

**TOWN OF PROVINCETOWN - BOARD OF SELECTMEN
MEETING MINUTES - SPECIAL MEETING
MONDAY – MARCH 14, 2016 – 5:00 p.m.
JUDGE WELSH ROOM - 260 COMMERCIAL STREET**

Chairman Donegan convened the open meeting at 5:00 p.m. noting the following attendees:
Board of Selectmen members: Thomas Donegan, Erik Yingling, Cheryl Andrews, Raphael Richter, and Robert Anthony.

Other attendees: Town Manager David Panagore, Assistant Town Manager David Gardner, Finance Director Dan Hoort, Finance Committee members: Chairman Mark Hatch, Louise Venden, Stanley Sikorski, Duane Steele, Mark Bjorstrom, Mark Del Franco.

Recorder: Loretta Dougherty

1. Public Hearing – Joint Meeting with Finance Committee regarding (A) Proposed FY2017 Operating Budget; (B) General discussion on the FY2017 Capital Improvement Plans, and (C) Discussion on the process for the 2014 & 2015 Audit Reports for the Town of Provincetown:

(A) - The Finance Committee called their meeting to order at 5:00 p.m. and Board of Selectman Vice-Chair Erik Yingling read the Public Hearing notice.

Chairman Tom Donegan asked if there were any changes to what was presented to the Board.

Chairman Mark Hatch stated that there are no changes at this time.

There were no comments from the public so public comments closed.

(B) - Mark stated that the Capital Improvement Plans will be dealt with at their meeting on Wednesday night. He did state that regarding the expenditure for the new radios; he is inclined to ask this pushed out for one more year. It is a very big expenditure; over \$500,000.

Tom thanked FinCom for all their time and attention and looks forward to their advice.

Mark asked for a holistic view from the Board as to how the Inclusionary Bylaw will affect the whole plan.

Cheryl would like to see Fincom's votes and compare them to the Board's votes.

Mark stated FinCom is in complete agreement with the Board's votes.

There were no comments from the public so public comments closed.

(C) - Tom asked about the recommendation from the FinCom dealing with the 2014 & 2015 Audit Reports. Mark stated they will address that after Town Meeting and report back to the Board.

Mark wanted to know what is to be accomplished and how, as well as what the impact may be in general, regarding the Inclusionary Bylaw.

Erik gave a brief explanation of the purpose referring to sections dealing with payments in lieu of building affordable units when developing a property; what percentage of that payment would go into a trust fund, and what types of incentives are being offered to developers

Louise wanted to know how many properties in town would qualify for this.

Raphael is in support of this bylaw. Town staff has put a lot of time into creating this bylaw. The Board will continue to review this bylaw over time and make any changes as needed.

Louise is hopeful that there will be examples for the public to view at Town Meeting.

Cheryl stated that there is not one viewpoint on the Board. She was not ready to discuss this tonight. She does have concerns about the density bonus and believes that the intent has value, but wants to know more details.

Stanley asked if this was based on other bylaws.

David G. stated that it is a model bylaw; they are the same throughout the country. Ours starts with one unit which is not common in most other towns.

David P. stated that most places do not start with such constricted land areas as ours. There is also a higher gap between median income and the cost of living. The production of units is easier when producing greater numbers of units. Most units being produced do not go down into the ones, twos, or threes, however the production of units, and not fees, is of the most importance. In terms of the fee, our fee is new and lower than others. Rarely is anyone working with property values as extreme as ours.

2. Cape Cod & Island Appraisal Group, LLC regarding Winslow Farm & the Old Community Center Appraisals:

Linda Paneen and Jacob Ross from Cape Cod & Island Appraisal Group, LLC appeared before the Board and gave a brief description of each of the properties; Winslow Farm (48 Winslow Street) and the Old Community Center (36 Bradford Street). The Winslow Farm property's final option of value is \$2,300,000, as of the date of value January 22, 2016. There is one completely constructed unit on the property that had been valued at \$800,000 last year, but is now valued at \$965,000. Values for detached 3-bedroom single family homes have increased very quickly in the last year. The land has a lot of value. The Old Community Center on Bradford Street was also appraised as of the date of value on January 22, 2016 at \$605,000. Contributing factors for this value were based upon the increased deterioration of the building over the past year; the zoning in that neighborhood is quite limited; there are no stores or restaurants in close proximity, and it would be limited to either multi-residential or galleries. The building is large but has been run down and is getting worse with time. Based upon their highest and best use study; six one bedroom apartments could sell for \$460,000 each which is considerably above the median for one bedrooms in town at \$350,000. The developer could only afford to buy it at \$144,000 at this rate. Using the same process with a two bedroom selling for \$675,000, the developer could only afford to buy it at \$555,000. The highest and best use of the property would be as a gallery which could sell for \$605,000. Linda stated that since the last time they appraised the property, gallery rents have gone down and the discount rate has now gone up. There is more risk associated with the building now.

Raphael asked if they assumed a certain profit margins for them.

Linda stated 15%; generally they figure 25%. Linda stated that the appraisal was made as is. They assumed \$25,000 for making some repairs to make it more attractive to buyers.

Cheryl asked about the sellout timeframe and wanted to know if three years is accurate.

David G. mentioned that we have seen over the last few years that multi-unit developments have been bumped by single family and duplex units for growth management. It does not seem likely they could be sold within three years. They would more likely get a unit per year over six years.

Linda stated that it is not uncommon to see presales for this type of property because there is so much demand.

Mark wanted to make it clear that the value of the Old Community Center was lowered due to the deterioration of the property, as well as what one can do with the property.

Linda stated that since the last time it was appraised there has been a decline in gallery rents, as well as more vacancies available for galleries; a lot of deterioration of the building, and you have to take into consideration the allotted \$25,000 in repairs to make the building attractive to tenants.

The Finance Committee adjourned at 5:58 p.m.

3. Other: None.

The Board did not motion to go into Executive Session.

The meeting was adjourned at 5:59 p.m.

Minutes transcribed by: Loretta Dougherty