

Overview and Goals For the Development of the Patterson Property in North Amherst
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Allow this paper to serve as an overview and goal statement for the proposal to develop property presently owned by the Patterson Family Trust in North Amherst.

On January 26, 2010, the Town Manager executed a Pre-Option Agreement with Bruce Patterson, Trustee of the Patterson Nominee Trust. The Pre-Option Agreement defines the procedures and costs for the conveyance of 59.635 acres of undeveloped land, located on the Sunderland Road, in North Amherst. This property, zoned Professional Research Park, contains open fields, two farm ponds and an estimated 31 acres of wetlands. The open fields are cut once a year and have not been used for any farming in the last decade or more.

Why is the Town of Amherst involved in this project?

The Amherst Master Plan recognizes that if the community is to continue to provide the public services that the citizens presently enjoy, then the need to create, motivate or stimulate economic development that generates new, taxable assessed value from real growth is needed. New, taxable assessed value is defined as increases in the total taxable assessed value of Amherst from new development. New, taxable assessed value expands upon the tax base from new growth. It is compared against growth in the tax base that result in changes in the marketplace that create new growth through taxable assessed value equalization changes but produces no new taxpayers. Equalized taxable assessed value growth simple reapportions tax liability without creating new taxable base or new taxpayers.

The Patterson property has been zoned Professional Research Park for decades. However, no private concerns have been successful in providing the infrastructure and negotiating the many levels of approval needed to create a significant project. At a minimum, the site would require millions in infrastructure investment to accommodate provide the water, sewer and road improvements needed to support a major development. The Town of Amherst is in a unique position to bring resources to fund and provide the critical infrastructure needs of this project, and to facilitate the recruitment and location of a major private concern to the site.

What is the goal of the Patterson Project?

The goal of the Patterson Project, in implementation of the economic development goals and objectives of the Master Plan, is to increase the total taxable assessed value of the Town of Amherst by approximately five (5%) percent or \$100,000,000. With the recent history of expanding the total taxable assessed value of approximately \$2,000,000,000, the town presently expands its tax base from real growth by approximately one to one and half (1%-1 ½%) percent per year. That rate of expansion does not keep pace with the growth in the cost of providing public services per year of approximately five and one half (5 ½%) percent. Therefore, the difference needs to be either funded by the taxpayer or a reduction in the cost of services or type of services needs to occur or additional alternative revenue needs to be found or some combination thereof needs to be achieved.

A \$100,000,000 total taxable assessed value is achievable by placing a 500,000 square feet taxable facility on the Patterson property with a cost to construct of \$200.00 per square foot. Such a building would accommodate a large regional professional office of architects, engineers or other professional services. A large research and development firm focused upon alternative energy initiatives, polymers or other specialties or areas of expertise found at the University of Massachusetts Amherst would appear to have the greatest opportunity for success. A taxable property assessment of \$100,000,000 would yield more than \$1,600,000.00 in property tax per year.

What is the Town of Amherst's strategy for achieving such a large goal?

The Town of Amherst strategy is to secure the property, through an option agreement, for a three (3) year period with an agreed upon set of terms for the conveyance of the property to a private concern. With the terms of the transfer fixed, the Town can then plan for, design and seek funding from grants for the public infrastructure needed to achieve the project's goals. The Town can then proceed to recruit appropriate entities to the site, utilizing both its own good offices and the assistance of organizations such as Western Massachusetts Economic Development Council and the Commonwealth of Massachusetts. Jonathan Tucker, Planning Director for Amherst has been assigned the task of expediting this project through the various regulatory and proprietary entities needed to bring this project to fruition. The option agreement calls for an annual option payment of \$40,000.00 with an option for the Town to continue for each year beyond year one.