

Minutes
Town of Lexington Appropriation Committee
April 6, 2009

Place and time: Ellen Stone Room, Cary Memorial Hall, 6:30 PM

Members present: Alan Levine (Chair), John Bartenstein, Richard Eurich, Mollie Garberg, Susan McLeish, Eric Michelson, Glenn Parker, Rob Addelson (*ex officio*, non-voting)

Also present: John Connery, Ed Grant, Rob Lent (Town Assessor's Office), Peter Nichols, Susan Yanofsky

The meeting was called to order at 6:35 PM.

1. **Article 49 Beal Corp Development.** Beal Corp's representatives financial analyst John Connery, Peter Nichols, and attorney Ed Grant commented on the implications of the proposed development.

Analysis indicated that 22 cents of each dollar of the estimated real estate taxes paid would go towards services that a commercial project would require, leaving 78 cents available for use by the general fund. The new development is estimated to contribute an additional \$605K of tax revenue over the current \$1.2 M real estate taxes, yielding additional \$472K net revenue. It was noted that the revenue projections have not changed since last year's discussions, mainly because the project is in an existing commercial area on an existing commercial property. The property is assessed using an income model and that functions best when landlords report their operations information to the town's assessors. It was reported that Beal Corp regularly and comprehensively reports information to the Assessor's Office.

The new project is estimated to employ 200 people, and estimated 250 construction workers would construct the project. Traffic mitigation contributions will total \$800K, of which \$500K would be paid upon application for a building permit and placed in the Transportation Mitigation Stabilization Fund (TMSF), and the additional \$300K will be paid before the occupancy permit is issued. Of the last \$300K, \$200K will be for Lexpress, \$20K for installation and maintenance of a conservation trail, and \$80K will be placed in the TMSF. The town requested that the mitigation payments be made upfront instead of over time.

The changes incorporated in the current project include moving 20% of the building up onto the hill, replacing some exterior glass surfaces with brick, removing the mechanical penthouse and moving the systems into the building and reducing the building's height above average grade to 51'.

If the article is passed, construction could start as soon as spring 2010, although construction would not commence until Beal had tenants in place to occupy the new space. Zoning changes that are approved follow the land and would go to succeeding owners. Additionally because this zoning change would increase the development potential, and therefore the value of the land, in the case that Beal delayed construction, the assessed land value would still increase.

2. **Article 11C – Pine Meadows Improvement.** The committee’s vote has changed to (4-5). Still at question is developing a better understanding of the enterprise fund, especially the Recreation Dept. program fee schedule and which programs are ultimately subsidized by golf fees.

The meeting was adjourned at 7:30 PM.

Respectfully submitted,

Eric Michelson

Approved July 6, 2009