

**TOWN OF HEBRON
BOARD OF SELECTMEN
JOINT SPECIAL MEETING WITH BOF
OCTOBER 7, 2009
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called for compromise
HEBRON TOWN CLERK

BOS MEMBERS PRESENT: J. Watt, B. O'Connel, M. Stuart, W. Moorcroft

BOS MEMBERS ABSENT: G. Mulligan

VILLAGE GREEN DEVELOPMENT COMMITTEE: L. Hinman, Planning &
Zoning Chair

BOF MEMBERS PRESENT: D. Larson, M. Hazel, M. Leichter, D. Ferree

STAFF PRESENT: Hebron Town Management Team Members- A. Tierney, D. Lanza,
M. O'Leary; J. Day, Finance Director

J. Watt called this special meeting to order at 7:35 p.m.

Public Comment- None.

Village Green Infrastructure Improvements- Negotiation Committee Presentation:

L. Hinman presented on behalf of the Village Green Development Committee. He noted that this committee worked together to establish a recommended agreement for the required infrastructure improvements for the Village Green District.

This committee was formed this past July. It consisted of representatives from the Economic Development Committee (V. Avelis), the Board of Selectmen (J. Watt), the Board of Finance (M. Hazel), and the Planning and Zoning Commission (L. Hinman), as well as support from town staff members (M. O'Leary, D. Holtman). The committee's charge was to figure out a way to get the Village Green Development process moving.

The committee consulted with the property owners (Ms. Tarca and the Hortons). This was a very positive process for all.

L. Hinman provided background information on the Village Green District and reviewed the Village Green District's design. He noted that the current road was installed in 2007.

The main issues to address to get this project going were the installation of the traffic lights and the installation of the utilities. There will be approximately 350,000 commercial square feet in the Village Green District. L. Hinman noted that the master plan for this commercial space has been approved. The property tax revenue for the Village Green is projected to be \$500,000/year.

L. Hinman then reviewed Phase I and Phase II of the Village Green District.

The proposed recommendation has two parts. The first is an agreement between the town and the land owners (public/private agreement). The second part is the establishment of a special district for administration of this relationship. He noted that copies of both these draft agreements are available to the public.

Under the public/private agreement the town will install the infrastructure requirements mandated by the DOT and other things required to get this development going. Specifically this would involve installation of a traffic light on Route 66 and installation of the utilities (telephone, electricity and cable). The total cost is approximately \$280,000.

The plan would be for the property owners to repay the town for these costs over the next five years. Repayment is based on a per acre levy for this district. This would be administered through a special tax district. This would have to be done under an ordinance approved by the town. The special tax district must also be approved by the landowners.

L. Hinman explained that first step to establish an ordinance would be for the BOS set a public hearing to get the public's input. The BOS can take action on this ordinance after the public hearing. Then the landowners would then have to approve this special tax district.

The special tax district is be administered by a Board of Commissioners. The Board of Commissioners shall have five members. The BOS, BOF and Planning & Zoning shall each nominate one member. The landowners shall nominate the other two members.

Once the ordinance is established, the Board of Commissioners shall then turn to the agreement to repay the town over the next five years.

L. Hinman noted that it breaks down to approximately \$412/acre/year if the town is repaid over the next five years.

L. Hinman then noted that the town's appropriation of \$280,000 needs to be approved at a town meeting under Hebron's Town Charter.

M. Hazel then talked about the appropriation. He noted that the \$280,000 appropriation would come for undesignated fund balance. It will require town meeting approval. He noted that they had to be sure the town could afford to lend this money and wait to get it back over a five year period. The BOF has a policy of keeping the undesignated fund balance at or above 7.5%. This expenditure would put it at 8%.

M. Hazel then noted that this appropriation would also be tracked in the town's books and records. These repayments will be interest free and go back into the town's general fund. He noted that this special district levy will be separate from the regular levy so it can be tracked and reported on separately in the general town budget.

M. Hazel stressed that the town will recoup all their money over a five year period. He also explained that it is important to establish a special tax district to make these repayments taxes. By doing this, the town comes ahead of any other creditors.

L. Hinman noted that they have asked the BOS to set a date for public hearing on this ordinance.

B. O'Connell asked if there was any flexibility with the conditions for repayment. M. Hazel explained that there is more flexibility with collecting an incremental levy annually.

With the levy, repayment could occur faster than if there was a simple repayment schedule. The agreement stipulates that an incremental levy be established annually and that the town be repaid over a maximum of five years. In addition, creating the repayment as a tax not only puts the town ahead of all creditors, it also gives the town something to enforce. The town's interest is being protected.

J. Watt commented on how well crafted and useful the proposed ordinance will be. The town can use it again in the future.

M. Leichter asked if the assessment of the levy will stay constant or go down if potential taxes go up if several businesses quickly occupy the Village Green District. M. Hazel noted that the ordinance provides flexibility to address this issue.

M. Stuart noted that a new agreement would also have to be established because the current agreement does not anticipate any other sources of income to repay the \$280,000.

M. Stuart then noted that a grant could theoretically be used to pay back the levy. In order to do this the agreement would have to be renegotiated.

Schedule Public Hearing on Proposed Ordinance, Development Agreement & Financing Regarding Village Green if Appropriate:

The discussion turned to setting a public hearing date for adoption of the ordinance. J. Watt proposed October 22th.

A proposed calendar/timeline for the whole process was presented and discussed by both the BOS and the BOF.

M. Stuart noted that the proposed timeline should allow time for public input and time for the landowners to agree to establish the new tax district *prior* to approving a supplemental appropriation.

It was noted that the ballots from the landowners are due back on November 20th. They will be opened on November 23rd. A special town meeting for the supplemental appropriation and authorization to enter into the agreement could be held that evening.

M. Leichter noted that BOF is scheduled to meet on October 22nd. He thought that public comments on the proposed ordinance were very important to the BOF as well. He

suggested that the BOF have their meeting right after this public hearing. At their meeting the BOF could approve this supplemental appropriation and refer it to a special town meeting on November 23rd. The BOS and BOS all agreed.

M. Stuart made the following motion:

- The Board of Selectmen move to set a public hearing for October 22, 2009 regarding the adoption of an ordinance for the special services tax district for the Village Green District and distribution of information on the proposed development agreement for development of the Village Green.

The motion passed unanimously. The public hearing will start at 7 p.m. and be at the Douglas Library.

Schedule Special Town Meeting Regarding Village Green if Appropriate:

After the October 22, 2009 public hearing, the BOS plans on adopting this ordinance and scheduling a special town meeting for November 5th to recommend approving this supplemental appropriation and to enter into the development agreement.

Anticipated Executive Session:

Personnel Matter- Review of Town Manager Position-

The BOS went into Executive Session at 8:40 p.m. They came out of Executive Session at 9:35 p.m.

Adjournment:

The meeting adjourned at 9:35 p.m.

Respectfully submitted,

Linda Bulkovitch
Board Clerk