Drafted by: Jean Mineo

Email to: warrantcommittee@medfield.net
Whenever possible consider using URL links to the original source document in the response or as part of a list of attributions and sources that you provide.

Article # (TBD)
Date Form Completed: 1/8/24
Article Title: Sale of Property
Sponsor Name: Jean Mineo, Ex. Dir. Bellforge Arts Center
Sponsor Email: jmineo@bellforge.org

1 Provide the article motion exactly as it is intended to be voted on by the Warrant Committee.

Drafted by Lisa Mead of Mead, Talerman & Costa LLC

> To see if the Town will vote authorize the Select Board to sell or otherwise convey a portion of the property known as the Medfield State Hospital, that portion being as set forth on the sketch plan dated Jan. 7, 2024 and on file with the Town Clerk, which includes 120,483 square feet more or less, but no more than 126,000 square feet and no less than 115,000 square feet, including the buildings thereon contingent upon a final approval not required plan being endorsed by the Planning Board, and further contingent upon the sale not being in violation of the Town's Land Disposition Agreement with agreement by the purchasers of the Medfield State Hospital Property, Trinity Acquisitions, LLC and under such terms and conditions as the Select Board deem appropriate and in the best interest of the Town and to further authorize the Select Board to enter into any agreements and/or restrictions to effect said conveyance, or take any other action relative thereto.

2 At a summary level and very clearly, what is proposed purpose and objective of this Warrant Article and the required Motion? *(Solving a problem through some action, providing new and currently unrealized benefits, extending some tangible existing value to a great level)*

> The purpose is to authorize the Select Board to sell the property the Town currently leases to the Cultural Alliance of Medfield, Inc. (a 501-c-3 organization) DBA Bellforge Arts Center.
>
> The objective is to support the timely project completion of the arts center to align with, and support Trinity Financial's development of the State Hospital. Ownership will address evolving impediments including significant delays in construction due to cost escalation, new challenges in financing a ground lease, and limited flexibility in the bidding process.

3 What does the Town gain from a positive action by Town Meeting on the motion?
What are the benefits to the Town? Does the sponsor have any conflicts of interest with Town interests or benefits now or in the future? If so, please disclose them.

The Town gains financially from proceeds of the sale of property currently valued at $0. Bellforge completed a formal property assessment in Oct., 2023 by Bonz and Company, the present value is $0 (attached).

The Town also realizes more revenue due to an accelerated construction schedule. Put another way, for every year construction is delayed, the Town loses $1,150,100 in economic activity beyond ticket sales (based on calculations by Arts Market, a third-party organizations consulting to arts centers nationally) generated by patrons of Bellforge. Delay will also defer collection of property taxes on the project, (historic tax credits require for-profit custody for five years).

The Town also gains by supporting Trinity in their challenging project by lowering the risk of delayed/prolonged construction in the center of their campus and disruption to new residents.

Finally, there is urgency around renovations due to lack of maintenance and utilities. Within the past year, the Infirmary (Bellforge's second building) has had a partial collapse of the first floor into the basement due to water infiltration from leaks in the roof. Trinity has shared that they are observing partial collapses in other buildings as well. This may create structural issues and produce a mix of hazardous materials - both of which may further increase renovation costs.

There are additional economic benefits to the Town from Bellforge being open and individuals gain health benefits outlined in the appendix.

There are no known conflicts of interest with Town interests or benefits.

4 Describe with some specificity how the sponsor envisions how: the benefits will be realized; the problem will be solved; the community at large will gain value in the outcome through the accompanied motion?
Why does the sponsor believe the proposed solution is workable and effective? What is your understanding of who benefits and who pays? What do you perceive to be the pros and cons of the proposed motion, both long- term and short-term? Has the sponsor done any primary or secondary research on this topic that can be shared? Are there analogs or benchmarks that can be drawn from other communities or the private sector to support the desired outcome?

How the benefits will be realized by the Town:

Assuming a 2/3 majority passes the article and when legislative approval is received, Bellforge proposes to purchase the property, at a price to be negotiated with the Town.

Workable and effective:

If positive action is achieved at Town Meeting, the Select Board will determine if and when to seek legislative approval. Bellforge anticipates a 9 – 12 month legislative approval process, based on its experience with legislative approval of its lease. It is Bellforge's ambition to seek this approval as soon as possible so that the Town and Bellforge may enter into a sales agreement immediately after MSH property transfers to Trinity.

Ideally, Bellforge would like to bid the project in early 2025. Bellforge requires approximately 16 months to complete its renovations. Construction documents are completed.

Bellforge has engaged in conversations with Rep. Vaughn, Rep. Garlick and Senator Rausch to advocate for the motion. They are consistent that if the Town votes favorably, they see their role as shepherding it through the approval process.

Bellforge and Trinity are working closely to align schedules so that infrastructure is available for Bellforge and the arts center can open prior to the residential units, and disruption to visitors and residents is minimized.

Who benefits and who pays:

The town benefits financially from the sale of the property and benefits economically in addition to an expanded range of local cultural opportunities and jobs.

Bellforge benefits from flexibility and cost savings, while ownership secures its future against displacement.

Pros and Cons:

Pro: The sale will allow freedom of action to mitigate the risk of a significant delay in the Bellforge construction timeline, causing the Trinity and Bellforge projects to fall out of sync. Medfield's newest residents and Trinity's partnership will suffer from significant disruptions if Bellforge construction is delayed by fundraising delays and/or inability to secure sufficient financing.

Con: Sale of the property may limit the Town's ability to redirect use of the property in the event the sale with Trinity does not proceed. This concern can be addressed by deferring execution of the sale until the town has completed sale/conveyance of the remaining hospital property to Trinity Financial.

Examples of arts organizations securing ownership from municipalities are below (question 11).

5 How does the proposed motion (and implementation) fit with the relevant Town Bylaws, financial and capital plan, comprehensive plan, and community values as well as relevant state laws and regulations.

What is your understanding of the cost implications, both operating and capital, both immediate and long-term to the town? Would this benefit cover gaps or overlap in any way with other Town projects or services?

Bellforge proposes to pay the Town to purchase the property it currently leases - there is no negative cost implication to the Town. Bellforge is responsible for the costs of renovations and operations.

This project does not overlap with other Town projects or services. The facility fills a gap where the Legion formerly had a facility for gatherings, events, fund raisers, etc. Bellforge is focused on performing arts, is significantly larger than Zullo Gallery, and won't have the limited availability found at the Council on Aging, Library and school auditoriums. Bellforge has engineered flexibility in the plans to accommodate multiple types of user groups.

6 Have you considered and assessed, qualified, and quantified the various impacts to the community such as:

● Town infrastructure (traffic, parking, etc.)
● Neighbors (noise, traffic, etc.).
● Environment and green issues (energy conservation, pollution, trash, encouraging walking and biking, etc.).

How does the proposed action fit into the framework of other local efforts currently underway (i.e., Medfield Master Plan, Sustainability Initiatives, etc.)? Is state action pending?

The impacts will be similar whether Bellforge owns or leases the property. Trinity Financial completed traffic and parking studies for the Hospital campus and is improving three traffic intersections as a result and providing additional public parking to accommodate Bellforge visitors.

The motion supports several of Medfield's 2022 Master Plan Goals, Objectives and Strategies including:

1.1.2 Support preservation, through re-use, of the Medfield State Hospital's historic buildings and landscape
3.1. Diversify the TAX BASE
3.2 Become more business-friendly
5.2.3. Consider creating an intergenerational Community Center
6.1. Pursue the vision and aspirations of the MEDFIELD STATE HOSPITAL MASTER PLAN
6.1.2. Make the MSH campus into a town destination
6.1.4. Support the reuse the Chapel as an arts and cultural center

7.2. Promote HEALTHY LIFESTYLE choices, especially for YOUTH
7.2.2. Explore ways of providing a broad range of activities
7.4.5. Support regional efforts to increase area diversity
7.5 Expand Opportunities for community gathering:
7.5.3. Support the redevelopment of the Chapel on the Medfield State Hospital Campus into an Arts and Cultural Center recreation amenities

7 Who are the critical participants in executing the effort envisioned by the article motion? To this point what efforts have been made to involve those participants who may be accountable, responsible, consulted or just advised/informed on the impacts of executing the motion?
Can a Town Committee or Town Official handle the matter more effectively? Is a vote of Town Meeting as effective as citizens' letters, telephone calls, or petitions in the case of addressing local issues?

Bellforge has engaged Select Board members (accountable), Town Counsel (consulted), Town Administrator (responsible), notified the Town Planner (informed), and met with our Senator and State Representatives (accountable).

A 2/3 favorable vote by residents at a town meeting is required to authorize the Select Board to sell the property. If the Select Board agrees to move forward, legislative approval will be required to sell the property to Bellforge.

8 What steps and communication has the sponsor attempted to assure that:
● Interested parties were notified in a timely way and had a chance to participate in the process, that.
● Appropriate town Boards & Committees were consulted.
● Required public hearings were held.

Have the Board of Selectmen, Town Administrator, School Committee and Superintendent, Planning Board or other Town Agency had an opportunity to address the issue before bringing it to Town Meeting? Please provide the details as to which Boards, Committees or Commissions have held hearings, on what dates, how much time was spent by each in the hearing/meeting period, what was the outcome (vote, deferred, continued, etc.)

Hearings are not required. Bellforge's Ex. Dir. has met individually with the Select Board members, Town Administrator and Town Planner, and emailed with Town Counsel and lawyer Lisa Mead who drafted the warrant article. Ms. Mead is the Town's legal counsel for the State Hospital project.

Ms. Mead advises that the Planning Board will need to approve the final plan. Bellforge and Trinity have agreed on the property plan for Bellforge (which was not defined with specifics in its lease with the Town). A preliminary site plan has been provided

(attached). However, Trinity's plans are not as developed as the Bellforge plans. An engineered site plan for Trinity's property will be forthcoming, from which Bellforge can provide its engineered site plan for Planning Board approval, in advance of signing a Land Disposition Agreement with the Town. Bellforge has completed a preliminary review with both the Planning Board and the Medfield Historic District Commission. No significant concerns were raised.

Bellforge's Ex. Dir. has also discussed the article with Trinity Financial, their response: "*Jim [Keefe, Principal] understands what CAM is trying to accomplish and is supportive of your endeavors….It is obviously in Trinity's interest that CAM's development move forward and be successful and we are certainly aware of the pressure of construction costs."*

9 Why is it required for the Town of Medfield AND for the sponsor(s)?
Why now versus at some later date? Has the problem been carefully defined and analyzed? Have alternative solutions been considered? Is more study required?

Bellforge ownership is helpful to the Town by mitigating risk to Trinity through more favorable conditions to align construction schedules between the two interdependent projects. While the Select Board is not compelled to act upon passage, expediting the legislative review will position all parties to affect a sale quickly if such action is deemed by all salient stakeholders (Bellforge, Select Board, Trinity) to be necessary to stay on track to fund (either through a secured loan or accelerated fundraising) and execute the project in alignment with Trinity's schedule.

With current conditions of the capital markets, the compression of credit has led lenders to be stricter. These lending conditions are materially different than they were 12 – 18 months ago. When the Town and Bellforge structured the ground lease, ground leases were financeable. However, these tighter lending restrictions have been caused by a broader deterioration in the credit markets. Bellforge remains concerned about its ability to secure adequate funding in its current ground lease and is working to confirm with local lenders.

It is beneficial for Bellforge in providing flexibility for working with contractors, to find cost savings in potential bulk purchase of materials with Trinity, in realizing more favorable interest rates as owner occupant, and securing necessary financing.

Assuming a positive vote, the legislative review may take 9 – 12 months. While Bellforge hoped to begin construction in late 2024, it's likely to be delayed until early 2025. Our estimated construction duration is 16 months. It's important to open in the first half of 2026 in advance of an academic year beginning in September in order to enroll students in classes. In addition, Bellforge has been the recipient of a three-year grant supporting programs which ends after the 2025 season.

Bellforge meets monthly with Trinity Financial to coordinate schedules since Bellforge will rely on Trinity to bring infrastructure to the campus and to align schedules to minimize disruption to both Bellforge visitors and new residents to the campus.

10 Since submitting the article petition have you identified issues that weren't initially considered in the development of the proposal?
What are those issues and how do they affect the efficacy of the proposed article?

Bellforge has achieved 52% of its fundraising goal of $25 million (net after historic tax credits estimated at $5 million). This is very encouraging, but significant uncertainty remains.

The feedback we've received on the availability of funding and interests rate under either a ground lease or full ownership continues to evolve with the probability of being able to borrow a significant sum of money at a favorable interest rate declining. We expect this uncertainty to continue until a loan is finalized upon commencement of construction.

As mentioned elsewhere, the intent of this proposal is to allow timely purchase of the property with such action being essential to achieving the objectives of the Bellforge, Trinity Financial, and the town.

11 What are other towns and communities in the Metro West area, or the Commonwealth of MA doing similar to what your motion seeks to accomplish

In East Boston, the non-profit Zumix purchased a vacant (30 years) firehouse for $1 from the City of Boston in 2005, then raised the funds for renovations and still operates out of this location. Zumix empowers young people to build successful futures for themselves, transforming lives and community through music, technology, and creative employment.

In Natick, the town sold the Central Fire Station (c. 1879) in 2001 to a non-profit to create a facility dedicated to the arts. The plan saved the Firehouse and preserved this historical Natick landmark. TCAN opened its 290-seat venue in 2003 and showcases 90+/- live music performances annually.

In Hudson, the volunteer Hudson Cultural Alliance is securing ownership of the Town's Armory building (c. 1910), to be finalized in early 2024 after an initial 3 year lease and responsibility to maintain the building in the interim.

In Boston, the North Bennett Street School (founded 1881) purchased 2 city buildings in the North End in 2013 to house all of its programs in bookbinding, cabinetry, carpentry, jewelry, locksmithing and security technology, piano technology, preservation carpentry and violin making and repair, together.

In Northampton, their Community Music Center (CMC founded 1986) purchased their property from the town in 2019. The property was abandoned in 1982, CMC was the sole occupant starting in 1998. The Town initially provided a 20 year lease to CMC raise the funds for renovations and code compliance which was completed in three phases with an investment of $1.5 million.

In Wendell, a historic meeting house (c. 1846) was purchased from a church by a volunteer-led non-profit to preserve the building as a center for spiritual, cultural, and community programs. The Friends re-opened the doors in 2001 after the building was vacant for 30 years. The Town of Wendell retained ownership of the land until 2021, when it was deeded to the non-profit Friends for $100.

The MA Cultural Facilities Fund Director also identified the Children's Museum (CME) in Easton as a non-profit that purchased their property from the town. Bellforge has emailed for details, but does not have a response to date.

There are also examples of non-profit arts organizations securing ownership from private developers including:

- Western Ave Studio and Lofts in Lowell
- 119 Braintree Street in Allston
- Charlestown Rehearsal Studios
- Joy Street Studios and Milk Row Artists in Somerville
- Sound Museum in Brighton
- Midway Studios in Fort Point, Boston
- Humphrey Street Studios in Dorchester
- Creative Hub Community Center in Worcester

A Boston Globe article (Aug. 5, 2023) discussed the problem of displacement among artists and creatives: "…*a problem that by some estimates has caused more than 2 million square feet of cultural space to vanish over the years, as gentrification emptied studios and other venues across Fort Point, the South End, the Fenway, Cambridge, and beyond*."

Arts displacement, although a systemic, chronic problem in Greater Boston, also takes a toll outside of the city.

12 If this Warrant Article is not approved by Town Meeting what are the consequences to the Town and to the sponsor(s)? Please be specific on both financial and other consequences.

The Town will not receive financial compensation (to be negotiated) in exchange for sale of the property.

The town may experience potential delays in:

- Tax revenue from Bellforge during the period its for-profit subsidiary operates in order to realize the benefits of historic tax credits
- Indirect economic benefits of Bellforge operation (see appendix)

If the article is not approved, the Town also risks incompatible construction schedules between Trinity and Bellforge. Both projects support town goals and the State Hospital master planning goals. Bellforge construction may experience scheduling delays due to timing of fund raising or ability to attain sufficient financing. Risks have increased due to cost inflation and a less favorable funding environment.

The original (pre-Covid) Bellforge project budget was $20M, which escalated to $30M with the completion of construction documents. Bellforge anticipates $5M in historic tax credits, our working goal for the capital campaign is $25M. This startup non-profit is tasked with raising a significant amount of funding on an aggressive schedule to align construction with Trinity Financial.

If the article is not approved, Bellforge will work to complete the project and stay in the 99-year lease signed in June, 2020. Bellforge will lose flexibility in selecting local contractors and will not be able to work with Trinity to realize savings on bulk purchases of materials. It will take longer to achieve the campaign goal which may jeopardize alignment with Trinity's schedule. Bellforge's ability to finance the construction in a ground lease situation may be problematic and likely more costly for the organization, potentially increasing the campaign goal and timeline.

APPENDIX

Article # (TBD)
Date Form Completed: 1/8/24
Article Title: Sale of Property
Sponsor Name: Jean Mineo, Ex. Dir. Bellforge Arts Center
Sponsor Email: jmineo@bellforge.org

How the community gains value:

The arts deliver economic benefits. From our 2017 Arts and Economic Prosperity Study, we know that non-residents spend $16.43 (beyond the price of admission) for every cultural event they attend in Medfield. In Bellforge's first season of programs (April – Oct., 2022) we hosted 10,000 visitors from 207 MA zip codes and every New England state. We expect the per person expenditure will increase once Bellforge buildings are open. From Bellforge's 2022 updated Market Analysis:

The potential economic value of the expanded [Bellforge] profile as identified in our 2022 study is significant. [Note: this includes additional space beyond the property currently leased from the Town.]

Using the same methodology employed in the 2017 Americans for the Arts Economic Impact of the Arts study for Medfield, this study finds that the total economic value comprised of operational expenditures as well as expenditures made by arts/entertainment/cultural visitors to [Bellforge] and related enterprises will equal $7 million annually into the local and state economy, and provide full-time equivalent employment for 226.

This level of a creative economy almost certainly and within short order will lead to more, as a solid audience base for arts and creativity and a strong creative enterprise profile leads additional for and nonprofit creative groups and individuals to locate near the campus. In addition, the construction of the [Bellforge] portion of the campus will yield a significant economic impact. By year five after opening, the cumulative real financial impact to Medfield will be $235.93 million, a powerful return on investment for the capital costs [Bellforge] will incur.

Another area of economic benefit is consumer surplus, which is the benefit of being able to attend or participate in cultural activities close to home as compared to having to drive for the same experience. This is an economic benefit realized by area residents, effectively putting more of their paycheck back into their household savings by not expending money to travel to other locations. Another way to look at this is that the Medfield zip code will be able to hold onto this economic activity whereas, at present, there is economic leakage as local dollars go to the arts elsewhere.

Arts and culture organizations employ people locally, purchase goods and services from nearby businesses, and produce the authentic cultural experiences that are magnets for visitors, tourists and new residents. They also employ accountants, printers, builders, plumbers, and an array of occupations spanning many industries. Event-related spending by their audiences generates valuable revenue for local merchants – dining in a nearby restaurant, shopping at local retail store, etc. – a value-add few industries can compete with. These actions, in turn, support jobs, generate household income, and generate tax revenues to the government that more than offsets the public's arts and culture sector investment. (Americans for the Arts, Arts and Economic Prosperity 6)

The arts also deliver health benefits. Neuroaesthetics or neuroarts is a growing field, enabled by advances in technology to study human physiology. The book, Your Brain on Art offers evidence of how our brains and bodies transform when we participate in the arts—and how this knowledge can improve our health, enable us to flourish, and build stronger communities.

…we now have scientific proof that the arts are essential to our very survival…In short, the arts and aesthetics change us and, as a result, they can transform our lives.
Many of us tend to think of the arts as either entertainment or as an escape. A luxury of some kind. But what [Your Brain on Art] will show you is that the arts are so much more. They can be used to fundamentally change your day-to-day life. They can help address serious physical and mental health issues, with remarkable results.

In one example from the book, epidemiologist Daisy Fancourt used data from cohort studies (these studies track thousands of people often from birth, every few years of their lives) to show what the arts do for overall longevity: *"People who engage in the arts every few months…have a 31 percent lower risk of dying early when compared to those who don't. Even if you bring the arts into your life only once or twice a year, you lower mortality risk by 14 percent. The arts literally help you live longer."*

Additional research

Bellforge's Executive Director communicates with the ArtStaysHere coalition working to preserve cultural spaces and the Arts and Business Council's Creative Space program dedicated to developing and owning creative real estate projects.