

**TOWN OF LAKEVILLE  
SELECTMEN'S MEETING MINUTES  
Tuesday, May 11, 2010  
6:30 pm  
LAKEVILLE SENIOR CENTER**

On May 11, 2010, the Board of Selectmen held a Special Meeting at 6:30 PM at the Senior Center in Lakeville. The Meeting was called to order by Chair Yeatts at 6:38 PM. Selectmen present: Selectman Yeatts, Selectman Olivier and Selectman Maksy. Also present: Rita Garbitt, Town Administrator and Tracie Craig, Executive Assistant. Selectman Maksy recused himself in his Selectman capacity, but participated in the discussion as a resident.

**Introductions and Opening Remarks**

*Present were: Fred Casinelli, President and Chief Operating Officer, Chuck Fraser, Chief Vice President of Operation from Sysco Boston, Buddy Rocha, Mass Office of Business Development, John Olivieri from the Cranberry Chamber of Commerce and Lynn Tokarczyk from Business Development Strategies, Inc..*

**Project Summary/Sysco Boston**

Chair Yeatts made opening remarks to the audience. Mr. Casinelli gave a background on Sysco Boston. In 1963, E.T. Smith and a company called Hall merged and became Hallsmith. Sysco came into the picture in 1972 and purchased Hallsmith. In 1979, Sysco moved into the Norton facility, which was the old Fernandes building. Sysco is the largest food service corporation in the world, specializing in food service distribution, supplying restaurants, schools, and healthcare facilities. We are not a retail facility; there is no manufacturing. We supply groceries, meats, produce, frozen foods, utensils, plates, etc. Mr. Fraser said Sysco is currently in a 480,000 square foot facility that they have outgrown. The current facility has been expanded several times. Sysco has performed an extensive search for a new location both in and out of Massachusetts. We have identified several potential sites, two (2) of which are in Lakeville: the former Lakeville Hospital and Lakeville Country Club. Sysco is planning on building a 650,000 square foot facility with on site expansion. Based on our current growth pattern, we plan on expanding the new facility in five (5) years. The estimated cost of construction would be \$110,000,000.

Mr. Casinelli said in Norton, we have a solid track record in partnership with the community we are located in. We are a donor to the Boston Food Bank, local food pantries, United Way, My Brother's Keeper, scholarships, laptops to schools, and the Norton Fire and Police Departments. Mr. Fraser said that they have approximately 830 workers, all of which will be retained, and they plan on creating 75 full time permanent full time jobs. This will be one of the largest construction projects in Massachusetts today. Mr. Fraser said that he estimates approximately \$1.5 million will be spent annually by Sysco workers in Town businesses. Mr. Fraser said that Sysco would be paying approximately \$130,000 annually in Motor Vehicle Excise taxes. Each year we replace equipment. Our tractors and trailers are never more than five (5) years old. Sysco tractors have certified Clean Air idle mode, which is a California

emissions standard. The trailers have a diesel motor and these units run as quiet as possible. Sysco estimates \$1,000,000 in permit fees in the first two (2) years. Mr. Fraser said we have two (2) emergency generators which are soundproofed. He noted that Sysco is currently located in a residential neighborhood. When their generator is running, you cannot hear it. Mr. Casinelli said that Sysco Boston needs to sell this project to Sysco headquarters. We need to make the numbers work. It has become increasingly difficult, but we need every possible opportunity to reduce our costs. This is why the incentives are so important.

### **Tax Increment Financing (TIF) Program Overview/Lynn Tokarczyk**

Ms. Tokarczyk said this program was implemented in 1993 by the State to reward companies that were making new real estate investments and creating jobs. The program is administered by a 13-member board. To date, approximately 1,400 companies have applied for this program. Communities need to be an Economic Target Area (ETA), which Lakeville is part of the Greater New Bedford Economic Target Area. There are 210 communities that have this designation. Within the ETA, there needs to be an Economic Opportunity Area (EOA). Sysco would need to meet certain criteria: job creation – need to be new full time jobs that Lakeville residents will have preference for; real estate investment: must be new revenue coming into the community; and companies need to have substantial sales outside of Massachusetts. This is a partnership program between the State and local communities. The State Investment Tax Credit is a sliding scale based on the company's capital expenditures and can be up to 10%. The State has capped this credit at \$25 million. Under the Local TIF, the Town does not lose a dime on the existing tax base. Whatever the new proposed assessed value is would generate new taxes, and the TIF is a sliding scale reduction on the new taxes only. This can be 1% to 100% for up to 20 years. With all TIFs, there is a 100% personal property tax exemption (furniture, equipment, etc).

Ms. Tokarczyk spoke about the approval process of the TIF. Sysco has been working on this project since March. The company has proposed a 13 year TIF. The company did apply for something much more aggressive, but the TIF Team negotiated the percentages down over several years. The next step is that the Board of Selectmen need to make certain votes and then the project goes to Town Meeting. Educating residents is a task on its own. There will be a community meeting to try to educate residents about this program. If Town Meeting approves, it goes to the Mass Office of Business Development.

### **TIF Proposal Summary/Nancy Yeatts**

#### **43 Main Street**

Chair Yeatts said right now, the former Hospital property pays \$52,427 in real estate taxes. It has been sitting vacant since 1992. Using the \$52,427 figure, the Town would receive \$733,972 in real estate taxes over the life of the TIF (13 years) if the property remained vacant. If Sysco were to go there, even with tax breaks, in the next 13 years, the Town would receive \$6,053,067 in real estate taxes. Every one is aware of the problems that all municipalities are facing. The State has cut us \$1.3 million over the past several years. We are falling far behind in equipment replacement and are losing staff.

## Lakeville Country Club – 44 Clear Pond Road

Chair Yeatts said several developments have been proposed for the Lakeville Country Club. One proposal was a subdivision of 56 houses, bringing in approximately 100 children which would stress our school system. Other suggested projects were condominiums and a 40B development. There are four (4) golf courses in Lakeville, and the declining economy has affected all of the golf courses. Chair Yeatts said she would personally prefer the former Lakeville Hospital site, but Lakeville Country Club is another choice. Right now, the golf course pays \$44,437 in real estate taxes per year. Since they are under the 61B program, they receive a tax break. Over the life of the TIF, the golf course would pay \$622,112 in real estate taxes compared to the \$6,053,067 the Town would receive from Sysco over the same period.

Mr. Maksy said he did not see the 2.5% tax escalation in the figures. At the end it will be higher as the tax rate increases. Selectman Olivier said in the first year, the valuation of the building will be added to the tax base. We take our expenses and divide by our valuation. This will lower the tax rate in the first year by a small bit. Madelyn Maksy said she owns a property that abuts the golf course. The Hospital proposal is a great boost to the Town. You mentioned said that there have been several proposals for the golf course. Chair Yeatts said the owner has certain rights on the property. It is zoned Business. You could have a lot of different businesses in there that may not be stable.

## Questions/Comments

Joseph Abbaticola asked how much land is at the hospital. Chair Yeatts replied 72 acres. Mr. Abbaticola asked if the piece of land that is on Vaughn Street is going with it. Chair Yeatts said no, the State owns that. Mr. Abbaticola asked if Sysco would purchase both pieces. Mr. Fraser said Sysco is only purchasing one (1) piece of property. Mr. Abbaticola said in January, the names of the trucks were changed, Hallsmith was taken off. Mr. Fraser said we bought a company in Ireland and consumers were getting confused. We are trying to standardize our operations, such as logos. Mr. Abbaticola asked if the company was considering going with a leased trucking service. Mr. Fraser said that currently part of Sysco's business is in New Hampshire, and we run a leased fleet. The leases are due to expire and will be replaced with our own equipment. We own 150 tractor/trailer combinations that we would run from Lakeville.

Martin Schwalm of Stetson Street said \$6,000,000 in taxes is a great figure, but what is the cost impact to the Town. Having Sysco drop this project at Lakeville Hospital and operate 150 trucks out of the Town will involve costs. Selectman Olivier said that is part of the problem with expanding a town like Lakeville. You have increased costs year after year. You end up having to find ways to bring in revenue when the State keeps cutting you. Residents are going to have to make a decision regarding truck traffic in order to bring in revenue. The cost to Lakeville will be truck traffic, but there is economic benefit. Employees will be coming into Town and spending money. There will be added services to Police and Fire. Mr. Schwalm said from a business perspective it is great, but what if it costs us \$10,000,000. Chair Yeatts said in the first year alone, the permit fees are \$1,000,000. There might be costs, but the property is 1/10<sup>th</sup> of a mile from Route 495. Route 105 in Lakeville will not be impacted. She asked Mr. Schwalm what costs he anticipated. Mr. Schwalm said we need to understand what the expense will be.

What if we have to change the electric grid in Town? What if they use ammonia based refrigeration, and we have to develop an emergency plan? Mr. Fraser said Sysco does use an ammonia based refrigeration system. We recently built a facility in Florida and we trained the local Fire Departments on site with our certified contractors. We are required by law to write an Emergency Response Plan. We paid for the trainers and training on site. Ammonia based refrigeration is very safe. Chair Yeatts said the Lakeville Emergency Planning Committee has received funding through the State for doing trainings. Someone from a HazMat site would need to be included on the Lakeville Team. Mr. Schwalm said he wants us to understand the expenses before we move forward. Chair Yeatts said the Town will be holding another community forum, and we can look further into this.

Chair Yeatts said once the TIF is over and we realize the full value of the property, including Personal Property that will be additional revenue that we will receive. We are trying to set Lakeville up for the future so that we are not dependent on the State. When we went to visit the Norton facility, there were streets that said no truck traffic. We will make agreements with them regarding their traffic route. Mr. Mr. Abbaticola asked where Sysco would be placing the trucks coming in at 2:00 AM. In Norton, they are not allowed to go in before 5:00 AM. Mr. Fraser said we need a truck staging lot. That's a stress to our local neighbors having trucks in before 5:00 AM. The struggle is how to lay that out on the site. We will have off road truck staging. Joseph Jacques of 16 Stetson Street said one site is 72 acres and the other is 140 acres. Is Lakeville Hospital big enough? Chair Yeatts said there are wetland constraints on both properties. Mr. Maksy said Lakeville Country Club is a 61B recreational property, and the Selectmen would have to approve the sale. We are looking at a 43% tax break overall. They will be paying a little over \$5 per thousand as opposed to a residential tax payer. The residential people are subsidizing the frontloading of this project. Either site, abutters will be losing value by either losing golf course frontage or being located adjacent to an industrial building. We would need to look at depreciation on those lots. There are a lot of expenses that have not been figured. Chair Yeatts said \$1,000,000 will help with expenses. Our intent is to make it easier on the taxpayers.

Selectman Olivier said on the 43% that is the exemption. Yes there will be an impact to the value of houses. There are a lot of things that impact value of houses. If this project is done correctly, perhaps that will help mitigate some of that loss of value. Mr. Maksy asked Ms. Black if his frontage changes from a golf course to an industrial property. Ms. Black replied that the valuation will certainly be impacted, however, the property is already zoned Business. Mr. Maksy said most likely all abutters would be requesting abatements. You are going to be looking for tax revenue from these residential properties affected that won't be there. Ms. Black said there is a possibility of losing tax revenue for the current owner of Lakeville Hospital if they go out of business. Mr. Maksy said that is a what if. This is a certain. Chair Yeatts said in 2002, it was estimated at \$2.4 million to demolish the hospital. Those numbers have now reversed. Initially there will be some expenses. As we go forward, by year 13, it would add an extra \$750,000 a year in tax revenue. She is excited about finding some hope for the future revenue wise. We may have to look a bit more closely at expenses, but we need to find out what is best for the Town of Lakeville. We have to be sustainable.

Brian Hoeg, Planning Board Member, asked if Sysco would be utilizing the entire property at Lakeville Hospital. Mr. Fraser responded yes. Mr. Hoeg asked would there be a large amount of open space around the building. He felt that there is less impact on the Town's infrastructure using the Lakeville Hospital property than the golf course. Mr. Fraser said they have looked at both sites. We have drawings of our building plotted on both pieces. We would follow open space requirements. Our building fits comfortably on both sites. He is very happy with the highway proximity from both sites. Currently their trucks drive seven (7) miles to the highway.

Chair Yeatts said tonight the Board has to make five (5) votes: vote to designate both sites as EOA's, vote on TIF's for both sites and vote regarding making this a certified expansion project. A community meeting will be held on May 27, 2010 to announce the chosen site. We would need to vote at Town Meeting on the TIF and at another Special Town Meeting for a zoning change.

Ms. Maksy said we feel your passion for this project, and it's wonderful that we have Selectmen looking out for the sustainability of the Town. Lakeville has always been a bedroom community and this is huge. Noise and light pollution is a big concern on either site. The numbers make sense, and with the exception of the costs, it all sounds good. In the same breath, have you heard from residents in favor/opposition for each site? Chair Yeatts said that she hears from residents all the time about Lakeville Hospital. People are aggravated with these buildings being vacant. Ms. Maksy said then why don't we push them there. Why are they considering the golf course? This is the commercial area of Lakeville. It makes sense to place this there. Chair Yeatts said the golf course is also zoned business. Ms. Maksy replied this is not business. Chair Yeatts said the zoning has to be changed on either property. Mr. Fraser said the challenge with the hospital site is wetlands. We have shifted the building a few times and see that expansion is an issue. There is also a truck staging problem on the Lakeville Hospital site. Our corporate office does a lot of the mitigation. This is the property that we started with first and encountered challenges on this site.

John Olivieri of Woodland Ridge said this project will generate income for other businesses in Town. Absent the TIF, we do not have control over who buys what. It is in the Town's best interest to work with a good neighbor. He has spoken to a large number of restaurant owners, who tell him Sysco is a good company. The Chamber of Commerce is in favor of this. As a resident, one site will have less impact than the other. We should take a look at what we could get if we don't have Sysco in there. Sysco will be a much less financial burden on the Town compared to a residential development. Chair Yeatts said when CVS wanted to build on their property on Main Street, there was a turtle problem. They needed to mitigate off site. We allowed them to mitigate on the Howland Road site (26 acres). This property could be used for mitigation, which will be an issue with Lakeville Hospital site. If they mitigate wetlands, they have to go 2/1 for mitigation. Darryl Bernier of Main Street asked if the hospital is on the National Heritage map. Chair Yeatts said yes, a bit on Lakeville Hospital and the whole golf course. They will be able to mitigate right on the golf course property. Mr. Schwalm asked if the Board could approve the TIF for one property and not the other. Chair Yeatts said it is two (2) separate votes. Selectman Olivier said at Town Meeting, you only vote on one. Mr. Hoeg said if you are filling wetlands on a site, you are supposed to replicate on the same site. My preference would be on the same site. Chair Yeatts said that Natural Heritage will give you

options. Mr. Maksy said you can replicate the turtle habitat on some other property, but he did not think you can replicate the wetlands on another site.

Mr. Maksy said he had never seen a TIF for more than 20% for 20 years. He thinks it is very excessive at 43%. Chair Yeatts said she has looked at several different TIFs. Mr. Maksy noted that he worked on the Christmas Tree Shop TIF in Middleborough. Selectman Olivier said this is a 13 year TIF, not 20 years. There is a lot of money that we are giving away. We have to be careful. If there was no TIF in place, that would be great. They are spending a lot of money building this facility. They need to be a sustainable business as well. This is going to bring jobs to the community also. You can't say there will be no exemption. Mr. Maksy said Lakeville has one of the lowest tax rates in the area. We need to look at the expenses to see as a Town how we can survive and not have to subsidize the project. Chair Yeatts said she needs to know what the expenses would be. Buddy Rocha said in larger municipalities, such as New Bedford and Fall River, we tend to see a 50% exemption over the lifetime of a TIF. It varies in small towns, depending on what development they already have. For instance, in North Attleboro, you tend to see some of the TIFs that range to 50%. It is not uncommon to see 35% to 50% TIFs. Chair Yeatts asked if the average TIF is for 20 years. Mr. Rocha said it depends on the project and the municipality. Most of the TIFs he has seen are five (5) to 13 years. Cities tend to go to 20 years. However, a true partnership is 50% and this is below that. The TIF is frontloaded. In year seven (7) there is a large increase in the tax revenue. There are a lot of TIF projects that are 100% exemption in the first one (1) to three (3) years. Over the 13 year period, there is a \$250,000 savings per year to the company. The Sysco team needs to bring the best project to their corporate team.

Chair Yeatts asked Ms. Black if she thought this would be more of a burden than an asset to the Town. Ms. Black said it is not a burden on the Town at all. 13 years is a drop in the bucket compared to how long this company will be contributing to our Town. William Comeau of Vaughn Street said the assumption is you attract business to a town, the unemployment goes down, the tax rate goes down and the reliance on State aid goes down. Mr. Rocha was speaking about these other cities, but did these things go down. Mr. Rocha said as far as the tax rates are concerned, no they are not lower. Most cities are \$24/25 per thousand. Towns are always lower on the tax rates. Unemployment rates have a lot of factors that contribute. Larger municipalities lose jobs at significant rates and they are generous on their TIF proposals to keep employment. It is hard to compare Lakeville with New Bedford and Fall River. Chair Yeatts said there are 100,000 people in Fall River, so 75 jobs don't make much of a difference to Fall River, but in Lakeville with 10,000 population, that makes a difference. Mr. Comeau said he would like to know how attracting business lowers unemployment, the tax rate and reliance on State aid. Have you researched this? Selectmen Olivier said that is a very difficult question. Most time it doesn't. You bring in more money and residents want bigger and better things. This is a great opportunity to lower our reliance on State aid. We need to curtail our spending so that we can be sustainable. Chair Yeatts said that we have new Finance Committee members who are very conservative on spending.

Ms. Maksy said so we are looking at \$500,000 each year for two (2) years would go into the General Fund. All the Town departments will want a piece of it. Is it a possibility that we take some of that \$500,000 to earmark it for specific costs that the Town may incur? Chair Yeatts

said we will want to place that money in the Stabilization Fund. Ms. Maksy asked if the School Department could come in and claim that money. Chair Yeatts said yes at Town Meeting. Ms. Maksy asked if that could be in the TIF agreement, to earmark the money for costs that the Town incurs. Chair Yeatts said she does not believe it's legal to do it. Selectman Olivier said we could vote at Town Meeting to place the funds in the Stabilization Account. Chair Yeatts said our Stabilization Fund is \$462,000 right now; it should be at least \$1,000,000. Selectman Maksy said we did not talk about the 100% personal property exemption. What is the value? Chair Yeatts said it is part of the State law. Ms. Tokarczyk said it has a \$1.2 million value, approximately \$93,000 per year, only if the TIF is approved. Chair Yeatts said we are only voting to place this on the Town Meeting Warrant. Mr. Schwalm asked if some of the expense questions would be answered prior to Town Meeting. Selectman Olivier said it will be an estimated expense. Mr. Schwalm said we need the numbers in order to vote and know what we are voting on. Chair Yeatts announced the next community meeting will be May 27<sup>th</sup> at 7:00 PM.

### **Votes on TIF Proposals**

Upon a motion made by Selectman Olivier, with Chair Yeatts stepping down to second and stepping back up, it was:

VOTED: To approve the creation of the 43 Main Street EOA (Economic Opportunity Area) pursuant to MGL c. 23A, Section 3E, and submit said EOA for approval to the EACC (Economic Assistance Coordinating Council).  
Two in favor, (Selectman Maksy recused).

Upon a motion made by Selectman Olivier, with Chair Yeatts stepping down to second and stepping back up, it was:

VOTED: To approve the creation of the 44 Clear Pond Road EOA (Economic Opportunity Area) pursuant to MGL c. 23A, Section 3E, and submit said EOA for approval to the EACC (Economic Assistance Coordinating Council).  
Two in favor (Selectman Maksy recused).

Upon a motion made by Selectman Olivier, with Chair Yeatts stepping down to second and stepping back up, it was:

VOTED: Voted to recommend to Town Meeting the proposed 13 year TIF (Tax Increment Financing) Plan and Agreement, pursuant to MGL c. 40, Section 59, between the Town of Lakeville and Sysco Boston, LLC for property located at 43 Main Street and authorize the submission of same for approval to the EACC (Economic Assistance Coordinating Council).  
Two in favor (Selectman Maksy recused).

Upon a motion made by Selectman Olivier, with Chair Yeatts stepping down to second and stepping back up, it was:

VOTED: Voted to recommend to Town Meeting the proposed 13 year TIF (Tax Increment Financing) Plan and Agreement, pursuant to MGL c. 40, Section 59, between the Town of Lakeville and Sysco Boston, LLC for property located at 44 Clear Pond Road and authorize the submission of same for approval to the EACC (Economic Assistance Coordinating Council).  
Two in favor (Selectman Maksy recused).

Upon a motion made by Selectman Olivier, with Chair Yeatts stepping down to second and stepping back up, it was:

VOTED: To recommend to Town Meeting the proposed application by Sysco Boston, LLC for a Certified Expansion Project pursuant to MGL c. 23A, Section 3F and authorize the submission of same for approval to the EACC (Economic Assistance Coordinating Council).  
Two in favor (Selectman Maksy recused).

### **Adjournment**

Upon a motion made by Selectman Olivier with Chair Yeatts stepping down to second and stepping back up, it was:

VOTED: To adjourn the Selectmen's meeting at 8:33 PM.  
Unanimous in favor.