

Town of Lakeville
Economic Development Committee
Meeting Minutes
May 2, 2017

On May 2, 2017, the Economic Development Committee held a meeting at 6:30 PM at the Town Office Building. The meeting was called to order by Chairman Burke at 6:35 PM. Members present: Aaron Burke, Laurie Driscoll, Robert Chestnut (enter 6:38 PM), Sharon Christian and Timothy Fletcher. Members Absent: John Oliveiri and Joan Moran. Also present: Rita Garbitt, Town Administrator, and Christine Weston, Recording Secretary. LakeCAM was recording the meeting.

Meet with Maria Morasco from the Massachusetts Office of Business Development

Maria Morasco was present for the discussion. She is the Southeast Regional Director of the Massachusetts Office of Business Development. Essentially it is a one stop agency for businesses seeking to expand and relocate to Massachusetts. Their primary function is to help businesses through the Economic Development Incentive Programs. Under one of the programs, the State gives tax credits when the company promises to create permanent full time jobs and bring in outside sales. This is more for larger businesses with benefits, etc. The company sends a letter of intent to the Town Manager stating their intent to move forward into a community. Depending on the number of jobs, the company can receive \$50,000 to \$1 million in tax credits. These companies are the “GE’s” of the world. For smaller companies, there is economic assistance, coordinating, and counseling. There is an independent board appointed by the Governor which considers businesses who have a manufacturer registered with Department of Revenue. That entitles them to 3% tax credit, no sales tax on the materials they use, and no payment of property taxes to the Town. Those are incentives for companies coming over from RI, etc. After the letter of intent is in place, the companies can negotiate with the Town. She will forward this information to the Committee for their review to see how it all works.

Lakeville did have a Tax Increment Financing (TIF) Agreement with Sysco through the Board of Selectmen. A municipality can offer a TIF to a business coming into town with the promise of creating jobs and recruiting employees from their Town. Over the period of 20 years the percentage drops from 100% to 5%. The Town may give the business property tax relief of 100% the first year, then it will dwindle down as the Town sees fit. It has to be approved at Town Meeting. If a business is not going to be adding increased value to a building but will be creating jobs, the Town can offer a special tax assessment on the existing value of land and real estate. No less than 50% the first year, then 25% years 2 and 3, and 5% thereafter. The process begins with Ms. Morasco meeting with the company. Then the issue is, does the Town have any guidelines in place for offering special tax incentives? Chairman Burke responded the Town did not, but does it have to be project specific? Ms. Morasco explained it starts with the Board of Selectmen and the EDC to see if they want to consider any kind of tax relief. She will send sample guidelines from other towns of what they have in place. There are some thresholds, such as they have to create a minimum of five (5) jobs. The company signs an agreement with the Town. If they do not do what they have agreed upon, then, the Town can go back and collect the tax relief money. Chairman Burke stated he was very interested in the information that Ms. Morasco will provide for the Board of Selectmen to review and discuss adopting. Ms. Morasco mentioned Dartmouth used it for AHOLD. They could stay and expand, or go to a sister company, which exempted them for five (5) years to stay with a TIF. There are also Special Tax Assessments, whether the structure is staying the same and just being renovated. The state tax is generally not given to big box stores, since the “but for” standard is used.

Ms. Driscoll asked how the jobs are monitored. Do they show payroll records? Ms. Morasco explained it is self-reporting. The Town piggy backs on the State's system. The business has to sign a contract with the State and the Town. The Town has access to it to look at the records. There is no tax relief from the State if it is local. The State gives it to hotels, but not on the Cape because they know a hotel will locate on the Cape anyway. The statute says that Towns can only give out tax incentives for job creation. The Town can say one (1) job or five (5) jobs. The Town could have categories depending on the industry.

If there are any abandoned buildings which have been 75% vacant for 24 months or more, the Town can offer a potential business owner a renovation reduction for the abandoned building. The business would apply with Ms. Morasco for an Economic Opportunity, and it can be site specific. The Town can identify a building or a district that has a prevalence of vacant buildings, or a district, then whoever is coming in, they will receive a 10% reduction off their corporate excise tax calculation. This TIF applies to real estate or personal property. The town has discretion for either, one, or both. If the Town wanted to bring in a Call Center, the minimum TIF is five (5) years and 5%. If the Town is trying to draw in manufacturers, that comes into play. But AHOLD, according to the State, is not a manufacturer. Ms. Driscoll asked if Buddy Rocha had been able to bring anyone in for Lakeville. Ms. Garbitt responded he was very involved with Sysco in 2010. Ms. Morasco stated there is a company which is expanding out of Green Town labs. They were put in touch with Cranberry Growers/Ocean Spray. They said they wanted 65 acres and would create ten (10) jobs in the next five (5) years; however, there are some restrictions. They cannot have power lines going through the property, etc. If another business comes along looking for site selection, they will be put in touch with the Town. If the Town does have sites to promote, they can be referred to her. They offer free listings with the State. The site has 60 upland acres. The owner could list it himself on their site, if it is ready. Information about the site such as infrastructure, if it needs utility work, or roadwork can be provided. There is also a quasi State agency that does this with infrastructure. If the Town can designate a certain area in town, they can come in and give a briefing of what they do.

Ms. Garbitt stated the former Lakeville Hospital property is privately owned. Chairman Burke stated the big problem is there is medical waste there and no one knows how far it has spread. It has been closed since 1992. Ms. Morasco stated there is someone from Massachusetts Development who buys distressed properties, but it is not known if they would from a private developer. Chairman Burke stated that the selling price is \$7 million, but it is negotiable. Should the Town get ownership of the property to spear head a cleanup? Ms. Morasco stated that she can mention the site when there are companies interested in coming in. She asked what the Committee thinks she can find out or facilitate. Ms. Driscoll asked if there are any companies interested in coming to Lakeville. Ms. Garbitt mentioned there is interest from Medical Marijuana Dispensaries to locate in Town. Ms. Morasco stated every town is struggling with this. If they are allowed in, then who will the Town not allow in? The State also does not give incentives to those start-up businesses.

Ms. Morasco asked if AHold was putting in a distribution center. Ms. Garbitt responded they are the current owners of the hospital property. Ms. Morasco mentioned she has a contact that works with them. She will send information to the Town Administrator for the Committee, the sample letter of intent, the TIF and guidelines for the TIF, and the FTA to put in the Committee's "tool box". Chairman Burke stated he would like to have that discussion with the Board of Selectmen and have a policy in place. That way, if there is an opportunity, the Town has a plan.

Chairman Burke mentioned if the Committee looks around town, it will see there has really been a lot of development taking place. Another step in helping that take place is the upcoming zoning change being proposed at Town Meeting in June. Other than what is happening up on Route 44 or in the Industrial Park, the citizens have indicated they do not want to see a lot of development in Town. There are some vacancies in the Industrial Park. If the Selectmen are on board and develop an idea, it would be good to have that to offer. If a project/incoming business made sense for the Town, and the Town embraced it, it is almost certain that town meeting voters would pass it.

As additional discussion took place regarding the old Lakeville Hospital, it was noted the Owner is up to date on paying the taxes of about \$50,000 a year. However, if there was an active business on the site, the taxes would be higher. Sysco, a previous interested buyer, was going to have to pay \$3 million for cleanup, in addition to the purchase price. The present owner also has to pay for security at the site 24/7. It was purchased by the present owner for \$2.2 million. If the Town was interested in taking the property back, it would have to be through a Town Meeting vote. There is really no value with the site due to the unlimited environmental cleanup. The assessment of the property is not very high. Grant King, of SRPEDD, had attended a meeting regarding the property, and he was willing to look at all grant opportunities for the private owner; however, they did not follow up with him.

Approve Meeting Minutes for April 4, 2017

Upon a motion made by Mr. Chestnut; seconded by Ms. Christian it was:

VOTED: To approve the Meeting Minutes of April 4, 2017 with the following changes to page 1; Joan Moran *was* present for the meeting, SBA = Small Business *Administration* not Association, and SCORE, Counselor's to America's Small Business, *not just* Counselor's to America's.
In favor 4, Abstain 1 (Mr. Fletcher)

Update on the SBA Workshop scheduled for May 24, 2017

The SBA workshop event will be held on Wednesday, May 24, 2017 from 5:30 PM - 8 PM at the Lakeville Library. John Arnett: U.S. Small Business Administration Economic Development Specialist will be present. There will be two (2) representatives present from Eastern Bank, the Branch Manager and the Small Business Manager. Ms. Driscoll stated there were four (4) people signed up. The event is listed on Facebook, Linked In and the Town's website. Representative Orrall will try to attend, but Senator Rodrigues had to decline.

Schedule next meeting.

The next meeting was scheduled for Tuesday, July 11, 2017 at 6:30 PM.

Adjournment

Upon a motion made by Mr. Fletcher and seconded by Mr. Chestnut, it was

VOTED: To adjourn the Economic Development Committee meeting at 7:45 PM.
Unanimous in favor