

Regarding the relocation of the Registry of Deeds

To the editor:

I am writing with regard to the recent editorial calling for the relocation of the Registry of Deeds to the old Salem Superior Court building, as well as the letter by John L. O'Brien, register of deeds, published in the Jan. 20 edition of The Salem News. By way of full disclosure, I am the trustee of Shetland Trust, which owns Shetland Park, the current location of the Registry of Deeds. I feel that the editorial totally ignored the adverse financial consequences to the taxpayers of Massachusetts and Salem, while at the same time disregarding the very legitimate concerns of Register John O'Brien as to the potential lack of feasibility of the relocation as contemplated.

The primary purpose of this letter is to highlight the need for open, candid and honest discussions as to the relocation of the Registry of Deeds, including providing to the public detailed financial information. Such dialogue will insure that an informed and fiscally responsible decision will be made that not only protects the rights of the taxpayers of Salem and of the Commonwealth of Massachusetts, but also allows a very well-run Registry of Deeds to continue to operate efficiently and in a consumer-friendly manner. State and local governmental officials should welcome such discussions if they truly believe that such relocation makes sense from a fiscal perspective that is beneficial to the taxpayers. However, the truth is that such relocation will needlessly result in the unnecessary

squandering of millions of dollars of taxpayer funds and at the same time reducing real estate tax payments to the city of Salem.

The Salem News should publish in full Register O'Brien's letter of Jan. 6, 2017 to Governor Baker in which Register O'Brien requests that the governor veto House Bill 2837 as amended and in its current form. While that letter is available on the Registry of Deeds website, fairness dictates that such letter be published in its entirety in The Salem News — especially given the recent editorial arguing for the relocation of the Registry of Deeds to the Superior Court building.

Register O'Brien's letter to the governor provides detailed information as to why it would be fiscally irresponsible for this relocation to occur. Regardless of an individual's position as to whether or not that person is in favor of relocation, any responsible taxpayer should be extremely troubled by the following issues raised by Register O'Brien.

1. The proposed Registry of Deeds will result in a space which, in Register O'Brien's own words, "will jeopardize not only the efficiency of the work flow but the ability of the public to utilize the facility in an efficient manner."

2. There are "no funds available" for renovation.

3. Register O'Brien has raised legitimate and serious concerns that the proposed development approach is not only fiscally irresponsible but unlikely to be developed as contemplated. (Register O'Brien states that under the present scenario there

is a real risk that "the building will remain vacant which will result in further decay.")

4. It is fiscally irresponsible to proceed as contemplated by the current legislation and as proposed by the editorial.

It is troubling enough that Secretary of State William Galvin seems to be directing this project even though, according to Register O'Brien, "in eight years the secretary has never visited the Salem registry nor has he spoken to (Register O'Brien) in over five years." However, when one looks at the economics from a taxpayer perspective, it is truly numbing.

Register O'Brien correctly points out that the Registry of Deeds currently leases 39,093 feet of office space and pays \$16.50 per square-foot or \$645,035 annually. This rental rate includes all utilities and, according to Register O'Brien, "is the lowest square-foot cost of any Registry of Deeds housed in a private complex within the Commonwealth." The Registry of Deeds is not required to pay for any repairs, maintenance or other charges.

Due to changes in operation, it is anticipated that the Registry will reduce the square footage required to 20,000 square-feet with the rental payments being reduced as well. In other words, Shetland Trust has agreed that it will allow the Registry of Deeds to reduce the amount of space it is renting (and thereby reduce its rental cost) and, furthermore, Shetland Trust, at its own cost, will perform all necessary renovations.

In his letter to the

governor, Register O'Brien indicates that it is anticipated that renovation of that portion of the Superior Court building for relocation of the registry will cost "upwards of 30 million dollars to renovate the space and at least \$200,000 annually for maintenance." That \$30 million is taxpayer money that has to be paid back at interest. Obviously, the financial markets would dictate the interest rate and other aspects but even if the \$30 million was repaid back at a 2.5 percent interest rate over 30 years, the annual payments on that \$30 million could easily be in excess of \$1.4 million per year. When you add that \$1.4 million per year to the \$200,000 annual maintenance cost (which, obviously, will likely increase as the building ages), the extra cost to the taxpayer for relocating from Shetland Park to a renovated Superior Court building could easily exceed \$1,200,000 per year annually.

One would think that the government officials who are responsible for prudently spending taxpayer money would not argue for a plan that results in a less efficient and less user-friendly Registry of Deeds which over the next 25 years could cost the taxpayers more than \$30 million of avoidable expense.

For the Salem taxpayer, it is even worse. Shetland Park is one of the largest payers of real estate taxes to the city of Salem. The rental money paid by the Registry of Deeds results in Shetland Park paying a portion thereof to the city of Salem. This results in additional real estate taxes being paid by Shetland Park

to the city of Salem. If the Registry of Deeds relocates, those taxes based on the rent paid by the Registry of Deeds will cease and, as the Registry of Deeds relocates to a governmental building, the city of Salem will not receive any tax money on account of its use of that building. Hence, this becomes a "lose-lose" proposition for the taxpayers of Salem who not only have to bare extra avoidable costs over the next two decades of what could be more than \$30 million, but also loses tax revenue during that period of time.

Regardless of one's political views, the recent elections have shown a tremendous dissatisfaction with how government has done business in the past and is requiring real accountability. Having differing points of view is extraordinarily healthy in a democracy. If our governmental leaders believe it is fiscally responsible for this relocation of the Registry of Deeds to occur, they should welcome the opportunity to engage in discussions involving the detailed costs, facts and figures so that the public is assured that the correct decisions are made in a transparent manner with the interests of the taxpayers being protected.

I join in Register O'Brien's request that all interested parties engage in a constructive dialogue that addresses all aspects of the proposed reuse of the Superior Court building to ensure that all points of view are being heard and prudent decisions are being made.

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Salem