96
1733.	Effective Gross Residential Income	\$1,997,183.77	\$2,040,874.30	\$2,085,522.95	\$2,131,150.77	\$2,177,779.29
1734.	Commercial (includes parking)	\$0	\$0	\$0	\$0	\$0
1735.	Less vacancy	\$0	\$0	\$0	\$0	\$0
1736.	Net Commercial Income	\$0	\$0	\$0	\$0	\$0
1737.	Effective Rental Income	\$1,997,183.77	\$2,040,874.30	\$2,085,522.95	\$2,131,150.77	\$2,177,779.29
1738.	Other Income: Laundry	\$0	\$0	\$0	\$0	\$0
1739.	Resident Service Income	\$2,079,913.95	\$2,131,911.80	\$2,185,209.59	\$2,239,839.83	\$2,295,835.83
1740.	Contract Income from Shelter or Group Home	\$0	\$0	\$0	\$0	\$0
1741.	Other Income:	\$0	\$0	\$0	\$0	\$0
1742.	Other Income:	\$36,147.00	\$36,147.00	\$36,147.00	\$36,147.00	\$36,147.00
1743.	Other Income:	\$0	\$0	\$0	\$0	\$0
1744.	Other Income:	\$0	\$0	\$0	\$0	\$0
1745.	Total Gross Income	\$4,113,244.72	\$4,208,933.10	\$4,306,879.54	\$4,407,137.60	\$4,509,762.12
1746.	Operating Subsidies	\$0	\$0	\$0	\$0	\$0
1747.	Draw on Operating Reserves	\$0	\$0	\$0	\$0	\$0
1748.	Total Effective Income	\$4,113,244.72	\$4,208,933.10	\$4,306,879.54	\$4,407,137.60	\$4,509,762.12
		(a)	(b)	(c)	(d)	(e)
EXPENSES:						
1749.	Management	\$122,944.42	\$125,804.53	\$128,732.14	\$131,728.84	\$134,796.28
1750.	Administrative	\$966,768.21	\$995,771.25	\$1,025,644.39	\$1,056,413.72	\$1,088,106.13
1751.	Maintenance	\$200,325.52	\$206,335.29	\$212,525.34	\$218,901.10	\$225,468.14
1752.	Resident Services	\$1,470,960.83	\$1,515,089.65	\$1,560,542.34	\$1,607,358.61	\$1,655,579.37
1753.	Security	\$0	\$0	\$0	\$0	\$0
1753.a	0	\$0	\$0	\$0	\$0	\$0
1754.	Electrical	\$88,429.70	\$91,082.59	\$93,815.07	\$96,629.52	\$99,528.40



Rental OneStop

Organization: The Grantham Group, LLC

OS-R-The Granth-06091-SANDBOX-001

21 - Year Operating Proforma Years (Year 11-15)

1755.	Natural Gas	\$105,497.44	\$108,662.36	\$111,922.23	\$115,279.90	\$118,738.29
1756.	Oil (heat)	\$0	\$0	\$0	\$0	\$0
1757.	Water & Sewer	\$22,174.62	\$22,839.86	\$23,525.05	\$24,230.81	\$24,957.73
1758.	Replacement Reserve	\$26,975.00	\$26,975.00	\$26,975.00	\$26,975.00	\$26,975.00
1759.	Operating Reserve	\$11,154.51	\$11,489.14	\$11,833.82	\$12,188.83	\$12,554.49
1760.	Real Estate Taxes	\$51,203.38	\$52,483.47	\$53,795.55	\$55,140.44	\$56,518.95
1761.	Other Taxes	\$0	\$0	\$0	\$0	\$0
1762.	Insurance	\$113,888.85	\$117,305.52	\$120,824.68	\$124,449.42	\$128,182.90
1763.	MIP	\$0	\$0	\$0	\$0	\$0
1764.	Other	\$49,724.91	\$51,216.65	\$52,753.15	\$54,335.75	\$55,965.82
1765.	Total Operating Expenses	\$3,230,047.37	\$3,325,055.30	\$3,422,888.77	\$3,523,631.94	\$3,627,371.52
		(a)	(b)	(c)	(d)	(e)
1766.	NET OPERATING INCOME	\$883,197.35	\$883,877.79	\$883,990.77	\$883,505.66	\$882,390.60
1767.	Debt Service	\$652,410.50	\$652,410.50	\$652,410.50	\$652,410.50	\$652,410.50
1768.	Debt Service Coverage	1.35	1.35	1.35	1.35	1.35
1769.	Project Cash Flow	\$230,786.85	\$231,467.29	\$231,580.27	\$231,095.16	\$229,980.10
1770.	Required Debt Coverage	\$815,513.13	\$815,513.13	\$815,513.13	\$815,513.13	\$815,513.13
1771.	(Gap)/Surplus for Cov.	\$67,684.23	\$68,364.67	\$68,477.65	\$67,992.54	\$66,877.47



Rental OneStop

Organization: The Grantham Group, LLC

OS-R-The Granth-06091-SANDBOX-001

21 - Year Operating Proforma Years (Year 16-21)

Calendar Year:		Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
		(a)	(b)	(c)	(d)	(e)	(f)
INCOME:							
1772.	Extremely Low-Income Rental Assisted (below 30%)	\$0	\$0	\$0	\$0	\$0	\$0
1773.	Extremely Low-Income Non-Rental Assisted (below 30%)	\$143,189.62	\$146,053.42	\$148,974.48	\$151,953.97	\$154,993.05	\$158,092.92
1774.	Very Low-Income Rental Assisted (below 50%)	\$0	\$0	\$0	\$0	\$0	\$0
1775.	Very Low-Income Non Rental Assisted (below 50%)	\$0	\$0	\$0	\$0	\$0	\$0
1776.	Low Income Rental Assisted (below 60%)	\$0	\$0	\$0	\$0	\$0	\$0
1777.	Low Income Rental Non-Assisted (below 60%)	\$436,093.64	\$444,815.52	\$453,711.83	\$462,786.06	\$472,041.78	\$481,482.62
1778.	Moderate-Income (below 80%)	\$0	\$0	\$0	\$0	\$0	\$0
1779.	Other Income (User-defined)	\$1,763,275.16	\$1,802,948.85	\$1,843,515.20	\$1,884,994.29	\$1,927,406.66	\$1,970,773.31
1780.	Market Rate	\$0	\$0	\$0	\$0	\$0	\$0
1781.	Gross Potential Income	\$2,342,558.42	\$2,393,817.78	\$2,446,201.51	\$2,499,734.33	\$2,554,441.50	\$2,610,348.85
1782.	Less vacancy	\$117,127.92	\$119,690.89	\$122,310.08	\$124,986.72	\$127,722.07	\$130,517.44
1783.	Effective Gross Residential Income	\$2,225,430.50	\$2,274,126.89	\$2,323,891.43	\$2,374,747.61	\$2,426,719.42	\$2,479,831.40
1784.	Commercial (includes parking)	\$0	\$0	\$0	\$0	\$0	\$0
1785.	Less vacancy	\$0	\$0	\$0	\$0	\$0	\$0
1786.	Net Commercial Income	\$0	\$0	\$0	\$0	\$0	\$0
1787.	Effective Rental Income	\$2,225,430.50	\$2,274,126.89	\$2,323,891.43	\$2,374,747.61	\$2,426,719.42	\$2,479,831.40
1788.	Other Income: Laundry	\$0	\$0	\$0	\$0	\$0	\$0
1789.	Resident Service Income	\$2,353,231.72	\$2,412,062.51	\$2,472,364.08	\$2,534,173.18	\$2,597,527.51	\$2,662,465.70
1790.	Contract Income from Shelter or Group Home	\$0	\$0	\$0	\$0	\$0	\$0
1791.	Other Income:	\$0	\$0	\$0	\$0	\$0	\$0
1792.	Other Income:	\$36,147.00	\$36,147.00	\$36,147.00	\$36,147.00	\$36,147.00	\$36,147.00
1793.	Other Income:	\$0	\$0	\$0	\$0	\$0	\$0
1794.	Other Income:	\$0	\$0	\$0	\$0	\$0	\$0
1795.	Total Gross Income	\$4,614,809.23	\$4,722,336.41	\$4,832,402.51	\$4,945,067.79	\$5,060,393.93	\$5,178,444.10



Rental OneStop

Organization: The Grantham Group, LLC

OS-R-The Granth-06091-SANDBOX-001

21 - Year Operating Proforma Years (Year 16-21)

1796.	Operating Subsidies	\$0	\$0	\$0	\$0	\$0	\$0
1797.	Draw on Operating Reserves	\$0	\$0	\$0	\$0	\$0	\$0
1798.	Total Effective Income	\$4,614,809.23	\$4,722,336.41	\$4,832,402.51	\$4,945,067.79	\$5,060,393.93	\$5,178,444.10
		(a)	(b)	(c)	(d)	(e)	(f)
EXPENSES:							
1799.	Management	\$137,936.12	\$141,150.10	\$144,439.96	\$147,807.52	\$151,254.60	\$154,783.11
1800.	Administrative	\$1,120,749.32	\$1,154,371.80	\$1,189,002.95	\$1,224,673.04	\$1,261,413.23	\$1,299,255.63
1801.	Maintenance	\$232,232.18	\$239,199.15	\$246,375.12	\$253,766.37	\$261,379.37	\$269,220.75
1802.	Resident Services	\$1,705,246.75	\$1,756,404.15	\$1,809,096.28	\$1,863,369.17	\$1,919,270.24	\$1,976,848.35
1803.	Security	\$0	\$0	\$0	\$0	\$0	\$0
1803.a	0	\$0	\$0	\$0	\$0	\$0	\$0
1804.	Electrical	\$102,514.26	\$105,589.68	\$108,757.37	\$112,020.10	\$115,380.70	\$118,842.12
1805.	Natural Gas	\$122,300.44	\$125,969.46	\$129,748.54	\$133,641.00	\$137,650.23	\$141,779.73
1806.	Oil (heat)	\$0	\$0	\$0	\$0	\$0	\$0
1807.	Water & Sewer	\$25,706.46	\$26,477.66	\$27,271.99	\$28,090.15	\$28,932.85	\$29,800.84
1808.	Replacement Reserve	\$26,975.00	\$26,975.00	\$26,975.00	\$26,975.00	\$26,975.00	\$26,975.00
1809.	Operating Reserve	\$12,931.13	\$13,319.06	\$13,718.64	\$14,130.19	\$14,554.10	\$14,990.72
1810.	Real Estate Taxes	\$57,931.93	\$59,380.22	\$60,864.73	\$62,386.35	\$63,946.01	\$65,544.66
1811.	Other Taxes	\$0	\$0	\$0	\$0	\$0	\$0
1812.	Insurance	\$132,028.39	\$135,989.24	\$140,068.92	\$144,270.99	\$148,599.12	\$153,057.09
1813.	MIP	\$0	\$0	\$0	\$0	\$0	\$0
1814.	Other	\$57,644.79	\$59,374.14	\$61,155.36	\$62,990.02	\$64,879.72	\$66,826.12
1815.	Total Operating Expenses	\$3,734,196.78	\$3,844,199.66	\$3,957,474.86	\$4,074,119.89	\$4,194,235.16	\$4,317,924.10
		(a)	(b)	(c)	(d)	(e)	(f)
NET OPERATING INCOME		\$880,612.45	\$878,136.75	\$874,927.65	\$870,947.90	\$866,158.77	\$860,520.00



Rental OneStop

Organization: The Grantham Group, LLC

OS-R-The Granth-06091-SANDBOX-001

21 - Year Operating Proforma Years (Year 16-21)

1816.	Debt Service	\$652,410.50	\$652,410.50	\$652,410.50	\$652,410.50	\$652,410.50	\$652,410.50
1817.	Debt Service Coverage	1.35	1.35	1.34	1.33	1.33	1.32
1818.	Project Cash Flow	\$228,201.95	\$225,726.25	\$222,517.15	\$218,537.40	\$213,748.27	\$208,109.50
1819.	Required Debt Coverage	\$815,513.13	\$815,513.13	\$815,513.13	\$815,513.13	\$815,513.13	\$815,513.13
1820.	(Gap)/Surplus for Cov.	\$65,099.32	\$62,623.62	\$59,414.53	\$55,434.78	\$50,645.65	\$45,006.87



The GRANTHAM GROUP, LLC

99 Pleasant Street · Marlborough, Massachusetts, 01752
Tel (508) 281-8001 · Fax (508) 449-6751

November 19, 2016

Concord Finance Committee
Town of Concord
22 Monument Square
P.O. Box 535
Concord, Massachusetts 01742

RE: Responses to Concord Finance Committee Comments:

Dear Members of the Concord Finance Committee:

(1,2,4) Enclosed please find additional information regarding Christopher Heights of Concord, the affordable assisted living community proposed for Junction Village. We have updated the Massachusetts Department of Housing and Community Development (DHCD) OneStop Operating and Development Budget. Although not every point in questions 1, 2 and 4 are specifically addressed, the OneStop is the financial tool used by the DHCD to determine a projects financial feasibility and worthiness of an award of subsidy.

We hope this will give the committee enough information to analyze this project. We have input anticipated construction numbers for a construction start date of November 2018. We anticipate quarterly escalation after November of 2018 to be 1% per quarter. Development and consulting fees are part of the overall budget. The fees are below what the DHCD allows for projects of this size. The developer fee is paid out of the tax credit investors equity into the project. The fee is paid as certain milestones are reached (typically certificate of occupancy and cash flow breakeven). The fee is also used to cover any tax credit adjusters or operational shortfalls should the project not lease up as scheduled. A portion may need to be deferred until the project is cash flow positive. Just as an architect is paid for their services so are the other disciplines in this project.

(3) The federal Low Income Housing Tax Credits (LIHTC) program requires (per the Internal Revenue Code Section 42) that a project use commercial bank loan (taxable debt) with a term and interest rate that is fixed for the initial 15-year compliance period. As such LIHTC projects

must seek longer term financing and must accordingly pay a premium to receive that longer-term debt. In the current low-interest rate environment the interest rates on longer term 15-year debt is much higher as these notes require a forward interest rate lock.

(5) The Project will be financed, in partly, using federal Low Income Housing Tax Credits (LIHTC). Upon receiving LIHTC credits from the Department of Housing & Community Development, a limited partnership structure will be created, whereby a general partner developer (in this case the Grantham Group) admits a corporate investor limited partner who provides the equity to the project in exchange for tax credits and other tax-related benefits. The equity from the investor is used to offset project costs and thereby reduces the development costs. The equity amount is listed in the Sources section of the OneStop.

(6) The following is a summary of the Project's schedule and key project milestones undertaken this year and anticipated schedule for the years to come:

February 2016: Submitted a Site Eligibility application under the LIHTC to the Massachusetts Dept. of Housing & Community Development ("DHCD"). The DHCD initiated a review process in conjunction with notifications to the Concord Select Board and Town Departments, including site visits by the DHCD staff persons and others.

April and May 2016: The CHDC undertook an Open Space Planning outreach and obtained input regarding community preferences for the land NOT to be used for the Christopher Heights / Junction Village project.

August 2016: Received Project Eligibility Letter from DHCD. This allows us to proceed with the formal ZBA application and file a OneStop LIHTC application with the DHCD for tax credits.

September 2016: Grantham & the CHDC met with Town Planning Division (Marcia Rasmussen and Elizabeth Hughes) to discuss site layout. In terms of initial site layout feedback, the Planning board had some comments on the layout of the building. We took a detailed approach and showed Planning Division how to accommodate the development given the limitation of the lot (e.g. building orientation & site set-backs due to proximity to prison). Grantham incorporated the West Concord Design Guidelines into the development. Design items considered were as follows:

Design: Compliments other building in West Concord, Proportion and Shape of the building (gable end roof structures, mixture of shingle base and clapboard siding, small foundation), Sustainability: (to attain LEED rating), Utilities and Mechanicals (roof top units and underground utilities) all screened from views, Signage (stone elements), Parking: Minimized due to building type (residents due to infirmity generally do not drive) which minimized pavement and impermeable surfaces, Light Plan (All fixtures are Dark Sky compliant, there will be no light pollution generated as full cut off style pole mounted lights will be used).

A formal CPA Funding Request was submitted by the Town on behalf of the Project.

October 2016: Grantham released its Civil Engineer to continue with drawings to incorporate Planning Division comments (site layout, grading and drainage, site utilities, landscaping, erosion and sediment control).

November 2016: Grantham met with the Natural Resource Commission_(Delia Kaye) to review the project as a portion of the road is within the 100' wetland buffer zone. The NRC anticipates little jurisdictional overlap with majority of project. Grantham will incorporate the NRC comments into a finalized Site Plans to permit a simultaneous formal filing with the NRC and ZBA.

December 2016: Grantham & the CHDC will present a project update to the Select Board at their December 12th meeting in hopes of gaining support of a Warrant Article for 2017.

January 2017: 40B Comprehensive Permit Application will be submitted to the ZBA, thus opening public hearing process.

February 2017: Submission by Grantham of its LIHTC application with the DHCD for the 2017 funding round. The date of the filing will be February 17, 2017. It is anticipated that due to funding demands that the project will need to submit in at least two funding rounds.

April 2017: It is anticipated that the Town will submit a Warrant Article for Town Meeting to allocate CPA and other funds in support of the Project.

January/February 2018: Grantham will file a second LIHTC application with DHCD for the 2018 funding round (assuming the project isn't awarded LIHTC credits in its first attempt).

June 2018: DHCD provides its Award of funding

November 2018: Closing and Start of Construction

November 2019: Certificate of Occupancy and Grand Opening of Project

The Town will allocate funds toward the project prior to November of 2018 but won't put in any funds until the DHCD clears the project to close and the LIHTC investor has put in a portion of its funds. No more than 50% of the funds will be put in during construction. The remaining funds will be put in once the project receives certificate of occupancy.

(7) The Grantham Group will be building the project subject to a guarantee maximum price contract (GMP), whereby the construction manager is at-risk for construction costs if they exceed the negotiated contract amount. If, however there are construction or other

development costs that fall outside the scope of the GMP, then the Grantham Group would use the developer fee attached to the project as an additional project cost contingency.

(8) It is anticipated the Town (through its various funding sources) will provide funds to the project in exchange for the creation of affordable housing and newly created employment opportunities within the town (30+ FTE positions will be created). The project will not pay back the grant as the proceeds of the grant funds will be used to reduce the cost of development which in turn increases the ability of the project to accommodate low- and moderate-income seniors.

(9) The Town assumes no operational or bankruptcy liability for the Christopher Heights project. The Project will be owned by a limited partnership, which in the event of a financial default the limited partner investor would assume control. In general, it is the case that projects funded with LIHTC's (because of the federal tax liability that would arise to the investor in the event of a bankruptcy) have not recorded a single bankruptcy within the last 20 years.

(10) The Christopher Heights of Concord project is being developed as affordable housing. The Junction Village site was conveyed to the CHDC by the Commonwealth via a permanent deed restriction restricting any housing development on the site to be affordable. In the present case, the CHDC has deemed "affordable units" as units affordable for persons at or below 150% of median income (as determined by HUD) (with the understanding that at least half of the units would be affordable for persons of much more modest means with a minimum of 25% of the units being affordable for persons whose incomes are less than 80% of median income). This community will be partially financed with federal Low Income Housing Tax Credit (LIHTC). As part of the LIHTC application process it is required that the project make available 27 of the 83 units at or below 60% and 17 of the 83 units to be at or below 30% of the area median income. The LIHTC program, administered by the DHCD, requires that **all** projects financed using the LIHTC program adhere to a minimum affordability period of not less than 30 years, a requirement that runs with the Project regardless of ownership. Any transfer of the project would be subject to the same affordability restriction, which in turn serves to drastically limit the market value of the property. This project will exceed that requirement by imposing a minimum affordability period of at least 75 years. In addition to these protections on affordability, the MGL 40B statute adds additional levels of protection on affordability. The Grantham Group does not develop exclusively market-rate assisted living so we do not have any information on market-based valuations of this category of assisted living facilities.

(11) The CHDC issued a request for proposals in 2013 to get a better understanding of the potential for housing development on this site and the level of interest from affordable housing developers. Twelve proposals were submitted by nine different housing developers. After a variety of meetings, it was determined the best use for the property was affordable assisted living. Of the 12 proposals 2 were for assisted living. The CHDC determined that Grantham is an exceptional developer of assisted living communities and is one of the few that is capable of securing DHCD financing. Grantham was recently recognized by the Commonwealth for its work in this area. I've attached a copy of the Governor's Citation. In addition, the processes and

procedures contained in the DHCD LIHTC Qualified Allocation Plan provide adequate oversight to ensure a quality development at a reasonable cost.

(12) The DHCD has limits on available funding for various types of projects. This type of project, assisted living, is maxing out the DHCD's funding availability. Additionally, the DHCD has a sliding scale of expectation as it relates to community-level contributions. This informal sliding scale looks to the size of the community and the socio-economic status of the community (i.e. DHCD likes to see financially wealthier communities provide more robust commitments to affordable housing projects). For example, the City of Somerville recently contributed \$2.1 million on a 25-unit senior housing project.

(13) The ground lease has not yet been executed between Grantham and the CHDC, the reason for the delay is that Developer is refining the site plan with the planning division and the CHDC is working toward a final open space plan. It is anticipated that the Ground Lease area will be delineated and a lease executed once site plan receives favorable review by the planning division staff.

Specific Project Costs:

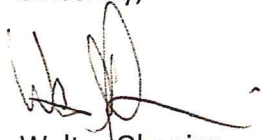
1) The cost of the septic system is budgeted at \$350,000 and it will be part of the construction contract. Due to system capacity constraints, access to the Town's system is not a possibility at this point, thus necessitating the on-site septic. Recent Mass DEP regulatory changes have resulted in a mandate for higher per unit daily system capacity, thereby increasing the cost of the system by an additional 20%. A portion of the monies allocated to the septic system will be allocated to site utilities with the remaining portion allocated to earthwork and other site costs.

Since 2013, when the project was first conceived, the construction climate in Metro Boston has experienced a dramatic uptick in both activity and cost. Due either in part to pent-up demand or lost capacity during the Great Recession, the demand on the construction industry is currently very high, a fact that has result in escalating construction cost. Currently, private sector construction costs are escalating 1-1.5% on a quarterly basis benchmarked as against total project costs. Construction cost escalation on public sector projects have increased during the same period from 2013 to 2016 by close to 17%. This dramatic increase in construction costs in the metro Boston area have been an area documented by the Massachusetts School Building Authority which has seen school construction project costs escalate at rates four to five times standard baseline inflation.¹ Based upon the current climate and most up to date figures provided by Grantham's construction manager, the Junction Village project can anticipate construction cost escalation of not less than 1% per quarter until the project breaks ground.

¹ Massachusetts School Building Authority Report on escalating construction cost.
[http://www.massschoolbuildings.org/sites/default/files/edit-contentfiles/About Us/Board Meetings/2016 Board/5 25 16/MSBA Construction Cost Policy Memo Final.pdf](http://www.massschoolbuildings.org/sites/default/files/edit-contentfiles/About%20Us/Board%20Meetings/2016%20Board/5%2025%2016/MSBA%20Construction%20Cost%20Policy%20Memo%20Final.pdf)

I hope you will find the information submitted helpful in reviewing the financial aspects of this project. We look forward to bringing affordable assisted living to the town of Concord and making this project a reality.

Sincerely,

A handwritten signature in black ink, appearing to read 'Walter Ohanian', with a stylized flourish at the end.

Walter Ohanian
Managing Director

**CONCORD PUBLIC SCHOOLS
CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT**

120 MERIAM ROAD CONCORD, MA 01742 PHONE: 978.318.1500 FAX: 978.318.1537
www.concordpublicschools.net

December 9, 2016

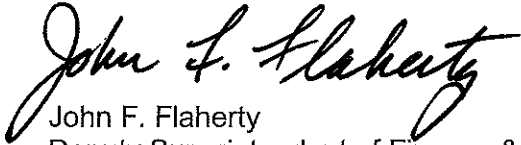
Mr. Michael Lawson
Chair, Concord Select Board
Townhouse P.O. Box 535
22 Monument Square
Concord, MA 01742

Dear Mr. Lawson,

On behalf of the Concord-Carlisle Regional School District, I am requesting that the signs approved by vote of the Concord-Carlisle School Committee be considered as Town signs and therefore be exempt from the Bylaw.

Thank you for consideration of this request.

Sincerely,



John F. Flaherty
Deputy Superintendent of Finance & Operations
Concord Public Schools
Concord-Carlisle Regional School District

cc: Christopher Whelan, Town Manager
Diana F. Rigby, Superintendent of Schools
William Fink, Concord-Carlisle Committee Chairperson