

**SELECTMEN'S MEETING**  
**Wednesday, April 7, 2010**

On April 7, 2010, the Board of Selectmen held a meeting at 7:00 PM at the Lakeville Public Library in Lakeville. The meeting was called to order by Chair Yeatts at 7:00 PM. Selectmen present were: Selectman Yeatts, Selectman Maksy and Selectman Olivier. Also present were: Rita Garbitt, Town Administrator and Tracie Craig, Executive Assistant.

**7:00 PM Meet with Sysco/Boston Team for presentation**

*Present for the discussion are James Marot, Chairman of the Planning Board, Lynn Tockarczyk of Business Development Strategies, Inc. Fred Casinelli of Sysco Boston, Chuck Fraser, Sysco Boston, Richard Walsh, Tom Trembley, Sysco Boston, David Reichel, Sysco and Thomas Bond, Sysco.*

*Selectman Maksy recused himself from this discussion.* Fred Casinelli gave a history of Sysco Boston. They are a subsidiary of Sysco Corporation and New England's leading food service supplier, selling, marketing and distributing food products to restaurants, lodging establishments, healthcare, and educational facilities. They do not manufacture food. There are 47,000 employees in the United States and Canada. Sysco was started in 1963 when two (2) companies combined. In 1972, Hallsmith merged with Sysco. Sysco stocks 13,000 items in the Norton, MA warehouse and offer menu planning and pricing, which is unique to Sysco. Year to date, they have 8,950 customers that they supply. Sysco is one of the largest purchasers of agricultural products and work locally to buy fresh produce. Due to the company's growth in New England, they are looking to expand in Massachusetts to better meet its increased customer demand. Their current facility is approximately 50 years old and is inefficient. They have conducted a national search for a site, including RI, MA and NH for approximately 1.5 years. They met with the Town of Norton to let them know that they were coming to meet with Lakeville. We have not been able to find a site to stay in Norton. Sysco is considering a number of properties, including Lakeville Hospital and Lakeville Country Club. At this point, they have not committed to a specific property.

Thomas Trembley said the proposed facility would be 650,000 square feet, of which half will be refrigerator space. The chilled areas will face Main Street, with an office area and a warehouse. The project investment is estimated at \$90 million, including \$70 million in construction costs and \$20 million for new machinery and equipment. This does not include furnishings. There will be opportunities for local hires. Chuck Fraser said there are 830 full time jobs that will be retained and 75 full time jobs created with an average salary of \$50,000, plus competitive benefit packages. We currently have approximately ten (10) employees who live in Lakeville. We have lots of long term employees with very little turnover. We are big on promotion and training from within. It is estimated that Sysco Boston and its employees spend an estimated \$1.5 million locally with local vendors. We have 360 registered vehicles. The tractors and trailers are registered separately. Sysco purchases energy efficient equipment and has adopted California emissions to keep emissions lower. The average age of the fleet is 4.75 years for tractors and 9.8 years for trailers. We do have a few trucks that are registered in New Hampshire.

Mr. Casinelli said that Sysco Boston and its employees contribute numerous hours to various local organizations and donate approximately \$3 million in food. They plan to apply for incentives under the Massachusetts Economic Development Incentive Program (EDIP). They would also be looking to the Town for tax relief in the form of Tax Increment Financing (TIF). These would assist Sysco in making the project financially feasible to locate in the Town of Lakeville.

Lynn Tockarczyk said that her firm helps companies navigate through the State and Local tax incentive programs. Approving the TIF would help keep this major employer in the local area. This could be one of the largest industrial construction projects in Southeast Massachusetts. Ms. Tockarczyk said the EDIP was implemented in 1993 to spark economic development and to help companies move their expansion plans to the front burner. This is a State program and allows municipalities to participate. There are new amendments to this program, as of January 1, 2010. Communities have to be an Economic Target Area (ETA) and companies interested in applying are known as a Certified Project. A Certified Project can be an expansion project, enhanced expansion project and a manufacturing expansion project. As of December 2009, the EDIP has leveraged \$22 billion in private investment. 74,000 new permanent full times jobs have been created, and 129,000 jobs were retained in the State. In order to be eligible, they have to be looking in an ETA. In 2002, Lakeville became part of the Greater New Bedford ETA.

Under recent laws, any community can offer incentives to a growing company if the project meet specific criteria. Once they are designated as an ETA, the proposed site needs to be designated as an EOA. The project needs to meet one (1) of four (4) statutory criteria. A Certified Project is a business that is expanding its existing operations, relocating its operations, renovating or building new facilities. This can be a purchase or lease arrangement. They are eligible for incentives if they meet the following criteria: must create new permanent full times jobs; generate new real estate investment, which equals new local tax revenue and generate substantial sales outside of the Commonwealth. The new law caps the Investment Tax Credit (ITC) at \$25 million annually. The ITC can go up to 10% of the companies investment; 10% for State abandoned building tax deductions for associated with renovating an abandoned building, which is at least 75% vacant for two (2) years; a TIF, which is a negotiated real estate property tax exemption up to 20 years based on the increased value of the project property due to new construction or other significant improvements; municipal personal property tax exemption; and Special Tax Assessment, which is a negotiated real estate property tax exemption up to 20 years on the total base value of the project property.

Ms. Tockarczyk said the beauty of the TIF is that the Town doesn't lose a dime on the existing property tax base. The assessed value of the property will increase. The TIF is based on the difference between the current real estate taxes on the present assessment and the real estate taxes on the new assessed value with improvements. The TIF is only on the new assessed value difference and ranges from 1 to 100%. The TIF is negotiated between the company and the Town. The first proposal comes from the company. Each TIF is different. The Municipal Personal Property Tax Exemption is 100% exempt, which is statutory. Sysco is not considering a STA at this time. The TIF would be negotiated between a TIF team, which could consist of the Town Administrator, a member of the Board of Selectmen and one other local official. This

project is being fast tracked. Applications need to be submitted to the State, then the company would meet with the TIF team and then once it has been negotiated, it needs to go back to the Board of Selectmen for their recommendation of the proposal to Town Meeting. The TIF requires Town Meeting approval. All kinds of applications are tied into this process that need to be submitted. Ms. Tockarczyk's company assists in preparing these applications. Once approved at Town Meeting, the EDIP is presented to the State for a final vote. That opens up the door for the company to access the EDIP ITC. An annual report must be submitted to the State and Town regarding investment and job creating numbers. If a company is not in compliance, the Town can petition to the State to have the project decertified.

Ms. Tockarczyk said regarding the timing of the project, the Town has received an Incentives Intent Letter that expresses Sysco's interest in applying for the incentives. The company is hoping by early next week to submit a TIF proposal to the Town. From there, they would schedule a meeting with the TIF team, and we would hope to have an agreement by the end of April. Then the Selectmen need to vote on their recommendation for Town Meeting. We would be looking for a potential Town Meeting by the end of May. Sysco would want to host a community outreach meeting prior to Town Meeting. The State's last meeting to consider the EDIP is June 30<sup>th</sup>, which we would want to make. Chair Yeatts asked if the personal property tax exemption is forever. Ms. Tockarczyk responded it is for the life of the TIF. Selectmen Olivier asked when Sysco would break ground. Mr. Trembley responded it is contingent upon Local and State approvals. Sysco is in a due diligence period on the hospital site to see what we need to do to develop it. We are not 100% sure it's the right spot yet. There are significant costs associated with it. We are hoping to purchase a property within the next three (3) to four (4) months. Mr. Casinelli said the project is fast paced. We need to move as fast as we are allowed to with permits and regulations. Mr. Marot said both properties would need rezoning, which has to be done at Town Meeting. Chair Yeatts said she has assured Sysco that the Town would hold a Special Town Meeting if needed.

A brief recess was called. At 8:00 PM, the meeting was called back to order.

Selectman Olivier said from an economic standpoint this makes sense. The location is appropriate and this would be a good thing for Massachusetts. Chair Yeatts said this would stimulate business development in that area of Town. Selectman Olivier said the homes on Lori Lane might be an opportunity for development. Chair Yeatts said that is the area of Lakeville that we want growth in.

### **Discuss recent flooding issues**

Chair Yeatts asked Ms. Garbitt how FEMA is settling in at the Library. Ms. Garbitt said they had a real struggle getting their computers working. There have also been issues with parking. Ms. Garbitt said the Red Cross will be at the Town House tomorrow meeting with people. They are trying to find temporary rentals for people that have been displaced. The Red Cross estimated that there will be 11 families at the emergency shelter. Part of the problem is that residents don't want to leave their pets, since it is traumatic for them to put their pets at the Animal Shelter.

Ms. Garbitt said that Robert Iafrate, Building Commissioner, attended a meeting at the Middleborough Town Hall today. The State Building Inspectors came down and walked them through the process of tagging homes. Mr. Iafrate tagged 40 homes today, which says that residents should not be in the house, unless certain conditions are met. If you stay in the home, it is at your own peril. The Board of Health was voting tonight that the Town will pay for any well testing for any well that was underwater. Analytical Balance will collect samples, once the wells are not under water. They have given us a break on the cost of testing.

Selectman Maksy asked about waiving the Building Department fees for displaced residents. Chair Yeatts said that the Town will cover those fees.

Upon a motion made by Selectman Maksy and seconded by Selectman Olivier, the Board:

VOTED: To waive Building, Electrical and Plumbing Permit Fees for any resident that suffered water damage for the March 2010 flooding to make repairs to their homes.

Unanimous in favor.

### **Discuss membership of TIF Team**

Chair Yeatts said that she thought the TIF Team should consist of the Town Administrator, a member of the Board of Selectmen and another member. Selectman Maksy said he is not thrilled with TIFs. You now open it up to anyone else coming in. No one has proved to me that it is actually a good deal for the Town. Cindy Dow, reporter from the Middleboro Gazette, said that the previous Board of Selectmen had always argued that Lakeville did not need to offer TIFS because of the low tax rate. Chair Yeatts said she would like to be on the TIF committee. Ms. Garbitt suggested perhaps a Finance Committee member or member of the Board of Assessors. Chair Yeatts noted that TIF Team meetings would not be open to the public. We would do public hearings at a later date. Selectman Olivier said he would like to be part of the TIF Team. We don't want this be a final negotiating team and then present the deal to the Board of Selectmen for approval. Chair Yeatts said the Board of Selectmen will have to approve it. Selectman Maksy said he thought the Finance Committee should be involved.

Chair Yeatts said the townspeople have looked for something to be done with that property for a long time. Selectman Maksy did not think that workers will be spending money in Town; they will hit the highway and go home. A development like this belongs in an industrial park and doesn't need valuable road frontage, which is retail frontage. He was concerned about the 150 trucks a day. Selectman Maksy said when a Sysco representative spoke with him, they told him he would not want to live near this facility. We should go on a field trip to Norton and observe the operation. The good part about having an industrial park is that people expect the noise and traffic. The residents on Rush Pond Road might have an issue. Ms. Garbitt said she did not think that Rush Pond will get the buffer zone that National Development was going to give them. Chair Yeatts stated that Sysco said they would put up a sound barrier, but it is expensive. They still have some hurdles. Selectman Olivier noted that Sysco only needs to create one (1) job, but they are looking at creating 75. Selectman Maksy said at the Christmas Tree Shop in Middleboro, the Town asked for 1 to 10 ratio. He has already been through the TIF

process when he served on the Planning Board in Middleborough. Chair Yeatts said Sysco does not have to come here and the property could stay vacant for another 20 years. It was decided that Ms. Garbitt and Chair Yeatts would be on the TIF team. Selectman Olivier said that the TIF Team would need to let the other Selectmen members know about any decisions before you enter into an agreement on anything.

### **Adjournment**

Upon a motion made by Selectman Maksy, seconded by Selectman Olivier, on a unanimous roll call vote, the Board:

VOTED: To enter Executive Session and not to return to Open Session to discuss strategy with respect to collective bargaining or litigation if an open meeting may have a detrimental effect on the government's bargaining or litigating position. Also, to conduct strategy sessions in preparation for negotiations with non-union personnel; and to actually conduct collective bargaining and contract negotiations with non-union personnel. Specifically, the Board will discuss the Police Collective Bargaining Agreement.

Polled vote: Selectman Olivier-Aye, Selectman Maksy-Aye, and Selectman Yeatts-Aye.