

Walsh Property Community Planning Committee
Meeting Minutes, February 16, 2022, 6:30pm

Members Present: Paul Wisotzky and Fred Gaechter, Co-Chairs, Christine Markowski, Betty Gallo, Susan Howe, Eileen Breslin, Steve Wynne, Morgan Clark, Jane Lea, Todd Schwebel, Ken Oxtoby, Violet Rein Bosworth

Members Absent: Ryan Schmidt and Russ Braun

Also Present: Darrin Tangeman, Town Manager; Barbara Carboni, Town Planner and Land Use Counsel; Assistant Town Manager, Kelly Clark; Finance Director, Alex Marini Lessin.

Public Comment: None

The remote access instructions were read by Co-Chair Wisotzky.

Agenda was discussed - Fred Gaechter, Committee Co-Chair asked the committee for permission to swap items 1&3 on the agenda. There were no objections.

Financial Considerations related to the Bonding of the Walsh Property.

Town Manager Tangeman began the discussion by introducing the new Finance Director Alex Marini Lessin and explaining the town had a short period in which to decide what you do around the bonding of the Walsh Property. The Walsh Property purchase was funded with BANs (Bond Anticipation Notes) of \$4,700,00. We have only paid the interest on those notes for the last 2 years but will have to pay the interest and a percentage of the principal in 2023. We need to decide if we want to refinance it now or wait until March 2023. Town Manger Darrin Tangeman explained that the decision on this question must be made by the Select Board, but the Walsh Community can make a recommendation to the Select Board.

Finance Director Lessin showed a chart of the financial implications of this decision. Truro's financial advisors have warned the town that there could be a significant increase in the interest rate over the next year, so there is a reason to lock in the interest on the note and payments now. We would have to make a decision about the type of bonds we want to convert the BANs into. We could convert them into all tax-exempt bonds, but then the land can only be for public use. If we decided to use the property for a private use, there would be penalties incurred by the town. We could purchase a blend of bonds, tax-exempt bonds and non-tax-exempt bonds. But we would need to know how much of the property we want to use for public use and how much we want to use for private use. Or we could wait until 2023 to refinance the BANs which would give us the most flexibility as we develop a master plan for the property. There is a question about if we wanted to use some of the land for housing and then leased that property to private developer whether that would be considered a tax-exempt use.

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The chart also indicated the cost of each option to the taxpayers.

The cost to a taxpayer who owns a house worth \$700,000, if we use the property for only public use and purchased only tax-exempt bonds, would be \$107 per year; if we went with the blended options (part tax-exempt and part taxable bonds), the cost would be \$110 more a year. And if we wait until 2023 to convert the BANs, the same taxpayer would pay \$126 more per year. The total cost over the lifetime of the loan would be \$6,057,329 if we went with all tax-exempt bonds; if we went with blended bonds of the percentages that Finance Director Lessin used in his calculations, the cost would be \$6,675,017. If we wait until 2023 to convert the BANs the cost of the total loan would be \$6,674,000.

Committee Member Wynne wanted to know why they used those percentages breakdown between the tax-exempt bonds and the taxable bonds in working out the cost of the blended option. Committee Member Oxtoby asked how Eastham handled the bonding for their new development. No one knew the answer. Committee Member Breslin asked why there was such a short timeline to make this decision. Finance Director Lessin said the time it took for the town to get all the information necessary to make this decision effected the timing. Co-Chair Gaechter said this decision will impact the use of the property and we don't know what breakdown of the blended model we would need in developing the property in best way for the community. Committee Member Susan Howe said it is premature to make the decision on the blended model. Co-Chair Wisotzky spoke about the penalties that would be incurred if we went with all tax-exempt and needed to use more of the property for non-tax-exempt bonds. Co-Chair Gaechter said he supported waiting until 2023 before converting the BANs to give us more flexibility in planning the use of the site. Committee Members Wynne, Howe, Schwebel, Gallo and Lea supported more flexibility. Co-Chair Gaechter stated we appear to have reached a consensus recommending that the Select Board wait until 2023 to give us more flexibility in deciding the uses of the property.

School Committee's presentation about a land swap. Committee Member Oxtoby, who also serves as the Vice Chair of the School Committee, explained that the State School Building Authority indicated back when the town was considering expanding the school, that the school would need more land if they ever wanted to expand in the future. The School Committee worked with the Walsh's to arrange a land swap of about 7 acres. There was an agreement which was taken to Town Meeting which supported the swap and there was special legislation needed in order to complete such a swap. That legislation passed but the Walsh's never signed the agreement. Committee Member Oxtoby said the School Committee was not asking us to make a decision about the swap now but wanted the committee to know about the issue as we moved ahead with a master plan. Co-Chair Gaechter indicated that the Committee would consider this situation when we begin to develop a master plan.

Questions about the Tighe & Bond Report. Town Planner Carboni went through the answers to the questions committee members asked about the Tighe & Bond report. Co-Chair Wisotzky asked if open space was a restricted feature that needs to be considered when determining the number of bedrooms that would be developed on the land.

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Committee member Wynne asked about the access from the property onto private roads. Barbara said that the town owns 50% of private roads which may make it possible to use those roads for access to the property.

Next Meeting. Co-Chair Gaechter announced that the next meeting is February 23rd and asked if anyone had anything to add to the agenda.

Town Manager Tangeman said that the Select Board wanted a FIT test of the Walsh property to determine if it is a possible site that could be used for DPW. That test will be done, and at some future meeting, he will come back to the committee to talk about the possible siting of the DPW on the Walsh property. He said he was not asking us to make any decisions but did want us to include the DPW during our planning process.

Committee Member Clark asked that a future agenda include the scheduling of community outreach events. Town Manager Tangeman said the survey which was done by the Local Comprehensive Planning Committee, the Walsh Property Committee and the Truro Housing Authority should be ready soon.

There was a motion to adjourn, and the support of the motion was unanimous.

Respectfully submitted,

Elizabeth Gallo



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