

TOWN OF SANDWICH

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BOARD OF
SELECTMEN

TOWN
MANAGER

December 19, 2013

Thomas Tsakalos
Tsakalos Realty Trust
P.O. Box 1
Forestdale, MA 02644

Re: Follow-up on Town Land RFP in South Sandwich Village Center

Dear Mr. ~~Tsakalos~~ *Tom*:

On behalf of the Board of Selectmen, I want to follow-up on our on-going efforts concerning the Request for Proposals (RFP) for the Town of Sandwich land in the South Sandwich Village Center (SSVC). As you know, in addition to the efforts of the Town and Tsakalos Realty Trust (TRT), we have been engaged in a RESET process with the Cape Cod Commission (CCC) and the contemplation of a Development Agreement (DA) application being submitted by TRT. Recently, TRT sent a formal letter to CCC staff expressing your intent to file a complete DA application by March 1, 2014. As continued follow-up on the Town's part, I wanted to forward you the thoughts of the Selectmen and Town staff as we proceed through the RESET and DA processes.

As you know, extensive time and money has been spent by TRT and your consultants, the CCC staff, and Town staff to get to this point. By my count, more than a dozen meetings have been held, primarily at the CCC office, with excellent attendance by all parties. I have also provided continual updates to the Selectmen in Executive Session to increase their understanding of the work we've been doing and the changing development scenarios of TRT. It's clear all three parties are investing a lot of time and effort on the RESET and DA processes. Significant time has also been spent by CCC staff trying to interpret rough development scenarios provided by TRT in terms of types of uses, square footage, and timing of future projected development. These efforts have resulted in the CCC staff providing the best mitigation estimates possible based on the level of detail provided by TRT and your consultants.

Before a lot more time is spent by Town and CCC staff, the Selectmen want to make sure TRT is proposing the type of development the Board can support in the timeframe memorialized in the November 8, 2013 Letter of Intent from TRT Atty. Kevin Kirrane. Most importantly, the Selectmen want to make sure a full, complete DA application will be submitted by March 1, 2014. The Selectmen are adamant about this provision and deadline, and will not entertain signing a Purchase and Sales Agreement after March 1, 2014. Your December 12, 2013 letter to the CCC expresses TRT's intent to file a DA application by March 1, 2014 so that is definitely seen by the Board as a positive.

The Selectmen want to highlight the areas the Town is willing to support TRT in your development proposal. As has been relayed at recent meetings with the CCC, the Selectmen support taking over the primary internal roadway as a public way after it is constructed and paid for by TRT. This is the road TRT has referred to as "South Main Street" in some of your conceptual plans. The Board does not support any of the other roads internal to the development plans becoming Town ways.

The Selectmen support setting aside Town property for future wastewater treatment and disposal needs and to meet Natural Heritage Endangered Species Program requirements. These parcels have already been presented to Town Meeting at several meetings and all have been approved for the appropriate wastewater purposes. Based on the Town's support, the CCC staff has initially determined that any and all open space requirements and mitigation for the TRT development project are fully met. It's important to note that even if TRT decided not to pursue acquiring the Town RFP land, the Selectmen would still support the identified Town lands for wastewater treatment and disposal purposes.

The Selectmen also conceptually support the wastewater and sewer easements that have been drafted by TRT and reviewed by Town Counsel. These plans, while still in draft form, were presented to the November 18, 2013 Special Town Meeting and authorization has been granted for the Selectmen to formally approve the easements when deemed appropriate. Based on a review by Town Counsel, additional details and larger answers are needed before the Selectmen can actually grant the easements, but the conceptual support is clearly there. Again, this support is present regardless of what ultimately happens with the RFP process. We all realize the development and redevelopment of the SSVC will only be maximized with a more comprehensive wastewater solution outside the zones of public water supply contribution.

As I have updated the Selectmen throughout the RESET process, there are some constant issues and concerns the Board and Town staff have expressed about the TRT development proposal. I think it would be helpful for a small group of Town and TRT representatives to get together to talk about these issues and the project in general, similar to some smaller meetings we've had in the past. I believe these discussions have been very helpful to both sides and everyone has been able to be more candid and open with each in the smaller setting.

Specifically, the Town's primary concerns are:

1. the lack of details & specifics about proposed future development;
2. the extended time it has taken to address the submission of requested specific details and analysis about the project to the CCC;
3. the apparent changing scope of the project with proposed development migrating from a primary retail and commercial focus to a greater emphasis on residential development; since the initial RFP submission, the apparent amount of office space has decreased more than 50% and the retail component has dropped about 15%; feedback from development firms on the local market for retail and office development appears much less than originally thought;
4. residential development is not the type of economic development the Town wants because it costs the Town more money than any tax revenue it generates;

5. the proposed timing of developing the Town land that was the subject of the RFP which appears more than 5 years away, with a greater focus on residential development; the Town land appears to be primarily serving as a funding source for re-development of current TRT landholdings, and the last component to be developed.

The primary points I am trying to make through this correspondence are: TRT needs to submit a full and complete DA application by March 1, 2014 to the CCC for the Selectmen to sign a Purchase and Sales Agreement and a desire to have a more focused meeting with TRT and Town representatives to discuss these matters further. The Selectmen have made it clear to me that if a complete application is not submitted by March 1, the Board will reject TRT's RFP response and consider other options. I know submitting a full DA application by this date is your intention based on your December 12, 2013 letter to the CCC. We should set up a meeting to talk about this in early to mid-January 2014.

One important point I want to make sure to relay is the full support and commitment of the Selectmen and all Town staff to assist TRT in the redevelopment of your current land holdings and in the development of your unimproved land that was formerly owned by the Tedeschi Corporation. This commitment is valid regardless of what happens with the Town RFP land. The Board also supports any wastewater efforts and sewer and roadway easement initiatives to further your redevelopment efforts. In my discussions with CCC staff, they indicated that if the DA process did not go forward on the Town land, there would be the opportunity for a Growth Incentive Zone effort for your existing land which could likely be done without the need for any MEPA filings or approvals. In short, if TRT ever decided to not move forward with acquiring the Town land, the Town is fully committed to continuing its RESET efforts with the CCC for the SSVC, the Sandwich Industrial Park, and the South Shore YMCA property. Most importantly, we are fully committed to helping and supporting TRT even if the RFP land is not under consideration.

You are an extremely valuable, integral member of our community and we have all had excellent relationships over the years which will only continue to improve in the future, regardless of what ultimately happens with the Town RFP land. If you would like a meeting with a small group of Town representative and your team to discuss this in more detail, please let me know. I think it could be very helpful to all of us.

Thank you and happy holidays to everyone at TRT and your family.

Sincerely,



George H. Dunham

cc: Board of Selectmen
Town Counsel John Giorgio
Peter Dubay
Atty. Kevin Kirrane