

MEMORANDUM – OFFICE OF THE TOWN ADMINISTRATOR

TO: SelectBoard
FROM: Carter Terenzini, Town Administrator *Carter*
RE: Baldwinville Elementary School
DATE: April 15, 2020
AMENDED: April 21, 2020
CC: A. Lamontagne, L. Wiita, T. Harrington; file



As you know, you have previously declared the Baldwinville Elementary School, and portions of Parcel 407 adjacent directly thereto, as surplus. Our designated developer withdrawing from the process in September of 2019 and we made a second offering of the property this past February. This offering was advertised locally in mid-February as well as the various required state sites. In addition, we sent out a mailing to some 50 parties. You may see the offering documents and several addenda as well as supplementary materials at <https://www.templetonma.gov/town-administrator/pages/baldwinville-elementary-school-project>.

At the conclusion of the bidding process and at the opening on March 31, 2020, we did have in hand two proposals accompanied by the required deposits. Both proposals offer us a purchase price in excess of the appraised value. In simplest terms, the proposals can be distilled as follows:

Party:	Eden RE of Massachusetts LLC
Use:	Cannabis Grow & Process
Offer:	\$500k at closing plus 3% of gross revenues per year ¹ (Est. at \$300k/yr)
Closing:	January '21+/-
Tax Yield:	\$17.5k+/- per annum
Utility:	Unknown; Major water/electric user – nominal sewer
Jobs:	20+ Permanent ²
HCA:	0% (but these have a 5 year statutory limitation)
Party:	MPZ Development LLC
Use:	Housing (50+ Market/Affordable Units)
Offer:	\$500k at closing ³
Closing:	January '22+/-
Tax Yield:	\$75k+/- RE; \$10k+/- Excise Per/Yr annum
Utility:	\$32.5k+/-
Jobs:	0 ⁴
Subsidy:	\$1.2M from Town CPA funds \$6.2M Tax Credits DHCD

¹ Creating an enforceable mechanism to collect this 3% of gross sales does create certain legal challenges that Town Counsel and I are reviewing and will be able to report on at your meeting of 04/22.

² Eden RE Proposal indicates 50 jobs.

³ This does not include permit fees (see MPZ proposal)

⁴ Multifamily redevelopment allows for 3 permanent jobs and 70 construction jobs.

You may see the detailed proposals at the link above or [Click Here](#).

Prior to the presentations, I reviewed the financials of the two parties (Net worth, bank balance, taxes). Both appeared to have the capacity to assemble their needed private sector financing.

You may [Click Here](#) to see the presentations made to a five person panel of citizens who rated the presentations. The scores of the review committee are attached. As you can see the proposals were - for all practical purposes - tied. The scores of the Screening Committee are:

Names of Screening Committee	Eden RE	MPZ Dev
D. Haley	24	23
R. May	17	22
D. Rich	20	20
K. Langan	23	18
A. Murray	20	23
Total Score:	104	106

The major risk factor with Eden is whether or not it can get its state approvals and then what the future market pressures are.

The main risk factor with MPZ is whether or not it can obtain the tax credits in a timely manner. In addition, there is one public risk factor you need to be aware of; MPZ is likely to need a friendly 40B review process. While that is used widely, we will have those who find it objectionable and complain vociferously.

At the end of the day, I wish we had two schools to sell. Each proposal fulfills a strong community need and I do not envy the task of deciding between the two.

One item of note: Should you believe the MPZ Development proposal is best for the Town, you would have to declare the additional land they desire in Parcel 407 to be declared surplus.

One final step, there will be certain steps we need to take in order to be complaint with 30B.

We look forward to your discussion on this matter.