

HAMILTON DEVELOPMENT CORPORATION

MINUTES OF MEETING

Teleconference

April 24, 2020

HDC Members Present: Rick Mitchell (President), Brian Stein, Anthony Nickas, Angela Arvanites, Chad Smith, and Anthony Passaretti (Associate Member)

HDC Coordinator: Mary Alice Cookson

** Note: All of the above participated remotely via Zoom teleconference.*

President Rick Mitchell opened the Hamilton Development Corporation (HDC) online meeting at 10 a.m. with a quorum present: Mr. Mitchell, Brian Stein and Anthony Nickas. HDC Associate Member Anthony Passaretti was also present. New HDC members Chad Smith and Angela Arvanites had not yet arrived.

Traggorth Companies' Proposal for 59/63 Willow Street

Mr. Mitchell updated the Trust that the Hamilton Affordable Housing Trust (HAHT) voted last evening to commit \$500K to the Willow Street project. He said the question previously raised by Rosemary Kennedy about trying to have some units included at a lower rate of 60 percent of AMI [area median income] for seniors—while the other affordable units were at 80 percent of AMI—had been put to rest because under federal law, it is illegal to have different types of units as you can't discriminate. He said the Purchase & Sale (P&S) agreement for the project was in process and he thought it made sense for the HDC to vote on accepting the proposal to have their vote recorded in the minutes. The P&S had gone to Traggorth's attorney and come back to HDC Attorney Kathleen O'Donnell, whose only real concern was about the document drafted by Jill Mann (attorney for the Willow Street project) regarding any future potential demolition of 63 Willow Street and giving the neighbors the right of first refusal to buy it, which Ms. O'Donnell thought could potentially be a sticking point with the developer. However, Mr. Mitchell said Traggorth's intent is to leave the building as is. Traggorth is now conducting a hazardous materials assessments and will be retaining Meridian Engineering and Attorney Mann so there will be continuity. HDC will need to sign a document about that, which has been drafted. If Traggorth receives funding from the Department of Housing and Community Development, they would close in November of this year with the construction starting in spring 2021; if they don't receive

funding on the first round they would resubmit next year. Mr. Mitchell said he updated tenant Ben Corwin on the project status and he was fine.

Chad Smith joined the meeting.

Decision 1:

Mr. Mitchell made a motion to accept Traggorth Companies' proposal for negotiating a Purchase & Sale agreement. Mr. Stein seconded the motion. A roll call vote was taken with "ayes" from Mr. Mitchell, Mr. Stein, and Mr. Nickas, (3-0).

*Mr. Smith has not been sworn in as an official member yet, so he did not vote and Ms. Arvanites had not arrived.

Decision 2:

Mr. Mitchell made a motion that the HDC authorize him to sign the P&S agreement with the approval of their attorney. Mr. Stein seconded the motion.

Further Discussion:

Mr. Nickas asked if the HDC could see a draft of the document before it was signed.

Decision 2 (Continued):

The motion was amended to say the HDC gave Mr. Mitchell authorization to sign the P&S agreement contingent upon not only the approval of their attorney, but also upon a hard copy of the document having been reviewed by the board. A roll call vote was taken with "ayes" from Mr. Mitchell, Mr. Stein, and Mr. Nickas, (3-0).

Budget Update and Projections

Mr. Mitchell said he and Mr. Nickas had been looking at the budget for a couple of weeks. In light of the COVID-19 pandemic, Governor Charlie Baker has suspended the meals tax and it is unknown how long that situation may last. Because the suspension is happening now in the last quarter, next year's meals tax total going to the HDC will likely be at only 75% of what is generally received. (Last year's amount was \$74K.) Next year, they could be in a situation where no meals tax money is received at all. [The amount of meals tax money generated by one year is what the HDC receives the subsequent year.]

While the HDC anticipates the sale of its Willow Street property, it is unknown whether it will close in November of 2020, November of 2021, or not at all. If the developer doesn't receive funding on the first round this year, they will apply again next year. Another thing to factor in is that the tenants might not be able to pay their rent if their businesses cannot be open, so the rental income could potentially disappear. Mr. Nickas went through the

budget and actuals projecting what could happen under various scenarios. If the property sells, they could end up with a very healthy balance of about \$573K. In a worst-case scenario in which no income comes in but all normal expenditures are paid, the HDC could end up with a \$15K negative balance.

Mr. Passaretti asked if there was any real risk of Willow Street not going forward. Mr. Stein said yes, if they don't get their state funding.

Mr. Mitchell noted the barber, tenant at 63 Willow St., had already paid his rent for May and June. Mr. Passaretti asked if the HDC might be good landlords and extend a month's credit to their tenants. The HDC had a conversation about this and came to the decision that offering a one-month's credit would be a nice gesture to help the businesses. Mr. Nickas asked if that meant forgiving or deferring a month's rent. They decided on forgiving, but since John the barber had already paid for May and June, they will forgive his July rent; for Georgia, the owner of the yoga studio, they will forgive her June rent.

Decision:

Mr. Stein made a motion that the HDC forgive the June 2020 rent for the yoga studio and the July 2020 rent for the barbershop. Mr. Nickas seconded it. A roll call vote was taken with "ayes" from Mr. Mitchell, Mr. Stein, and Mr. Nickas, (3-0).

Approval of Nunan's Proposal for Flower Baskets and their Maintenance

The HDC discussed that the flower baskets were already budgeted and bring something positive to the downtown businesses. Mary Alice Cookson said Nunans had already been given a verbal OK to make up the baskets, which has been done. Nunans is considered an essential business and its shop is currently open.

Decision:

Mr. Nickas made a motion to approve the Nunans' proposal of \$8,542 for the flower baskets and their maintenance. Mr. Mitchell seconded the motion. A roll call vote was taken with "ayes" from Mr. Stein, Mr. Mitchell, and Mr. Nickas, (3-0).

Discussion of Shop Local HW Business Group Request for Funding Support of Downtown Business Promotion and Mailing

Mr. Mitchell discussed this item because Ms. Arvanites, newly sworn-in HDC member who heads up Shop Local HW hadn't arrived yet. He said he thought it made sense for the HDC to support the group's latest event (bingo game) by contributing \$500 toward the prizes as has been asked of them. The HDC had originally voted to support a downtown event that was cancelled due to the pandemic. Also Shop Local HW has suggested a Town-wide mailing/brochure urging residents to support local businesses. The group has a

professional marketer and will figure out design, printing costs, etc., and bring the HDC a proposal. Ms. Cookson commented it might be good to include some kind of coupon in the mailing, such as for 5% or 10% off a first purchase in a downtown shop, but they said it was going to be more of a brochure than a postcard.

Approve Meeting Minutes of April 2 and April 9, 2020—Joint Meetings with the Hamilton Affordable Housing Trust.

Decision:

Mr. Mitchell made a motion to approve the two sets of meeting minutes combined (April 2 and April 9). Mr. Nickas seconded the motion. A roll call vote was taken with “ayes” from Mr. Mitchell, Mr. Stein, and Mr. Nickas, (3-0).

New/Old Business

Mr. Mitchell said Russ Tanzer, chair of the HAHT, had drafted the funding letter for Willow Street, but there was discussion last evening that the language needed to be tightened up with the Trust’s funding contingent on certain things happening. The HAHT would like all other funding to be secured by Traggorth before any Trust funds are committed. The HAHT is working on the specifics and another meeting was scheduled for Tuesday evening at 5 p.m. to discuss it. If for some reason the P&S is hung up, David Traggorth has asked the HDC to write a letter of support.

Just as the HDC was getting ready to adjourn, Ms. Arvanites joined the meeting. They discussed her plans for the downtown business brochure and mailing. She said she would forward some information on specifics to Mr. Mitchell.

Adjournment

Mr. Stein made a motion to adjourn the meeting at 10:40 a.m. Mr. Nickas seconded the motion. A roll call vote was taken with “ayes” from Mr. Mitchell, Mr. Stein, and Mr. Nickas, (3-0).

Prepared by:

Mary Alice Cookson

5-6-2020

Mary Alice Cookson
HDC Coordinator/Minutes Secretary