

TOWN OF NEEDHAM



SPECIAL TOWN MEETING WARRANT

MONDAY, MAY 8, 2017

7:30 P.M.

JAMES HUGH POWERS HALL, NEEDHAM TOWN HALL

1471 HIGHLAND AVENUE

Additional information on particular warrant articles will be made available from time to time at www.needhamma.gov/townmeeting during the weeks leading up to the Special Town Meeting.

COMMONWEALTH OF MASSACHUSETTS

Norfolk, ss.

To either of the constables in the Town of Needham in said County, Greetings:

In the name of the Commonwealth of Massachusetts, you are hereby required to notify the qualified Town Meeting Members of the Town of Needham to meet in the Needham Town Hall on:

MONDAY, THE EIGHTH DAY OF MAY, 2017

At 7:30 in the afternoon, then and there to act upon the following articles:

FINANCE ARTICLES

ARTICLE 1: APPLICATION OF BOND PREMIUM

To see if the Town will vote to supplement each prior vote of the Town that authorizes the borrowing of money to pay costs of capital projects to provide that, in accordance with Chapter 44, Section 20 of the General Laws, the premium received by the Town upon the sale of any bonds or notes thereunder, less any such premium applied to the payment of the costs of issuance of such bond or notes, may be applied to pay project costs and the amount authorized to be borrowed for each such project shall be reduced by the amount of any such premium so applied; or take any other action relative thereto.

INSERTED BY: Board of Selectmen

FINANCE COMMITTEE RECOMMENDS THAT: Recommendation to be Made at Town Meeting

Article Information: A recent change in State law changes the manner in which cities and towns treat premiums received on the sale of bonds and notes. A bond premium is a bond that is sold above its par value – a bond trades at a premium when it offers a coupon interest rate that is higher than prevailing interest rates. A practice of underwriters when bidding on government and corporate debt is to market bonds with a specific interest rate that is usually greater than prevailing interest rates so that investors will pay more for the bond. When a bond is sold at a premium, the effective interest rate or True Interest Cost (TIC) paid by the Town is lower than the stated interest rate on the bonds, because some of the interest paid by the Town in the future is effectively returning money to the underwriter that it paid up-front.

Under the prior law, any bond premium received from the sale of bonds or notes that was not used to pay issuance costs, and was not related to excluded debt, was credited to the General Fund. Premiums received on excluded debt, net of issuance costs, were reserved as a funding source to pay the excluded interest expense in future years, ensuring that the amount raised on property tax reflected the true interest cost. The change allows for any bond premium received at the time of the sale of the bonds or notes (less any issuance costs) to be used to reduce the

amount to be borrowed, or reserved for future use for a similar capital project. If the premium is used to reduce the amount borrowed, the borrowing authorization is reduced by that amount.

All the borrowing authorization requests before this Annual Town Meeting and in the future will include language necessary to comply with this new requirement. Passage of this Article will allow the Town to apply the same procedure to all of the open borrowing authorizations approved by Town Meeting prior to the passage of the Act.

GENERAL ARTICLES

ARTICLE 2: **APPROVE TAX INCREMENT FINANCING PLAN AND TIF AGREEMENT**

To see if the Town will vote to:

1. Approve the Tax Increment Financing (TIF) Plan and TIF Agreement pursuant to Massachusetts General Laws Chapter 40, Section 59, between NBCUniversal Media, LLC, and the Town of Needham for property in Needham Crossing located on a portion of Parcel 74 on the Town of Needham Assessor's Map No. 300, as shown on a Plan entitled "NBCUniversal Media Economic Opportunity Area," dated March 22, 2017 and prepared by the Town of Needham Engineering Division, with a street address of 189 B Street and which comprises approximately 7.81 acres, which TIF Plan and Agreement provide for real estate tax exemptions over a ten (10) year period at the exemption rate schedule set forth therein, subject to approval by the Economic Assistance Coordinating Council (EACC) of the Commonwealth of Massachusetts; the TIF Plan and TIF Agreement are all on file at the office of the Town Clerk;
2. Ratify the execution of the TIF Agreement by the Board of Selectmen, and any documents related thereto, and authorize the Board of Selectmen to take such other actions as are necessary or appropriate to implement those documents; and
3. Authorize the Board of Selectmen to apply to the EACC under the Economic Development Incentive Program for approval and designation of the NBCUniversal Media Economic Opportunity Area, TIF Zone, and TIF Plan; or take any other action relative thereto.

INSERTED BY: Board of Selectmen

FINANCE COMMITTEE RECOMMENDS THAT: Recommendation to be Made at Town Meeting

Article Information: This article would authorize the Town of Needham to enter into a tax increment financing (TIF) Agreement with NBCUniversal Media LLC (NBCU), a leading national media, news and entertainment company, for a major development in the Needham Crossing business center.

Tax increment financing is a mechanism to encourage economic development by exempting a portion of the increased real estate tax that would otherwise apply to the redeveloped property,

for a limited period of time. A majority vote of Town Meeting is required for approval of TIF agreements negotiated by the Town.

The Board of Selectmen has adopted a set of criteria for evaluation of TIF proposals. Those include, for example, that the project is of a size, scope, and industry that will expedite the redevelopment of the business center, that the proposal creates synergy to attract other high technology firms to locate in Needham, and that it will contribute to overall improvement of the business environment in the area. Town Meeting has previously approved one TIF agreement – for TripAdvisor in 2012.

The NBCU project is expected to dramatically add to the taxable value of the property. In consideration of that investment, using a constant dollar (FY2017) basis, the agreement would exempt approximately \$2 million in incremental real estate tax revenue over a ten year period. Most of that exemption is granted in the early years of the agreement. During the first four years, 70% of the increased valuation would be exempted, 5% in the fifth year, and 1% for the remaining five years. Even with the exemptions, the Town's net real estate tax revenue would increase. During the ten year period, the Town would receive the existing base revenue of \$3.6 million, as well as more than \$5 million in incremental revenue.

In addition to real estate tax benefits, the company has committed to investing \$52 million in personal property in the first year, and maintaining not less than \$16 million per year for the term of the Agreement. Business personal property is subject to the property tax and is not exempted by the TIF. At current rates, the first year investment would result in \$1.2 million in additional revenue.

NBCU is a major participant in its industry. It develops, produces, and markets entertainment and information on a large scale to a global audience. This project, together with the presence of existing media businesses and development, has the potential to establish Needham Crossing as a major New England media hub, and to attract additional digital content producers, high-tech companies, and support businesses. The NBCU development is expected to have a substantial impact on the local economy, as well as meal and hotel excise receipts.

The Board of Selectmen has voted unanimously to approve the TIF Agreement with NBCU, determining that the location of the company in Needham Crossing and the N² Corridor will help the Town achieve its long-term development goals. If the proposal is approved by Town Meeting, the parties to the Agreement will seek the approval of the Massachusetts Economic Assistance Coordinating Council at its quarterly meeting in June.

Copies of the agreements and related information are available at www.needhamma.gov/townmeeting.

CAPITAL ARTICLES

ARTICLE 3: **APPROPRIATE FOR RENTAL OF OFFICE SPACE**

To see if the Town will vote to raise and/or transfer and appropriate \$136,500 for the rental of office space, to be spent under the direction of the Town Manager, and to meet this appropriation that said sum be transferred from Free Cash; or take any other action relative thereto.

INSERTED BY: Board of Selectmen

FINANCE COMMITTEE RECOMMENDS THAT: Recommendation to be Made at Town Meeting

Article Information: This article will support a short-term lease of office space for the Public Health Division. Respiratory health effects that may be associated with the Public Health Division's office suite have resulted in the relocation of three full-time employees and one part-time employee from the Town Hall in the past 30 months. All employees are still working for the Town of Needham, but are now working in borrowed space at the Center at the Heights and at the Needham Public Library. In accordance with physicians' instructions, these employees are not allowed to enter Town Hall. This situation renders coordination with co-workers a serious challenge and presents a significant barrier to effective collaboration and supervision. The funding would support a 15-month lease of office space (and accompanying costs to inhabit that office space) for the Public Health Division to consolidate most staff members in one location. Not all staff members would be consolidated in the leased office space due to both cost and programmatic constraints. The plan for permanent office space location is the second floor of the Rosemary Recreation Complex Building proposed under Article 33 of the Annual Town Meeting Warrant.

ARTICLE 4: **APPROPRIATE FOR TOWN HALL STAIR MODIFICATION**

To see if the Town will vote to raise and/or transfer and appropriate \$200,000 for modification and repair of Town Hall staircases, to be spent under the direction of the Town Manager and Permanent Public Building Committee, and to meet this appropriation that said sum be transferred from Free Cash; or take any other action relative thereto.

INSERTED BY: Board of Selectmen

FINANCE COMMITTEE RECOMMENDS THAT: Recommendation to be Made at Town Meeting

Article Information: A series of trip and fall accidents triggered an evaluation of the stairways in the new section of the Town Hall. Under the State Building Code, the riser height of all stairways must be consistent throughout the flight of stairs with a deviation of not more than 3/8 of an inch. The staircases exceed that tolerance and will be modified with new treads milled to the exact tolerances necessary to ensure compliance. The cause of the deviation may be variations in the setting beds and/or inconsistent thicknesses of tread stone. Measures to prevent

accidents – including the installation of additional lighting and safety striping – have already been implemented.

ARTICLE 5: RESCIND DEBT AUTHORIZATION

To see if the Town will vote to rescind a portion of certain authorizations to borrow, which were approved at prior town meetings, where the purposes of the borrowing have been completed, and/or it was unnecessary to borrow the full authorization:

Project	Town Meeting	Article	Authorized	Rescind
RTS Soil Remediation	2012 October STM	16	\$400,000	\$116,000
Total				\$116,000

or take any other action relative thereto.

INSERTED BY: Board of Selectmen
FINANCE COMMITTEE RECOMMENDS THAT: Article be Adopted

Article Information: When a project is financed by borrowing, the project has been completed, and the bills have been paid, the balance of the authorization that was not borrowed and not reserved for other project obligations may be rescinded. A Town Meeting vote to rescind prevents the Town from borrowing the amount rescinded, and frees up borrowing capacity. In some cases, the full appropriation for a project is not required, due to changes in scope, cost-saving measures, and/or favorable bids.

RESERVE ARTICLES

ARTICLE 6: APPROPRIATE FOR WORKERS COMPENSATION FUND

To see if the Town will vote to raise and/or transfer and appropriate a sum to the Workers Compensation Reserve Fund, said sum to be raised from the Tax Levy; or take any other action relative thereto.

INSERTED BY: Board of Selectmen
FINANCE COMMITTEE RECOMMENDS THAT: Recommendation to be Made at Town Meeting

Article Information: The purpose of this request is to replenish the Workers' Compensation Fund which is the Town's reserve fund for paying workers' compensation claims of prior years and for lump sum settlements up to the limit of the Town's reinsurance limit (for both School and General Government employees.) Typically, the source of funds for this account is any remaining balance in the workers compensation line item contained in the employee benefits and assessments budget. Due to increases in medical expenses and other costs over the past decade,

and the resolution of several long-standing cases, the fund balance is less than recommended. The target balance for the fund is \$1,500,000. The balance in the fund as of March, 2017 is \$971,376.

ARTICLE 7: APPROPRIATE TO ATHLETIC FACILITY IMPROVEMENT FUND

To see if the Town will vote to raise, and/or transfer and appropriate \$376,990 to the Athletic Facility Improvement Fund, as provided under the provisions of Massachusetts General Law Chapter 40, Section 5B, as further amended by Section 22 of Chapter 218 of the Acts of 2016, and to meet this appropriation that said sum be transferred from Free Cash; or take any other action relative thereto.

INSERTED BY: Board of Selectmen

FINANCE COMMITTEE RECOMMENDS THAT: Recommendation to be Made at Town Meeting

Article Information: Massachusetts General Law Chapter 40, Section 5B, allows the Town to create one or more stabilization funds for different purposes. A stabilization fund is a special reserve fund into which monies may be appropriated and reserved for later appropriation for any lawful municipal purpose. Monies accumulated in a stabilization fund carry forward from one fiscal year to another. Interest earned from the investment of monies in the stabilization fund remains with that fund. Town Meeting by majority vote may appropriate into the fund and by a two-thirds vote appropriate from the fund. The 2012 Annual Town Meeting approved the creation of the Athletic Facility Improvement Fund to set aside capital funds for renovation and reconstruction of the Town's athletic facilities and associated structures, particularly at Memorial Park and DeFazio Park Field Complex. The replacement of the synthetic turf fields at Memorial Park and DeFazio Park Field Complex is estimated to be \$2.5 million in FY2020, and the Town is considering the reconstruction and/or replacement of the Memorial Park Building. The balance in the fund as of March, 2017 was \$2,656,214.

ARTICLE 8: APPROPRIATE TO CAPITAL FACILITY FUND

To see if the Town will vote to raise and/or transfer and appropriate \$505,000 to the Capital Facility Fund, as provided under the provisions of Massachusetts General Law Chapter 40, Section 5B, as further amended by Section 22 of Chapter 218 of the Acts of 2016, and to meet this appropriation that \$275,000 be transferred from Overlay Surplus and that \$230,000 be transferred from Free Cash; or take any other action relative thereto.

INSERTED BY: Board of Selectmen

FINANCE COMMITTEE RECOMMENDS THAT: Recommendation to be Made at Town Meeting

Article Information: Massachusetts General Law Chapter 40, Section 5B, allows the Town to create one or more stabilization funds for different purposes. A stabilization fund is a special reserve fund into which monies may be appropriated and reserved for later appropriation for any lawful municipal purpose. Monies accumulated in a stabilization fund carry forward from one fiscal year to another. Interest earned from the investment of monies in the stabilization

fund remains with that fund. Town Meeting by majority vote may appropriate into the fund and by a two-thirds vote appropriate from the fund. The 2007 Annual Town Meeting under Article 10 approved the creation of the Capital Facility Fund, as part of the Town's planning strategy for addressing capital facility maintenance needs by providing a reserve to address extraordinary building repairs and related expenses at times when other resources are unavailable. The purpose of this fund is to allow the Town, from time to time, by appropriation, to reserve funds for design, maintenance, renovation, or reconstruction relating to the structural integrity, building envelope, or MEP (mechanical, electrical, plumbing) systems of then-existing capital facilities. The balance in the fund as of March, 2017 was \$1,320,155.

ARTICLE 9: **APPROPRIATE TO DEBT SERVICE STABILIZATION FUND**

To see if the Town will vote to raise and/or transfer and appropriate a sum to the Debt Service Stabilization Fund, as provided under the provisions of Massachusetts General Law Chapter 40, Section 5B, as further amended by Section 22 of Chapter 218 of the Acts of 2016, and to meet this appropriation that said sum be transferred from Free Cash; or take any other action relative thereto.

INSERTED BY: Board of Selectmen

FINANCE COMMITTEE RECOMMENDS THAT: Recommendation to be Made at Town Meeting

Article Information: Massachusetts General Law Chapter 40, Section 5B, allows the Town to create one or more stabilization funds for different purposes. A stabilization fund is a special reserve fund into which monies may be appropriated and reserved for later appropriation for any lawful municipal purpose. Monies accumulated in a stabilization fund carry forward from one fiscal year to another. Interest earned from the investment of monies in the stabilization fund remains with that fund. Town Meeting by majority vote may appropriate into the fund and by a two-thirds vote appropriate from the fund. The Debt Service Stabilization Fund (DSSF) was approved under Article 14 of the November 2, 2015 Special Town Meeting. The intent of this fund is to set aside funds to be available, when necessary, to pay certain debt obligations. This fund is intended to be part of the Town's overall planning strategy for addressing capital facility needs, particularly over the next five years. The fund provides added flexibility to maintain the Town's capital investment strategy by smoothing out the impact of debt payments in years when the debt level is higher than is typically recommended. The fund may also be beneficial at times when interest rates are higher than expected. The plan for the fund is designed to ensure that the monies are not depleted in a single year, and that the amount available for appropriation is known before the budget year begins.

This approach includes the appropriation of recurring revenue. The benefit of dedicating recurring revenue to the fund is that it allows the Town to repurpose the funds at some point in the future to other appropriations, including the operating budget. The Town's revenue growth has been greater than average over recent years, but this level of growth is not expected to continue. Future demands especially in education (full-day kindergarten) and public safety (police and emergency medical services) will put pressure on the operating budget. Neither initiative is ready for funding in FY2018, but both are anticipated to be added in the next few years. By appropriating recurring funds today for a "non-recurring purpose" (the special

stabilization fund), the Town will have access to the recurring revenue to meet true recurring needs at a future Town Meeting. In those years, the warrant will include an allocation of the recurring revenue to the operating budget rather than to the DSSF. The balance in the fund as of March, 2017 was \$935,468.

GENERAL ARTICLES

**ARTICLE 10: ACCEPT MASSACHUSETTS GENERAL LAW CHAPTER 138,
SECTION 33B/SALE OF ALCOHOL ON SUNDAY FOR ON-
PREMISES LICENSEES**

To see if the Town will vote to accept the provisions of Massachusetts General Law Chapter 138, Section 33B to authorize on-premises licensees to sell alcoholic beverages between the hours of 10:00 a.m. and 12:00 noon on Sundays, the last Monday in May and on Christmas Day or on the day following when said day occurs on Sunday; or take any other action relative thereto.

INSERTED BY: Board of Selectmen

FINANCE COMMITTEE RECOMMENDS THAT: Recommendation to be Made at Town Meeting

Article Information: Adoption of Section 33B of Massachusetts General Law Chapter 138, Section 33B would authorize the Board of Selectmen, as the local licensing authority, to expand on-premises licenses to include the sale of alcohol at 10:00 a.m. on Sundays (and on Memorial Day and Christmas Day). The opportunity for expanded hours on Sundays is proposed in an effort to support existing and future restaurants, and continues the Town's efforts to ensure the vitality of the various business districts.

CITIZENS' PETITIONS

ARTICLE 11: VETERINARY USES IN THE MIXED USE-128 DISTRICT

Seeking to Amend Section 3.2.6 Uses in the Mixed Use-128 District, Section 3.2.6.2 Uses Permitted by Special Permit, subsection (h) so that it reads:

(h) Veterinary office and/or treatment facility and/or animal care facility, including but not limited to, the care, training sitting, and/or boarding of animals.

By deleting the words "convalescent stays but not" and inserting "and/or animal care facility" after the words "treatment facility" and inserting the words "care, training sitting and/or" between the words "including" and "boarding".

INSERTED BY: Anne Marie Doyle, et. al.

FINANCE COMMITTEE RECOMMENDS THAT: Recommendation to be Made at Town Meeting

Article Information: This petition seeks to change the Town's Zoning By-law to expand allowed animal boarding uses in the Mixed Use-128 District. Zoning provisions adopted by Town Meeting in 2001 allow veterinary offices and/or treatment facilities by special permit in the Mixed Use-128 District, but limit stays to convalescent stays only – expressly disallowing the boarding of animals. This has served to effectively prohibit veterinary uses, as such offices commonly provide boarding as a service to their clients. Given the “convalescent stays” limitation, business models offering not only sitting, training, and care, but also boarding cannot be located in the Mixed Use-128 District.

And you are hereby directed to serve this Warrant by posting copies thereof in not less than twenty public places in said Town at least fourteen (14) days before said meeting.

Hereof fail not and make due return of this warrant with your doings thereon unto our Town Clerk on or after said day and hour.

Given into our hands at Needham aforesaid this 12th day of April, 2017.

MARIANNE B. COOLEY, Chairman
DANIEL P. MATTHEWS, Vice Chairman
JOHN A. BULIAN, Clerk
MAURICE P. HANDEL
MATTHEW D. BORRELLI

Selectmen of Needham

A TRUE COPY

Attest:

Constable: