

Opinion: Should CPA be on the ballot?

Sherri Pitcher, From the Left - A broader conversation is necessary

Posted Jun 12, 2018 at 3:01 AM

The Worcester City Council is considering whether to place a Community Preservation Act question on this year's November ballot, required by state law for adoption. At present, 172 of the 351 cities and towns have adopted CPAs, which fund historic preservation, parks/preservation of open space, and affordable housing. A coalition of local organizations, under the banner of "Yes! for a better Worcester," is proposing a CPA and recommending a 1.5 percent surcharge on Worcester's residential and commercial property owners with some exemptions – the act allows a 0.5- to 3-percent surcharge.

The CPA was debated for years and signed into law by Gov. Cellucci in 2000. Its intent is to fund worthy causes and investments that would strengthen any community. We need, however, to weigh the importance of these worthy causes against the responsibility for making fiscally sound decisions for Worcester's property owners. Even without a CPA in place, Worcester's administration and community have a strong record of commitment to historic preservation, our parks, and supporting the creation of affordable housing.

I have three primary concerns preventing me from supporting the CPA as currently proposed: Worcester's dual tax rate, the composition of the CPA committee that would recommend projects to be funded, and the lack of a framework by which the committee would make recommendations for city council review and approval.

Worcester continues to overburden our commercial property owners with year-over-year increases and a current property tax rate of \$34.03 per thousand valuation. In addition to losing companies and jobs to neighboring communities, Worcester's tax rate is hindering our ability to attract new employers here. During a time where many are working to reduce taxes and spending and to narrow the gap between the residential and commercial tax rates, this not the time to increase tax bills by imposing a surcharge. The average commercial surcharge would come to an additional \$460 per year, based on all commercial property owners; while the average single-family homeowner's bill would increase by \$32 annually.

Also, the CPA governing committee would comprise five Worcester residents from five existing city boards and commissions as well as four at-large members, who potentially, perhaps unknowingly, could be conflicted based on their interests. I'm also concerned that individuals

responsible for making recommendations on how to allocate the money would be influenced by special-interest groups.

This community is at its best when it is collaborative. Worcester has started a process to develop a city-wide master plan. This thoughtful and inclusive process, though time consuming, will give all our residents the opportunity to come together to collectively determine the city's priorities. Besides initiatives identified in the CPA, the master plan will hopefully also include tax base expansion, investing in our schools, neighborhood development and supporting home ownership.

The CPA's goals are certainly well intended. But the city, through its master planning process must prioritize the important competing interests facing us: education, economic development, public safety, public health and preservation. We, as a community, need to have these conversations before we ask more of our property owners.

Sherri Pitcher, who serves in leadership roles in several cultural, educational and service organizations, previously was senior director of business development/ Worcester Regional Chamber of Commerce and is now vice president for business development at a local community bank.

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Posted Jun 12, 2018 at 12:18 PM Updated Jun 12, 2018 at 12:18 PM

A coalition of fifteen nonprofit organizations, comprised of advocates of open space, affordable housing, and historic preservation have asked the Worcester City Council to endorse a ballot measure adopting the Community Preservation Act. If the council obliges and the coalition's proposal is approved by the voters, a surtax of 1.5 percent will be imposed on all property owners-except those who qualify as low-income or elderly. The proposal also excludes the first \$100,000 of value in a community where the median home price is \$206,000. Who will be left to pay most of the \$3 million annually the coalition expects to collect? Worcester businesses, of course.

But there are good reasons for all Worcester residents to oppose the CPA.

First, Worcester already has the highest commercial/industrial and residential tax rate of any municipality in the area. The CPA surtax adds insult to injury. In the last couple of years, at least four major companies and more than 1,000 good jobs left Worcester - Babcock Power, Primetals

(formerly Morgan), Curtis, and Allegro. The tax rate undoubtedly contributed to those relocation decisions.

Second, the CPA requires that 10 percent of revenues collected annually be spent in each of three areas: open space, affordable housing, and historic preservation. Thanks to the efforts of the city, the Greater Worcester Land Trust, Mass Audubon and others, Worcester has preserved 720 acres of open space citywide in addition to 1,471 acres maintained for parks and recreational activities, an enviable record for a medium-size city. Adding still more open space decreases the amount of developable land, thereby driving up the cost of remaining land. This in turn increases the cost of housing construction - making local housing less affordable. Ensuring funds for the maintenance and use of our existing open space and parks should be the city's goal rather than acquiring more public land.

Third, since fourteen percent of Worcester's housing is considered affordable, the city already meets the Commonwealth's goal that every community have 10 percent of its housing stock as affordable. The only town near Worcester that complies with Chapter 40B on affordable housing is Northborough. Nearby towns like Paxton and West Boylston that require a two-acre minimum lot size to build a single-family home should reconsider such zoning restrictions, so as to reach the 10-percent minimum. Worcester has already done more than its share.

Since we've dispensed with raising property taxes for two of the three purposes of the CPA, there is no need to bring it before the voters. Suppose, however, that Worcester wishes to set aside funds for historic preservation, although too late to save Notre Dame des Canadiens cathedral. Securing such resources requires shifting budget priorities; it does not require an increase in property taxes. Worcester's mayor recently proposed that two new high schools, costing at least \$200 million each, be built with a Project Labor Agreement. Because PLAs effectively exclude non-unionized firms (i.e., most local construction firms) from winning contracts, they reduce competition, require conformity with inefficient union work rules, and as a result typically add 20 percent to the cost of a project, without any improvement in the quality of work. Open, competitive, non-restrictive bidding could save the City \$40 million for historic preservation and other priorities.

Roberta Schaefer is the founder and former president of Worcester Regional Research Bureau.