



**Town of Ipswich Finance Committee
Warrant for the Special Town Meeting**

Tuesday, January 24th, 2017

Please bring this report to Town Meeting



**Town Moderator
Town of Ipswich
25 Green Street
Ipswich, MA 01938**

PUBLIC NOTICE

In another attempt to improve the quality and increase the attendance at town meeting, the Town Moderator has instituted a pilot program to offer child care services at the January 24, 2017 Special Town Meeting.

This will provide parents with young school-age children the opportunity to join our conversation and be part of the legislature of the Town of Ipswich without having to pay for child care.

The registration deadline is **Friday, January 20, 2017 at 4:00 pm**. The online registration form is available at <https://goo.gl/forms/d6acVasPbVZxyjNw1>: just go to that link, fill out the form, and click “submit” and you’re all set.

If anyone interested in this service is unable to complete the form or has any questions, please contact Ms. LaFrance at lfracrance@ipsk12.net or the Town Moderator at moderator@ipswich-ma.gov.

See you at town meeting!



TOWN OF IPSWICH

IPSWICH, MASSACHUSETTS 01938

To the Citizens of Ipswich:

The Finance Committee is pleased to present this report for the Special Town Meeting of January 24, 2017. This Warrant contains two Articles, the first of which relates to the purchase of a 30.6 acre portion of Pony Express Farms and the second of which relates to the Town's elementary school project.

Article One - Appropriate from Open Space Bond

To see if the Town will vote to:

- 1) *appropriate, and authorize the Treasurer with the approval of the Selectmen, to borrow, pursuant Article 18 of the Warrant for the April 3, 2000 Annual Town Meeting as amended under Article 19 of the Warrant for the May 10, 2011 Annual Town Meeting, the sum of Two Million Three Hundred Seventy-Seven Thousand Dollars (\$2,377,000), or a greater or lesser sum, for the purposes of:*
 - a. *purchasing a fee simple interest or less over some or all of the land at 24 Candlewood Road in Ipswich, Massachusetts, now or formerly of Pony Express Farms, Inc., consisting of 94.17+/- acres of land, being identified on the Town of Ipswich Assessor's Map as Parcel 4 on Map 63, and more particularly described in the Deed recorded in the Essex County Registry of Deeds in Book 7778, Page 595; the portion to be acquired being approximately 30.6 acres as shown on a map entitled "Town Acquisition – Portion of Pony Express Farm," prepared by the Department of Planning & Development, Open Space Program, and dated December 8, 2016; and*
 - b. *developing and constructing athletic fields thereon, including the payment of costs incidental or related thereto:*
- 2) *place the land so acquired under the care, custody and control of the Board of Selectmen of the Town of Ipswich for recreational, water supply, conservation and/or general municipal purposes;*
- 3) *authorize the Board of Selectmen to enter into all agreements and execute any and all instruments as may be necessary on behalf of the Town to effect said acquisition,*

determine the terms of said interests in the land described above, and to hold the property in perpetuity;

- 4) *authorize the application of any premium received by the Town upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount;*

or take any other action relative thereto

Requested By: Open Space Committee

Finance Committee Recommends 4-3 in favor

Board of Selectmen will provide a recommendation at Town Meeting
School Committee recommends unanimously
Planning board recommends unanimously
Conservation Commission recommends unanimously
Open Space Committee recommends unanimously
Athletic Fields Study Committee supports and will provide a formal recommendation at Town Meeting
Agricultural Commission recommends

Brief Summary:

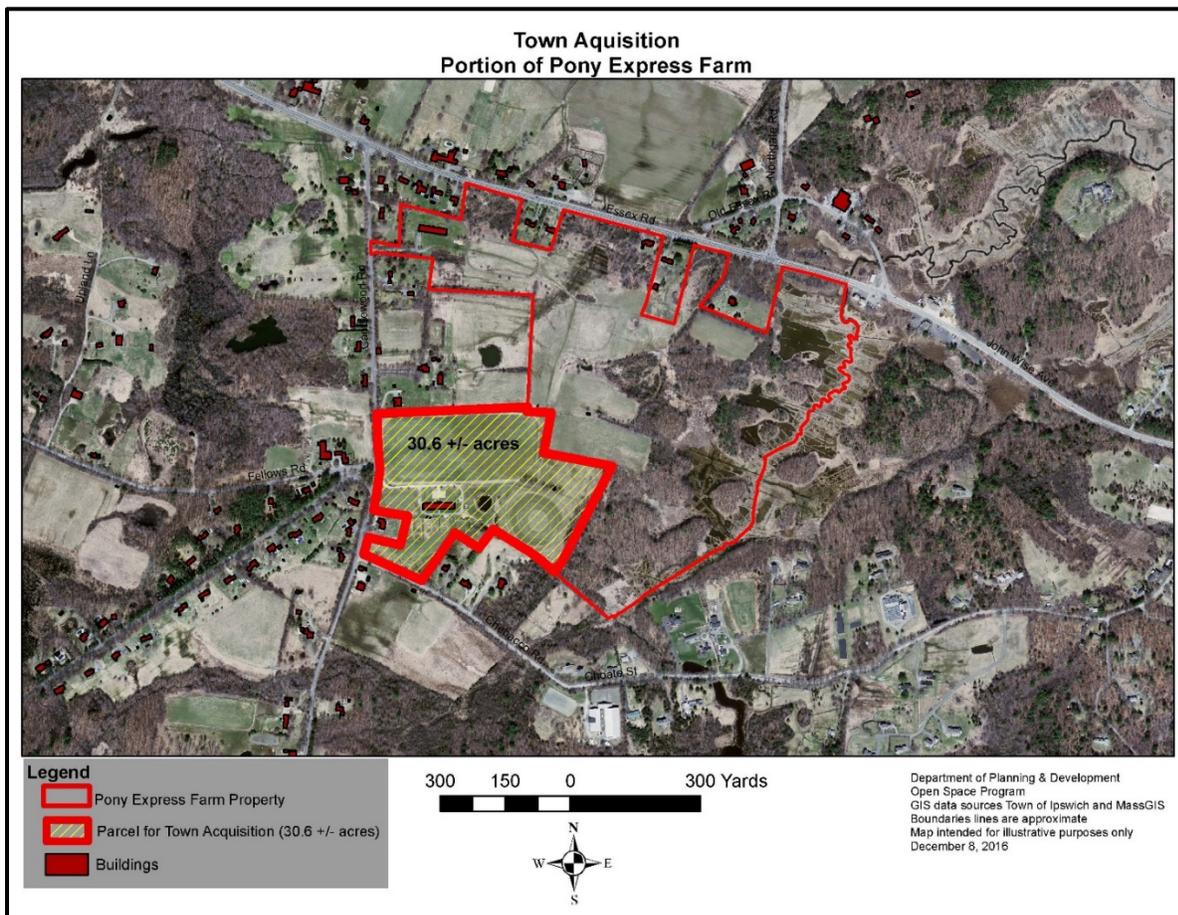
This article authorizes the Treasurer, with the approval of the Board of Selectmen, to borrow a sum of money pursuant to the Open Space Bond authorization adopted by Article 18 of the Warrant for the April 3, 2000 Annual Town Meeting (and as amended under Article 19 of the Warrant for the May 10, 2011 Annual Town Meeting), for the purchase of a portion of the approximately 128-acre Pony Express Farm property at 24 Candlewood Road. The portion to be acquired by the Town would be approximately 30.6 acres in area, as shown on the attached map, entitled "Town Acquisition –Portion of Pony Express Farm", prepared by the Department of Planning & Development, Open Space Program, and dated December 8, 2016.

Pony Express Farm is located between Essex Road, Candlewood Road, Chebacco Road and the Castle Neck River. This large property has been used in recent years for the training, housing and breeding of polo ponies. The property has a dilapidated single family home at 107 Essex Road, a 40 stall barn off Candlewood Road and a 32-stall barn with a three-bedroom apartment and office near the corner of Candlewood and Chebacco Roads.

For the past five years, at the urging of the Athletic Fields Study Committee, the Selectmen, and the 2011 Town Meeting, the Town's open space program has been actively searching to acquire

a property to provide athletic fields for youth sports. The Pony Express Farm, because of its existing polo field, has long been viewed as the optimal property to obtain for that purpose. The Town has partnered with Essex County Greenbelt Association (Greenbelt) and the Commonwealth of Massachusetts Division of Fisheries and Wildlife - on a plan that allows the athletic fields to be developed while preserving the remainder of the property from development. Greenbelt has negotiated a purchase and sale contract with the owners with the understanding that the purchase will be funded through a combination of Greenbelt fundraising, Commonwealth of Massachusetts Division of Fisheries and Wildlife funds, Town of Ipswich Open Space funds and the proceeds from the sale of the existing single family home and a twelve acre horse farm/estate parcel.

If Town Meeting votes to approve this article, Open Space Bond funds will be used to acquire a 30.6 acre portion of the property in fee for use by the Town as athletic playing fields and also to make certain site improvements for four athletic playing fields. The remainder of the property would be purchased by the Essex County Greenbelt Association and the Massachusetts Division of Fisheries and Wildlife and permanently protected for open space purposes. If Town Meeting does not vote to approve this article, it is likely that this deal will fall apart and the property will likely be sold to another buyer or a developer.



Acquisition Price:

The entire property has been appraised by a qualified independent real estate appraiser and has been determined to have a fair market value of \$4.1 million. The 30.6 acre portion which the Town is considering has been appraised at \$2.3 million, while the acquisition price is set at \$2.15 million. This portion of the property has a higher per acre value than other portions of the property due to its suitability for development. The parcel has substantial frontage on Candlewood and Chebacco Roads, and is generally flat, well-drained, suitable for septic systems and free of wetlands.

Development Costs:

In addition to the parcel acquisition at a cost of \$2.15 million, the proposed Town Meeting action would authorize \$227,000 for site development costs for athletic fields and parking areas. The proposed improvements would include deep tine aeration of the four playing fields, seeding, topdressing and fertilizing, field drainage, in-ground irrigation system, and new irrigation pumps, as well as engineering services. Future options for the parcel that may be considered include the future use or demolition of the existing barn building, expansion of the parking area, and/or the creation of two additional playing fields in the future. A committee would be established to consider these various improvements and would provide recommendations to the Board of Selectmen for future funding and implementation.

Tax Assessment:

For FY2016, the entire Pony Express property had a tax assessment of \$18,200. Portions of the Pony Express Farm have been taxed under M.G.L. Chapter 61, which values the property for its current agricultural use, substantially less than its fair market value. It is difficult to predict what the future tax assessment will be. The portions of the property to be owned by Greenbelt and the Town will not be assessed any taxes, the portion of the property to be owned by the Commonwealth will result in a nominal payment in lieu of taxes for state property. The two parcels to be sold by Greenbelt, however, could generate a sizable tax payment. It is likely that the purchaser of the single family home at 107 Essex Road would tear down the existing structure and rebuild a new home. The twelve acre horse farm/estate parcel may well contain a sizable home. The real estate taxes of these two improved properties plus the payment in lieu of taxes from the Commonwealth would likely roughly equal the current tax payments.

Open Space Bond Program:

The Open Space Bond Program was approved by the voters of Ipswich in April, 2000. The initial bond authorization was for \$10 million to acquire valuable open space properties within the town. A second authorization for an additional \$5 million was approved in 2011 with a priority for the utilization of these funds for athletic playing fields. The Program was designed to have a thoughtful pro-active approach to open space acquisitions, with certain high public value properties prioritized for acquisitions, and with funds “pre-approved” by the voters at the ballot, and a Town Meeting vote (if more than \$500,000) or Selectmen vote (if less than \$500,000)

required for an individual property purchase. The Program was initiated with an in-depth review of all potential parcels based on screening criteria for wetlands, water supply, agricultural and scenic values. Pony Express Farms is on the list of approved properties for acquisition.

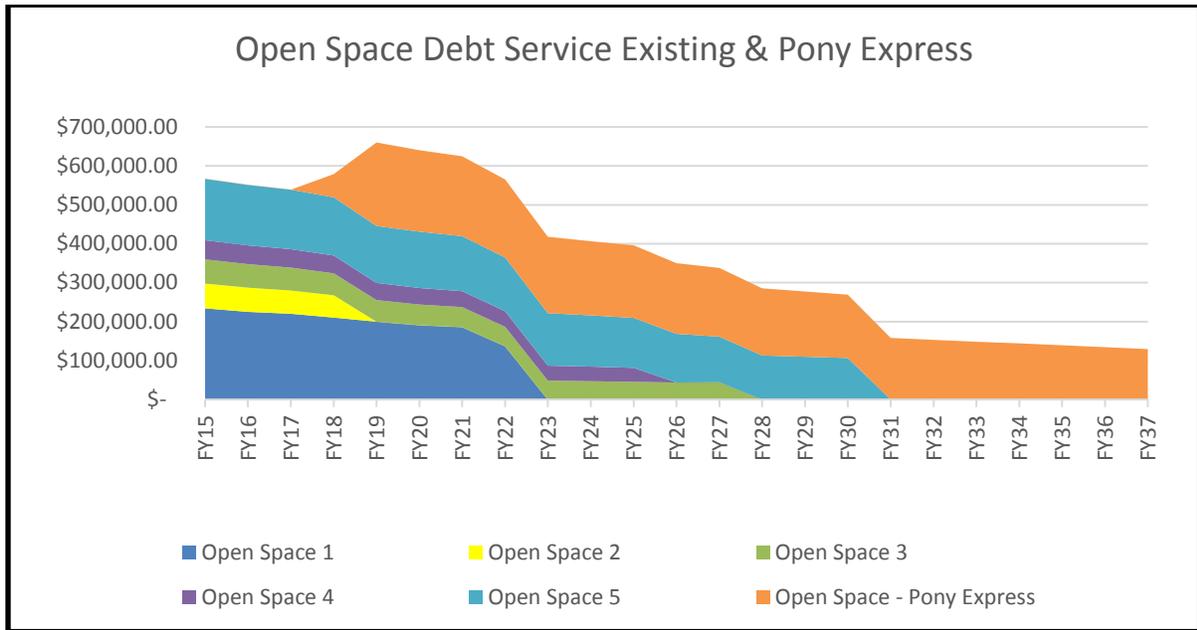
The Town has used the Open Space Bond Program cautiously, but with a very high degree of success. Since the inception of the Open Space Bond Authorization 17 years ago, the Town has protected 13 properties and 763 acres of land by acquiring fee ownership or placing conservation restrictions on the properties. The Town has spent just under \$8.6 million from the Bond, while securing an additional \$9 million in outside funding to reduce the fiscal impact of the purchases.

Adding the Pony Express Farm purchase to the Open Space Bond program would leverage an additional \$2 million in outside funds and protect an additional 128 acres from development. The remaining authorization under the program for future purchases would be approximately \$4 million.

Fiscal Impact:

Assuming the article is approved by the voters, the Town would issue bonds to pay for the acquisition and improvements. Our Finance Director Sarah Johnson has provided a table showing the debt service over the next twenty years. The debt service is higher in early years and declines over the life of the bond. The projected first full year tax impact for the current median single family home valued at \$450,000 is \$34.66 and declining over the life of the bond to approximately \$17.50 in the last year. The first full year impact on the tax rate would be approximately \$0.08 per thousand of assessed value.

The Open Space Bond program has one early acquisition that will be paid off in FY2018 and the remainder are declining in cost in the next five years as they approach final payments. The net impact of the Pony Express Farms acquisition will be reduced as the debt service on these other properties declines. Approximately half of the first full year cost of the acquisition will be offset by debt reductions in recent years from the existing Open Space Bonds. The debt service in the first full year of the new acquisition will be approximately the same as the debt service was in 2012, and will decline over time.



Fiscal Impact – Alternative Scenario:

The proposed Pony Express Farms acquisition includes a potential 2.7 acre residential parcel located at the corner of Candlewood and Chebacco Roads. This is part of the 30.6 acre parcel the Town will acquire. The Selectmen and Finance Committee have discussed the potential sale of this parcel as a means to reduce the overall fiscal impact of the land acquisition. The parcel is not integral to the Town’s anticipated use of the athletic fields and would not affect any future plans to expand the fields. The parcel has residential homes on both sides. The appraisal placed a potential value of the lot at \$450,000. Assuming that the Town wishes to pursue this option, the net savings after expenses related to the sale would be approximately \$420,000. This action would reduce the projected first full year tax impact for the median single family home valued at \$450,000 to \$28.72, a reduction of \$5.94. The first full year impact on the tax rate would be reduced to approximately \$0.07 per thousand of assessed value.

Fiscal Impact – Ongoing Maintenance Costs:

The proposed Pony Express Farms acquisition, like any open space acquisition, would have some ongoing maintenance costs. Unlike other open space, however, since the project would include active recreational playing fields, there would be a higher level of maintenance required. The projected ongoing costs for additional Cemeteries and Park staff, supplies, field lining, building utilities, miscellaneous repairs and portable toilets has been estimated at approximately \$40,000 per year or \$6.54 for the median single family home.

Summary:

The Finance Committee supports the purchase of Pony Express Farms. This is a once in a generation opportunity to both protect important open space for the Town in partnership with Greenbelt and the state, and to secure the single best site in Ipswich for playing fields. While this is coming at a time when the tax burden from the School override is still being felt, this is a relatively small capital expenditure, will be financed at the current extremely low interest rates and will be offset by declining debt service on other open space bonds. There is strong Finance Committee support for the proposal to sell a single residential lot to offset the acquisition price and reduce the tax burden. Taking a long term view, this action fulfills a long term expressed need for town recreation fields, in addition to open space preservation. We urge your support on Article One.

Article Two –Citizens Petition: Advice to School Committee and to School Building Committee

Whether the Town should recommend to the School Committee and the School Building Committee that they reconsider their decision to build a single Elementary School on the Winthrop School Site and instead maintain a two -elementary-school system using the existing Winthrop and Doyon Sites.

Requested By: Peregrine White and petitioners

Finance Committee is opposed on a vote of 6-1.

**Board of Selectmen will provide a recommendation at Town Meeting
School Committee is unanimously opposed
School Building Committee is unanimously opposed.**

Brief Summary by Petitioner:

Doyon and Winthrop both have serviceable buildings that have served the town well for over half a century. The schools may each undergo a “deep energy retrofit” in which the walls, foundation, roof and other major building components are kept. Mechanical and lighting systems will be replaced and the building will become super-insulated. “Clean Energy” developers can arrange minimal-tax-impact financing. Property values may increase as the “green” features of the schools and town.

Discussion:

As this article is advisory only and not binding on town boards and committees, there is no direct fiscal impact. However, this article seeks to change the current direction of the planning for the Town’s elementary schools and if passed, may lead to a change that does have fiscal impacts.

At the present time, the School Committee and School Building Committee is pursuing a plan which would consolidate all elementary school students into a single school at the current location of the Winthrop Elementary School. The current estimated cost of that school is \$62 million, of which the Commonwealth of Massachusetts would reimburse the Town for approximately \$26 million, leaving a net cost to the Town of \$36 million.

The petitioned article suggests that rather than a single large elementary school, the Town maintain two elementary schools on the existing site. The best estimate costs for a “base renovation” of both elementary schools would be \$34.8 million. This would not address current educational needs and building space and design deficiencies, but would simply renovate the existing structures. The School Building Committee has explored various school building alternatives, including a new or renovated school at Winthrop and upgrades to Doyon, and two new elementary schools. These options range in cost from \$34.8 million to \$73.1 million. The best current estimate is included in the table below with major caveats on costs and reimbursement rates for options that have not been studied thoroughly. However, the School Committee has decided that a single elementary school is educationally preferable and in the best interest of the Town, so these options are no longer being pursued.

Elementary School Options (1)	Total Cost (2017 dollars)	Estimated State Funding	Town Cost (2017 dollars)
Current Plan for Single Community School at Winthrop	\$62,000,000	\$26,000,000	\$36,000,000
Two New Separate Elementary Schools at Winthrop and Doyon	\$73,100,000	\$31,400,000	\$41,700,000
New School at Winthrop Only	\$40,600,000	\$17,600,000	\$23,900,000
New School at Doyon Only	\$31,600,000	\$13,800,000	\$17,800,000
Addition/Renovation to Both Existing Schools	\$61,100,000	\$26,500,000	\$34,600,000
Base Repair to Both Existing Schools	\$34,800,000	\$14,600,000	\$22,200,000

Note (1) – These estimates are based on a large number of assumptions regarding eligibility of specific building projects, exclude escalation of future building costs and are simply for comparative purposes to put some scale on the alternatives that have been discussed.

Summary:

The Finance Committee does not support Article Two on a vote of 6-1.

Respectfully Submitted

FINANCE COMMITTEE – TOWN OF IPSWICH

Robert White, Chair

Jamie Fay, Vice-Chair

Michael Dougherty

Mitch Feldman

Walter Hartford

Tammy Howe

Kevin Murphy

Michael Schaaf

Janice Clements-Skelton

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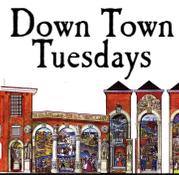
POSTAL CUSTOMER IPSWICH, MA 01938

Ipswich Events Calendar

S	M	Tu	W	Th	F	S
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3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

S	M	Tu	W	Th	F	S
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SUMMER
On Crane Beach



AUTUMN
Walks in the Woods



WINTER
Hearth & Home

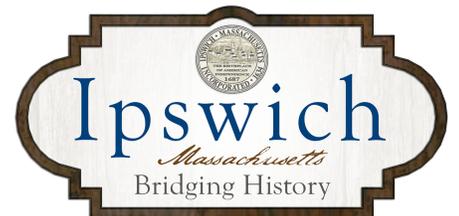


SPRING
In the Garden



ADD YOUR EVENTS
kerrieb@ipswich-ma.gov

Ipswich ReCreation & Culture



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