

HAMILTON DEVELOPMENT CORPORATION

MINUTES

Dec. 18, 2013

Welcome – Brian Stein, President of the HDC, opened the meeting of Dec. 18, 2013 at 7:35 AM. Members Anthony Nickas, David Carey, Rick Mitchell, and Bill Gisness were present. Also in attendance were David Geikie of Wenham Planning Board, Andrew Mente and Kristine Cheetham, Hamilton Planning Coordinator

Agenda Items

1. **Minutes** – B. Stein asked for comment on the minutes.
ACTION: R. Mitchell made a motion to accept the HDC minutes of Dec. 4, 2013. D. Carey seconded the motion. All voted in favor.
2. **Development Opportunities** – B. Stein presented the Investment Strategy document for the properties at 59 & 63 Willow Street. The members of the HDC had an open discussion about several of the points made in the investment strategy as well as the language in the previous option to purchase.

D. Carey informed the board members that he had a few informal conversations with Mr. McRae and the realtor recently. He noted that there were concerns about the town's investment in a nearby property: the Firehouse Place. He researched the town's investment in the affordable housing project and shared the overall investment in the property from the state and other regional entities with Mr. McRae's realtor. The two parcels and their development potential are different.

The Board then reviewed the Investment Strategy for potential clarifications and edits. They agreed that the term or use of "life tenancy" needed clarification. The Board agreed that a life tenancy could be extensive. They understood that there is some risk involved in a life tenancy. How do you put a value on this? They agreed that there should be terms relative to time spent at a medical facility. The Board determined that more than 90 days at a medical facility would terminate the contract for life tenancy. The Board also agreed that the language should stipulate that the tenancy was for Mr. McRae only and not other family members.

The Board also discussed the need to make use and plan for the parcel while the residency was underway. The board felt that a 3 year time frame would be needed to secure zoning changes and local planning/politics for future developments. The conversation turned to rent. The Board felt that there should be a period of time when Mr. McRae could live on the property rent free, such as during the planning phases. They then discussed a rent. The Board members used current rental rates as an example. They agreed that a \$2,000 monthly rent or a market rate comparable would be reasonable for something that is under consideration for three years from now.

The Board felt that this offer was more beneficial than the last one because it combined a full purchase of both parcels; the residential and commercial. They also felt that Mr. McRae would benefit from no payment of taxes or insurance on the property.

The Board then discussed the purchase price. The Investment Strategy indicates \$600K. However, the current assessed value of the two properties is \$510K. R. Mitchell felt that the offer should be below the \$600K amount and negotiated to a point that both parties could agree upon. Other members agreed. A. Nickas and D. Carey felt that the purchase price should be based on an appraisal of the property and not just the assessed value. D. Geikie agreed that eventually it would need to be done for a purchase. They inquired about the procedure for securing an appraisal. K. Cheetham agreed to consult with the town finance director. She asked the Board to vote for a maximum amount that they were willing to spend on an appraisal. Although most appraisals are about \$500, the Board acknowledged that there were two parcels so they might need more money.

ACTION: D. Carey agreed to take the lead on securing an appraisal of the properties.

ACTION: R. Mitchell made a motion to spend no more than \$1,000 on an appraisal of the properties at 59 & 63 Willow Street. D. Carey seconded. All voted in favor.

Finally, the Board reviewed some of the details on the Underwriting section of the Investment Strategy. They noted that there is no statement about the current status of the septic system. B. Stein informed the group that the seller has represented that the Title V meets all current uses. However, the Board wanted to be sure that the Purchase and Sale Agreement included full disclosure from the seller relative to the Title V status of the two parcels.

The Board would be requesting a balance sheet from Deborah Nippes-Mena to submit with the Investment Strategy.

3. **Action Plan** – The Board reviewed the draft Action Plan for the 2013-2014 year. K. Cheetham noted that the Mission Statement, Goals and Actions were approved at previous meetings during the year. She added a few accomplishments but did not elaborate without approval or direction from the Board.

B. Gisness wanted to add a few items to the Action Plan.

- Under the second bullet, “identify opportunities outside the downtown commercial district”, he suggested that there be a new statement about including the town of Wenham. The Board agreed that the town of Wenham would be fully integrated into the planning and development opportunities of the HDC.
- The HDC would seek to solidify a relationship with the Town Board of Selectmen and Departments as an organizational goal for the year. The Board agreed that a casual relationship of reporting back to the Selectmen was not ideal.
- The HDC plans to work with the Urban Land Institute to explore the market and financial feasibility of developing different parcels within the downtown area. This work would involve outreach to several key downtown property owners as well as other investors. The Board members agreed that these additions should be included.
- D. Carey asked about short term accomplishments. K. Cheetham reminded the group that she applied for a grant for a graphics/marketing designer to assist the community in the development of banners and wayfinding signs for the downtown. If successful, that grant would be used in the Winter-Spring of 2014 with the intent to purchase banners in the summer of 2014. The Hamilton Wenham Village Plan, a product of the 2013 community planning efforts, will be completed in 2014 and has recommendations that can be implemented in the upcoming year.

She also reminded the group that a major short-term accomplishment is having an action plan and communicating it to the public.

ACTION: The Board members agreed to review their Bios and provide any updates as soon as possible.

ACTION: R. Mitchell made a motion to approve the Investment Strategy and Action Plan with comments and amendments as noted during the meeting. A. Nickas seconded. All voted in favor.

4. Wright Pierce Contract

R. Mitchell agreed to review and provide comments on the Wright Pierce contract. The insurance agent submitted a few comments.

5. Insurance for Property Coverage

A. Nickas agreed to review the insurance language for the property coverage.

6. Warrant Article for Town Meeting

K. Cheetham prepared a request letter from the HDC to the Board of Selectmen relative to the dedication of the Meals Tax funds. She asked for the Board members to attend an upcoming Board of Selectmen meeting in January to present their Annual Plan and the request. The Board members agreed to the request.

7. Wenham Membership

In response to the last meeting, D. Geikie established a meeting with the Wenham Board of Selectmen to discuss the potential of securing a voting position on the HDC for the town of Wenham. He will report back to the HDC after that meeting. K. Cheetham reminded the Board that they too would need to review this with the Hamilton Board of Selectmen. The terms of the Articles of Incorporation allow for a voting member to not be a resident of Hamilton. However those terms also give the town manager and the Board of Selectmen recommending and appointing authorities respectively.

Adjourn – At 8:35 the members adjourned the meeting.

Next Meeting Dates

Wed. January 8, 2014 7:30 – 8:30 AM

Wed. January 22, 2014 7:30 – 8:30 AM