

MEMORANDUM

**TO: Medfield Board of Selectmen**  
**FROM: Stephen M. Nolan, Chair**  
**Medfield State Hospital Redevelopment Committee**  
**RE: Next Steps**  
**DATE: July 17, 2012**

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The Medfield State Hospital Redevelopment Committee (the "Committee") has toured the former Medfield State Hospital property (the "Property") and had two subsequent meetings. The Committee has discussed possible courses of action for the Town with respect to the Property. One of the biggest uncertainties surrounding the possible redevelopment of the Property is the physical condition of the existing buildings on the Property. Given statements in a 2003 Lozano, Baskin and Associates, Inc. report on the Property that suggested, unless reconstruction was begun by 2005, immediate steps be taken to avoid significant degradation of such buildings, combined with the fact that no such steps appear to have been implemented in the intervening nine years, the Committee has serious doubts as to whether it is possible from a financial perspective to restore any significant portion of the buildings. Further, both the possible re-use and the possible demolition of such buildings are complicated by the listing of the Property on various registers of historic properties, including the National Register of Historic Places, and by the likely presence of asbestos containing building materials ("ACBMs"), lead paint and other hazardous substances within the buildings.

In order to create a meaningful scenario for re-development of the Property, the Committee believes that an updated survey of the physical condition of a small number of representative buildings is essential. Further, the Committee believes that such a survey should be performed and paid for by the Department of Capital Asset Management of The Commonwealth of Massachusetts ("DCAM") as the owner of record of the Property. Such a survey would be beneficial to both DCAM and the Town in planning for the possible re-development of the Property since the current condition of the buildings will largely determine

whether any can be salvaged and the likely magnitude of the built-in costs of either an historically sensitive rehabilitation or outright demolition.

After discussing different ways in which the Town could become involved in the redevelopment of the Property, including a possible acquisition by the Town, the Committee came to a consensus that a key component in achieving the best possible structure for a deal with DCAM would be the inclusion of a transferable purchase option ("Option") pursuant to which the Town would have an extended period of time, say three years, to purchase the Property at a set price. Such an arrangement would allow the Town to perform due diligence on the Property and to devise, presumably with the assistance of consultants, a menu of preferred uses and densities at the Property that the Town would countenance. A request for proposals could then be fashioned, which would solicit proposed terms for a purchase of the Property by a third party developer for redevelopment of the Property consistent with such menu of preferred uses and densities. The benefit of the Option is that it would impose a market discipline to the proposed redevelopment. If the purchase prices offered were higher than the Option price, the Town could sell or transfer the Option to the selected developer for the difference with the understanding that the Town would re-zone the Property to allow re-development consistent with the winning developer's proposal (assuming that such proposal was consistent with the preferred uses and densities articulated by the Town). In the alternative, if the purchase prices offered by developers were lower than the Option price, the Town could either (i) choose not to exercise the Option, thereby leaving the sale and redevelopment to DCAM, (ii) re-do the RFP to provide for greater density of development in order to attract a higher purchase price, (iii) fund any shortfall out of Town resources if the Town wanted to continue to control the redevelopment process and thought the lower density was worth paying for or (iv) attempt to re-negotiate the Option price with DCAM to bring it into line with the third party offers received.

Based on the foregoing, the Committee recommends to the Board of Selectmen the following actions:

1. Request DCAM to perform updated building surveys on a representative selection of buildings at the Property, including a detailed analysis of hazardous materials remediation requirements and an analysis of the possibility of renovation in

accordance with National Park Service rehabilitation standards applicable to historic properties.

2. Provide to the Town a copy of the Comprehensive Reuse Study referred to in the recent Jones Lang LaSalle report entitled "Medfield State Hospital Market Analysis Report DRAFT" dated April 20, 2012.
3. Provide to the Town an accounting of the costs that DCAM would like to recover in connection with a disposition of the Property.
4. Explore with DCAM the possibility of granting the Town a transferable Option to purchase the Property within three years at a price to be agreed upon. The Committee recommends that the Town pay only a nominal price for the Option because there will be significant costs to the Town during the due diligence period, including costs to retain consultants to assist in the preparation of redevelopment standards and a request for proposals.

We are available to discuss these concepts further with you, but we wanted to present some of these preliminary ideas to you for consideration in connection with your on-going discussions with DCAM.