

Board of Selectmen

Town of Groton
Town Hall
Groton, MA 01450

May 9, 2017

Dear Chairperson Petropoulos and Board of Selectmen Members,

My name is Mike Rasmussen, and I serve as chair of the Economic Development Committee (EDC). I am writing on behalf of the EDC about the disposition of the Prescott School. The EDC is aware of the recent history of the property, including the proposal to sell the building to a private party in 2014, when Town Meeting voted 126 in favor to do so and 65 against. While a significant majority of the voters favored the sale, approval of the sale required a "Super Majority," which would have required two additional votes in favor. At present, the EDC understands that you are considering the approval of a proposal by the Friends of Prescott School to lease the property for the next five years.

A review of the proposed plans for the use of the Prescott School by both the Municipal Building Committee and the Friends of Prescott, indicates (based on proposed allocation of floor space) very little commercial or retail use of the building. The EDC is very concerned that in order for the reuse of the Prescott School to be both financially and economically successful there needs to be significantly more space allocated for commercial/retail use. We do not want the building to become a financial burden on the Town if the hybrid community center concept fails to achieve enough revenue to sustain its use.

One significant possible solution is to aggressively approach Matt Evans, owner of Evans on the Common in Townsend (<https://www.evansonthecommon.com/>). Over the last three years, Matt has expressed interest in buying Prescott. Matt attended an EDC meeting on April 5, 2017, when he reaffirmed his interest in acquiring Prescott. At that time, the EDC brought up the possibility of condominium-izing Prescott, and Matt stated that he would consider that. He also stated that, while not his preference, he would consider a long-term lease. Please note that Evans would require the entire first floor, at minimum; Matt has expressed an interest in the basement, in addition to the entire first floor.

It is the EDC's understanding that the Selectmen will soon vote on whether or not to accept the Friends of the Prescott School's proposal to lease the property for the next five years. The EDC invited and has met with representatives of the Friends of the Prescott School, twice in the month of April 2017. We understand and appreciate their position that the EDC should not interfere with the process that is already underway regarding their proposal. However, the EDC has been made aware of Mr. Evans' interest in buying the entire property or purchasing a condo in the same. If Mr. Evans' only interest were in leasing, the Friends of the Prescott School's concerns about this correspondence would likely resonate more with the EDC; however, there are potential issues with a lease arrangement as well.

On leasing: any potential tenant that will be putting significant capital into a buildout at Prescott will be looking for a long-term lease in order to depreciate the cost of those improvements over their useful life

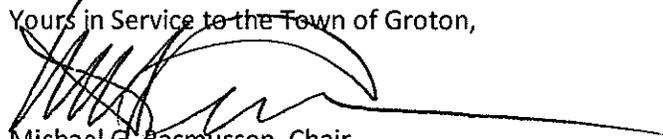
(usually ten or more years). If the Friends of the Prescott School's control of the property is for just five years, will they be able to enter into long-term lease arrangements with potential tenants (i.e., can they commit for more than five years)? Commercial leases are often initially established for five to ten years with renewal options in favor of the tenant along with built in rate escalators. Again, the reason for the length of the leases is related to the financial commitment required of a lessee. Control of Prescott for just five years could make questionable the viability of commercial tenants.

The sale of the Prescott School, either in its entirety or as condominiums (e.g., with the potential for retaining the second floor and exterior common area for parking as a Town of Groton owned asset), would improve the likelihood of making the Prescott School a significant contributor to the tax coffers. The location of the Prescott property is of strategic importance for Groton Center in terms of off street parking. Provisions should be made for the future availability of parking at Prescott for municipal use.

In summary, the EDC respects and appreciates the effort and passion with which the Friends of the Prescott have undertaken their goal of preserving the Prescott School as a Town asset. The Prescott School is probably the most important commercial property in downtown Groton, and as such it is a potential magnet for shoppers who would cross-pollenate nearby businesses, helping to ensure the success and viability of Groton's retail establishments as well as providing goods and services that will improve the quality of life for Groton residents. The EDC believes that "Evans on Main Street" is a potential retail anchor paradigm for downtown Groton. A healthy downtown business district will expand the commercial tax base, assisting in stemming the tide of increasing tax burdens on the residents of Groton. Ensuring that the primary use of the Prescott School is retail is paramount in the opinion of the EDC. We salute the Friends of the Prescott School for their efforts on behalf of the Town of Groton, and we join with them in bringing options to the Board of Selectmen as you undertake the critical decision about the Prescott School's future.

The Economic Development Committee would welcome an opportunity to answer any questions you may have regarding our position on this matter. If you would like to attend one of our meetings, or you would like us to attend one of yours, please let us know.

Yours in Service to the Town of Groton,



Michael G. Rasmussen, Chair
Economic Development Committee, Town of Groton

Committee Members:

Russel Burke

Gina Cronin

Josh Degen

John Konetzny

Arthur Prest

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