

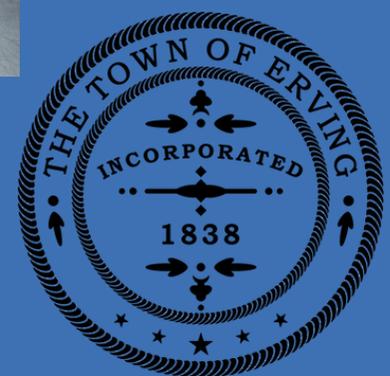


DEPARTMENT OF COMMUNITY PLANNING

DEMOLISHING THE FORMER IP MILL



JULY 13, 2023

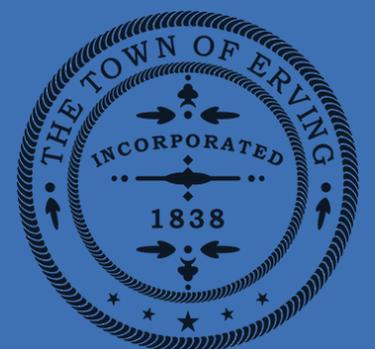




INTRODUCTION

The Former International Paper (IP) Mill needs to be demolished and it is estimated to cost the town \$3.7 million for the removal of all buildings except for Building #8. This cost covers a variety of services from bidding assistance, engineering and permitting, disposal of all remaining hazardous materials, and filling in voids.

An incredible amount of effort has been put into cleaning up the site by removing hazardous materials and making it as attractive to developers as possible by resizing the sewer line and adding a new sewer pump station, but no proposals have been submitted. The only serious interest has been from the housing developer The Community Builders, who stated that they were no longer interested due to perceived lack of support by residents for building housing in Erving following a contentious Town Meeting vote in spring 2022.





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WHY KEEP BUILDING #8?

Why do we want to keep Building #8? It's the former pump house placed at the bank of the Millers River. It's a small standalone building and it's size would make it easy for a developer to renovate but is also relatively inexpensive to demolish if a developer doesn't want it. The placement so close to the riverbank would make it infeasible to rebuild once demolished.





WHY IS DEMOLITION NEEDED NOW?

The Former IP Mill has been in disrepair for many years now - vandalism and building decay are serious issues. The Select Board has made strides in cleaning up the property from hazardous materials and improving infrastructure at the site, yet developers are not interested in the property at this time and feedback from developers and economic development professionals are that demolition costs stand in the way of progress. The Town is currently liable for the property and insurance becomes harder to renew due to the state of the structures.

While the cost is a substantial amount of money now, the expense will only increase if we wait longer or if buildings begin to collapse or there is a fire. Almost all of the remaining hazardous materials on site are inaccessible unless demolition occurs and if materials mix together (such as after a building collapse or fire) then all material must be considered hazardous and disposed as such, which is very expensive.





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BUILDING DECAY





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HOW?

A public input session was held in April to hear taxpayer's preferred options for funding demolition. All options required a Proposition 2 1/2 Override either a Capital Exclusion or a Debt Exclusion. Six options were presented, two rose to the top, and of those one was strongly preferred.

- \$3,700,000 Capital Exclusion (pay for it all in one year)*
- \$3,700,000 Debt Exclusion over 5 years (pay for it over 5 years, with interest)

*indicates the option strongly preferred by taxpayers at the public input session





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RECOMMENDED OPTION

In early 2023, engineers completed a demolition study with 6 concepts. Ultimately the most favorable option was:

DEMOLISH ALL BUILDINGS EXCEPT BUILDING 8 - THE PUMPHOUSE

- Total estimated cost: \$4.3 million
- Grant funding: \$600,000
- **Estimated cost to the Town: \$3.7 million**





WHAT IS THE IMPACT?

| Option | Amount | Type of Override | Additional Residential Tax Rate | Total Residential Tax Rate | Additional Tax amount for average value home (\$238,352) | Additional Commercial Tax Rate | Total Commercial Tax Rate | Tax impact average commercial value (\$400,000) |
|--------|-------------|-----------------------|---------------------------------|----------------------------|----------------------------------------------------------|--------------------------------|---------------------------|-------------------------------------------------|
| A | \$3,700,000 | Capital Exclusion | \$2.45 | \$10.66 | \$584.60 | \$4.03 | \$17.50 | \$1,610.12 |
| C | \$3,700,000 | 5 Year Debt Exclusion | \$0.56 | \$8.77 | \$132.55 | \$0.91 | \$14.38 | \$365.07 |

Table 1: This table is meant to illustrate the potential impact of a Proposition 2 1/2 override. The table assumes that the FY24 base tax rate will include the 2.5% levy limit increase that is allowed by law. The tax impact calculated for \$100,000 in value is specifically looking at the Proposition 2 1/2 override options. This amount would be in addition to the taxpayers existing tax costs. These are estimates based on current information, subject to change.

The projected FY24 Tax Rate for R/O is \$8.21 and for CIP \$13.47 based on FY23 values





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HOW WILL THIS AFFECT MY TAX BILL?

Based off of the current estimated numbers, the impact to your annual owed taxes would be:

| | | |
|-----------------------|--------------------------------------------------|---------------------------------------------|
| Capital Exclusion | \$245 per \$100,000 of value | Pay for one year |
| 5 Year Debt Exclusion | \$56 per \$100,000 of value annually for 5 years | Pay for 5 years (\$280 per \$100,000 total) |





HOW YOU CAN GET INVOLVED

SURVEY - A survey for input on the topic is currently available on the Town of Erving website - please note that filling out this survey does NOT count as an official vote on the topic, only as public input. We encourage all residents and taxpayers to take the survey.

INFORMATIONAL MEETING - Keep an eye on the Town website for an informational session announcement

SPECIAL TOWN MEETING - A Special Town Meeting will be scheduled this fall, date to be determined. This meeting is where a vote will take place to determine if there will be a Proposition 2 1/2 Override. All Town Meetings are open to the public and any registered voter may vote. A warrant including all items to be voted on will be sent to all residences ahead of time.

