

**Minutes Meeting of March 30, 2005** – Squannacook, Black

Members Present: Stuart Schulman, Chase Duffy, Cynthia Maxwell, Robert Cadle, Jay Prager

The Chairman reconvened the Squannacook Hills hearing, noting that there are three items to discuss tonight: pro forma review, the packet from the Planning Board and traffic review status.

Atty. Deschenes said that the traffic engineer's son has serious health problems and he is working to get information to his client next week.

The Chairman asked for an explanation of what the PB packet is about.

Mrs. Collette said that it was about water quality, hydrogeological testing, etc.

The Chairman asked whether the PB has seen the engineering reports from JNEI.

Mrs. Collette said that JNEI might not know about the potential wells that W. Groton Water Supply is proposing to put on line. She said that the project has been going on for years and WGWS is not ready to start pumping water just yet.

The Chairman said that there seems to be more at issue than just proposed wells.

Atty. Deschenes noted that Mrs. Collette raised this issue in February and noted that he had previously talked with JNEI about impacts on Zone 3 and the river. He asked whether new well is at least one mile away.

Mrs. Collette said that it is more like ½ mile away and noted that the Squannacook River flows through a nice sand valley and is a prime aquifer. She said that the PB is only asking for the board to take nitrate loading into consideration.

The Chairman said that he feels that they have already gotten nitrate loading stats.

Atty. Deschenes said that they designed the system to meet DEP storm management standards and noted that they are designing the septic system to meet all Title V requirements. He said that he thinks these should protect the ground water and asked how, if all systems comply, there could be an impact on either the river or a well ½ to ¾ mile away.

Discussion ensued about potential impacts.

The Chairman read from the November 4<sup>th</sup> memo from JNEI, noting the the project is not in Zone 2 and there are no DEP requirements.

Mrs. Collette noted that the wrong map may have been used by Mr. Danos and JNEI. She said that this site is down stream from the existing well but upstream from the proposed well sites. She said that there is legislation that the town will protect not just existing well sites but proposed ones as well. She suggested reducing the number of bedrooms and density and suggested speaking with the BOH and Ben Cutone.

The Chairman suggested speaking with JNEI about the new zone and related info.

Mr. Prager asked what standard the board would be asking them to meet.

Mrs. Collette said safe drinking water standards at the boundary of the site.

The Chairman said that the Board does not want to compromise town drinking water and suggested getting opinions from the W. Groton and Groton water departments re: standards, etc.

Mike Jacobs presented the pro forma review, noting that the acquisition cost is the first standard. He went over the potential affordable and market rate sales figures and said that the profit is at about 15.9% without adjustments and with adjustments, 16.9%. He said that their figures are in the ballpark range of each other. He said that at 20 units the profit drops to 12% and said that many financiers won't lend at that rate.

The Chairman said that it seems that each unit less drops 1% from the profit percentage.

Mr. Jacobs said that this looks only at the developer profit and not at the contractor profit. He said that if the applicant is the contractor and fees, etc are above the industry standard, it would be considered profit. He said that HUD defines a safe harbor of profits at 16% for contractor overhead profit. He noted that the numbers are not out of line with 3<sup>rd</sup> party construction costs.

The Chairman asked if the construction profit is separate.

Mr. Jacobs said that it is only added back in at the end if it exceeds industry standards.

Atty. Bobrowski said that it happens all the time and noted that typically one does not try to fit all the segments into the cap but that it is important as part of the final picture to figure out density, etc.

Discussion regarding aspects of finances and profit margins ensued.

Mr. Jacobs said that he is providing a range and not definitive numbers.

Mr. Paige said that marketing and construction are done through a related entity and said that he

wouldn't be doing 40bs without related entities being involved.

Atty. Bobrowski said that this is valuable information to be used in crafting the final decision.

Mrs. Sartini asked what happens if there the set price increases in the final unit sale.

Mr. Jacobs said that he is taking a snapshot at the moment.

Discussion ensued regarding how profit is figured and when the town starts recouping over 20%.

Mr. Prager said that it feels to some extent like the board is flying blind regarding how the formula works. He said that it seems that the town could be penalized if the applicant is an efficient contractor and the profit goes up.

Mr. Jacobs agreed.

Atty. Deschenes said that auditors (independent) will pick up overage, no matter who is the contractor or realtors etc. are.

Atty. Bobrowski said that it is a hotly debated topic within the industry and noted that Mr. Jacobs has started a group to outline guidelines for review.

Mr. Jacobs said that it is hard for both the town and developer to determine actual costs.

Mr. Prager said it is harder for the town than the developer.

Mrs. Sartini asked Mr. Jacobs how the base for the 20% profit is determined.

Mr. Jacobs said that he looks at the value under existing zoning and under the NE fund, only an appraisal is what is relevant.

Atty. Bobrowski explained some of the process.

The hearing was continued to 5/4/05 at 8:30 pm. The motion was seconded and passed unanimously.

Agenda for next meeting: traffic and JNEI water report.

The Chairman convened the Black hearing by reading legal notice.

Dan Wolfe, representative of applicant, said that they were unaware of the zoning change that had taken place couple of years ago and had obtained a special permit for their flexible development

project. He said that the lots are smaller and there is 35% retained for open space. He said that they went to the Con. Comm. and then back to the PB for a special permit for a common driveway. He said that Mrs. Collette recognized the change in the by-law that changed the allowances from 3 dwellings to 2. He said that there were no recalled changes, no public hearings re: any change and no one can figure out how the change came about.

Mrs. Collette said that it is an enigma and that although it currently allows two dwellings to share a driveway, historically it has always been for three lots. She then gave a history of how this came into being, as a tag on. She noted that the PB sent a memo in support and has a motion to town meeting to get the by-law back to three lots. She said that this is an unintended consequence.

Peter Morrison, abutter, has personal feelings but doesn't want to prevent this from happening.

Mr. Cadle asked whether the applicant is planning to comply with the other old section of the by-law.

The Chairman asked whether the proposal would need a variance if the by-law is changed at town meeting.

Mr. Wolfe said that his client could do it with a PB special permit, noting that through flexible development there is adequate lot acreage with a different configuration.

Mrs. Collette said that in the case of a feud with neighbors, the town needs hypothetical proof that the lots could be accessed another way. She noted that shared driveways with three lots have become a Groton tradition.

Discussion ensued regarding possible other accesses.

The Chairman said that it feels tough to find wording to justify a variance.

Discussion ensued regarding topography, hardship, etc.

Mr. Wolfe said that the PB encourages not having driveway after driveway.

The Board moved to grant a variance to allow a shared driveway for 3 dwellings, owing to topography (location of the pond prevents two dwellings on one and one single), and meets with intent of Groton zoning by-law by encouraging less driveway cuts.

Mrs. Collette said that the ZBA has granted permits for 4 dwellings on a shared driveway. She said that the town wants a path to minimize wetland disturbances.

Mr. Morrison asked about the conservancy district around pond and some issue regarding the

correctness on town maps.

The Chairman said that the Board is only giving a variance to add a third house to the driveway.

Discussion ensued regarding how this was cleared up with the PB.

Mrs. Collette gave an explanation.

The motion was seconded and passed with 4 yeas and one abstention.

The meeting adjourned at 9:30 pm.