

**SPECIAL TOWN MEETING
TOWN OF MONTAGUE
COMMONWEALTH OF MASSACHUSETTS
February 15, 2018**

BACKGROUND INFORMATION

ARTICLE 1. Petition the General Court for special legislation to allow the Board of Assessors to grant reasonable real estate tax abatements for property located on Swamp Road (as shown on Assessors Map 44, Lot 81) for previous fiscal years.

This article would allow the Town to abate real estate taxes for a parcel at the corner of Swamp Road and Federal Street for fiscal years 2005 through and including 2016. Abatements for 2017 were already granted when the Board of Assessors learned that this land was misclassified as residential following an Approval Not Required plan for subdivision of a larger parcel. This conferred greater value to the land than was appropriate until a potential sale of the land in 2017, when the Inspector of Buildings found it was not a buildable residential lot.

State law only allows for “timely” abatements and the only available remedy for FY05-FY16 was found to be a home rule petition. The funds to support this repayment would come from the Assessor’s overlay account and not directly impact the Town operating budget. This would not apply to other non-municipal district’s tax assessments. The expected total abatement amount is \$10,100. The Town is taking steps to ensure that a similar misclassification does not happen in the future.

ARTICLE 2. Increase the Fiscal Year 2018 Building Inspector budget by \$13,250.

This article will allow for payment of costs associated with a change in staffing in the Building Inspector’s Office as our current Inspector of Buildings retires. In addition to advertising, it will cover the cost of accrued vacation, personal and sick time, and allow for an overlap in the initial weeks of the transition, as well as some additional hours of consulting this fiscal year. The new Building Inspector will begin on Tuesday, February 20, 2018.

ARTICLE 3. Repair or replace all or part of the Shea roof, including any and all incidental costs \$49,000.

This article will allow for timely repair of the 51’x83’ upper section of the Shea Theater roof. The Town paid for prepping and resealing of the “lower” roof (that portion closest to the street, over the lobby) in October 27 and this work was completed along with replacement of the building’s HVAC ducting in November. In this same time frame substantial leaks occurred on the upper roof, but it was too late in the construction (that is, cold) season to undertake this larger sealing project so emergency repairs were done in anticipation of this early spring project. Absent these repairs, one would reasonably expect this roof to begin to leak again in the very near future. Project includes removal of stone ballast, cleaning, repair of major cracks and deficiencies, and coating with a GACO S20 series or similar product. The roof will have a ten year warranty.

ARTICLE 4. Tax Increment Financing (TIF) Agreement with Ja'Duke, as negotiated by the Board of Selectmen.

Ja'Duke owns and operates an 8,500 ft² educational facility at its property at 110 Industrial Boulevard, which includes four preschool classrooms/performing arts studios, a professional set design workshop, and 100-seat black box theater, as well as 4500 ft² of storage on the second level. Ja'Duke requests a Tax Increment Financing (TIF) agreement from the Town and Fire District for an **18,000 ft² addition** that includes:

- ❖ Four additional preschool classrooms/performing arts studios
- ❖ A 500-seat theater with lobby
- ❖ Additional parking

The estimated cost of the new construction is \$2,035,846, which is also the presently estimated value of the resulting addition, which would, if this TIF is approved, be granted an 18% exemption in real estate taxes over the course of ten years. The valuation of this new construction will be set by the Board of Assessors in accordance with established professional practice and may vary over the term of the agreement. Based on the estimated cost of construction and the present commercial/industrial tax rate, this project would result in **\$527,691 in new tax revenue to the Town over ten years. The value of the TIF would be \$94,984** over that same period, with the exemption highest in its initial years, as below.

Montague BOS Agreement* (18%)		
Year		Estimated annual tax exempted
1	40%	\$21,107.65
2	30%	\$15,830.74
3	30%	\$15,830.74
4	20%	\$10,553.83
5	20%	\$10,553.83
6	20%	\$10,553.83
7	5%	\$2,638.46
8	5%	\$2,638.46
9	5%	\$2,638.46
10	5%	\$2,638.46
	18%	\$94,984.43

The TIF agreement would remain in force only if the project is constructed as planned and the company adds a total of nine new employees over the first five years of the agreement, and maintains those positions for the full ten year term. Six new full time (FT) pre-school teachers will be hired by the end of the second year (FY20), an additional two (2) FT pre-school teachers in the third year, and a FT Theater Director (or similar administrator) by the end of the fifth year. Ja'Duke must also maintain its current 11 full time employees for the duration of the TIF Agreement. Ja'Duke must file annual compliance reports with the State and the Town, which will also be shared with the Fire District, which will be party to this agreement and offer the same schedule of exemptions to the company.

ARTICLE 5. To petition the General Court for one (1) additional all alcohol on premises liquor license to be exercised and located at 42 Canal Road in the Turners Falls village of the Town.

This would allow the Board of Selectmen to petition the state for the issuance of a liquor license for a building in Turners Falls Canal District that is currently owned and operated by the Franklin County Regional Housing and Redevelopment Authority and Rural Development Inc. These organizations are hoping to move to a more modern office space elsewhere in Montague. This article is requested in anticipation of the opening of the owners of “Wild Child Cellars Cidery” taking possession of the 42 Canal Road property. The Board will not move forward with a request to the state until a sale is final or permission is otherwise granted by FRHCA and RDI to do so.

ARTICLE 6. to adopt the provisions of MGL Chapter 64N, Section 3, as amended by section 13 of Chapter 55 of the Acts of 2017, to impose a local sales tax upon the sale or transfer of marijuana or marijuana products by a marijuana retailer operating within the Town to anyone other than a marijuana establishment at the rate of three percent (3%) of the total sales price received by the marijuana retailer as a consideration for the sale of marijuana or marijuana products.

This would allow the Town to adopt a 3% tax on retail sales of marijuana or marijuana products sold by licensed vendors of such in the Town. The state will begin to accept licenses as of April 1, 2018.

ARTICLE 7. to amend the Montague Zoning Bylaws pertaining to licensed marijuana establishments in sections 7.1, 5.2, 2 and 8.2, as set forth in Parts A through J of Article 7 of the Warrant.

This proposed zoning bylaw amendment would remove the existing bylaw for registered (medical) marijuana dispensaries and replace it with a broader regulation addressing both recreational and medicinal marijuana establishments in light of new regulations for recreational marijuana drafted by the Massachusetts Cannabis Control Commission. Under the bylaw amendment, the Town’s Zoning would regulate Marijuana establishments licensed by the Commonwealth of Massachusetts, inclusive of retail, cultivation, processing, research and testing establishments, and medical treatment facilities. These uses will be allowed by Special Permit and Site Plan Review in the following districts, subject to certain standards and conditions in section 7.10.

- Agriculture-Forestry District - Marijuana cultivation
- Rural Business District - Marijuana cultivation or production
- Central Business District - Marijuana retailer
- General Business District - Marijuana retailer, Medical Marijuana Treatment Center, cultivation, production, research, or testing
- Industrial District - Medical Marijuana Treatment Center, Marijuana cultivation, production, research, or testing. Retailer allowed if accessory to cultivation or production as a primary use.
- Historic Industrial District - Marijuana retailer, Medical Marijuana Treatment Center, cultivation, production, research, or testing

The proposed bylaw does not set a maximum number of retail establishments in Montague. The Zoning Board of Appeals is the Site Plan Review and Special Permit Granting Authority with the exception of the Industrial District where the Planning Board is the Site Plan Review and Special Permit Granting Authority.