

Candidate AC report on Article 9

The Appropriation Committee is evenly split regarding its recommendation on Article 9 [4-4].

This was not an easy issue to decide and has stirred a lengthy discussion by Town Meeting Members on the TMMA mailing list.

The Appropriation Committee (unanimously?) agrees with proponents of this article that the Cotton Farm property would be a highly desirable addition to the open space held in conservation by the Town. We also agree that purchase of conservation land is appropriate for CPA Funding; that Community Preservation Funds exist and are adequate to meet the terms of this deal; and we foresee no adverse operating budget consequences from the proposed purchase.

Half of the committee, however, is concerned that the current appraisals have not adequately determined the value of the transaction and that the current deal is not structured in the best way to meet both parties' interests while minimizing the cost to the Town.

With regard to the appraisals, we do not dispute the accuracy of the two appraisals conducted on the property insofar as they go. If the Town were acquiring the property without use restrictions, then we would be satisfied with the appraisal methodology. However, there are conservation restrictions being imposed that are in the interest of both the Town and the seller.

There is a standard appraisal methodology that must be used when some portion of a property is conveyed to the federal government for conservation purposes. This methodology is summarized as "before and after", meaning that the original undivided property is appraised in its entirety (the "before" component), and then the remaining unsold portion is appraised as if the sale had been completed (the "after" component). The difference between the two appraisals determines the actual value of the transfer and captures the value of any enhancement or detriment to the retained land. The future uses of the parcel to be sold must be factored into the "after" appraisal for the remaining parcel.

The members of the committee who are unable to recommend approval of the article feel that this appraisal methodology would be appropriate when considering the Cotton Farm purchase. This is because the fair-market values of both the parcel to be purchased *and* the remaining land are affected by the town's plan to turn the purchased parcel into conservation land. If the town were purchasing the Cotton Farm land and retaining the right to develop it, then the existing appraisals which focus on housing development would likely be sufficient.

Some members of the committee believe that the additional considerations offered by the seller may offset this concern, but the half of the committee opposed to the proposed deal cannot come to this determination in the absence of a "before and after" methodology appraisal.

With regard to the structure of the deal, it is not clear that the current purchase proposal is the best vehicle for meeting the Town and seller's financial and non-financial goals. A win-win arrangement could be structured differently from the current proposal, perhaps involving the purchase of conservation easements to protect the Marrett Road viewscape, as well as easements or rights-of-way to permit through-access by school children or walkers, to achieve most of what has been identified as the Town's goals for this property without necessarily incurring the extraordinarily high cost of acquisition.

For these reasons, half of the Appropriation Committee does not recommend approval of this article.

Finally, like the Capital Expenditures Committee, we acknowledge that a value judgment is called for here that cannot be made solely on quantitative analyses. It remains for Town Meeting to determine if the Town should prioritize the spending of this amount of CPA money for this parcel in view of other future demands on those funds.