

**TOWN OF PROVINCETOWN - BOARD OF SELECTMEN
MEETING MINUTES – EXECUTIVE SESSION – CLOSED SESSION
TUESDAY – JANUARY 3, 2017 3:30 p.m.
JUDGE WELSH ROOM - 260 COMMERCIAL STREET**

Vice-Chairman Yingling convened the open meeting at 3:30 p.m. noting the following attendees:
Board of Selectmen members: Eric Yingling, Tom Donegan, Cheryl Andrews, and Robert Anthony.

Excused: Raphael Richter

Other attendees: Town Manager David Panagore; Asst. Town Manager David Gardner, Finance Committee members: Mark Hatch, Chairman, Louise Venden, Vice-Chair, Duane Steele, Mark Bjorstrom, Mark Del Franco, Scott Valentino, and Chris Mathieson.

Recorder: David Gardner

Joint Meeting with the Finance Committee and the Provincetown Year-Round Rental Housing Trust Board of Trustees

MOTION: MOVE that the Board of Selectmen vote to go into Joint Executive Session with the Year-Round Rental Housing Trust Board of Trustees and Finance Committee pursuant to MGL c30A, Section 21(a), Clause 6 for the purpose of:

Clause 6 – To consider the purchase, exchange, lease or value of real estate, if the chair declares that an open meeting may have a detrimental effect on the negotiating position of the public body. (Real Estate-Harbor Hill in Provincetown) and not to convene in open session thereafter.

Motion: Tom Donegan

Seconded: Erik Yingling

Roll Call Vote:

Erik Yingling: Yes

Tom Donegan: Yes

Cheryl Andrews: Yes

Robert Anthony: Yes

4/0/0 Motion passed.

Year-Round Rental Housing Trust Board of Trustees called into session at 3:44 pm

MOTION: MOVE that the Year-Round Rental Housing Trust Board of Trustees vote to go into Joint Executive Session with the Board of Selectmen and Finance Committee pursuant to MGL c30A, Section 21(a), Clause 6 for the purpose of:

Clause 6 – To consider the purchase, exchange, lease or value of real estate, if the chair declares that an open meeting may have a detrimental effect on the negotiating position of the public body. (Real Estate-Harbor Hill in Provincetown) and not to convene in open session thereafter.

Motion: Tom Donegan

Seconded: Rob Anderson

Roll Call Vote:

Rob Anderson: Yes

Tom Donegan: Yes
Christopher Mathieson: Yes
Kevin Mooney: Yes

4/0/0 Motion passed.

Finance Committee called into session at 344pm

MOTION: MOVE that the Finance Committee vote to go into Joint Executive Session with the Year-Round Rental Housing Trust Board of Trustees and Board of Selectmen pursuant to MGL c30A, Section 21(a), Clause 6 for the purpose of:

Clause 6 – To consider the purchase, exchange, lease or value of real estate, if the chair declares that an open meeting may have a detrimental effect on the negotiating position of the public body. (Real Estate-Harbor Hill in Provincetown) and not to convene in open session thereafter.

Motion: Mark Hatch

Seconded: Louise Venden

Roll Call Vote:

Louise Venden: Yes

Duane Steele: Yes

Mark Bjorstrom : Yes

Mark Hatch: Yes

Tony Valentino: Yes

5/0/0 Motion passed.

Board of Selectmen went into closed session.

MB disclosure – he lives on Pilgrim Heights Road and is the President of his homeowner Association, whose property is an abutter to the project. His particular property is not within the abutters' radius. He does not feel he has a conflict.

Td - we have identified a gap in the pro forma between the mortgage and the anticipated rent revenue. Gap includes the operating expense and the debt.

Secondly, what is the right way to secure the debt?
Is the debt taxable or not? What is the term of the debt?

DP should have a subcommittee that narrows down the pro forma

Thirdly, KP is working on a trigger threshold for ADA requirements.

Housing trust is working on how to establish rents, income? Based on apartment size? Not likely to have an answer for by town meeting as they need to be modeled.

Discussion of the procurement process for management and maintenance services.

DP – we don't know what the exact number of the gap? We should have a subcommittee to develop a model. Met with the appraiser on Friday, she said the appraisal was straight forward and that the timing was acceptable. Will look at it from 3 perspectives, weekly rental, yearly rental, condo sale.

EY would like to have more open houses to let the public see.

Td would like the Open house should be set for the Jan 26 hearing.

Dp would like to consider an RFP for management services.

CA – how do you answer the question of the gap?

DP - we are continuing to work on good numbers, the gap should be reviewed by the appraiser by Jan 19th. As we will not set a purchase price at town meeting, the purchase price will influence the gap

The article should not capitalize the housing trust, but rather identify a price for the harbor hill acquisition.

We need to address the title questions and identify how we can gain an advantage by our ability to solve those issues before a private developer.

We need to decide what the article will state.

Clearing the title is problematic due to the timeshare ownership. The project could end up in land court for years. The town can clear the title through eminent domain, whereas a private developer could not.

Two strategies, fund the trust over time, or raise and appropriate a sum of money for a specific bid.

We need to sell a three-year funding strategy for the trust, so that we don't overpay for the harbor hill property. Town meeting voters will realize that only the town has a transparency issue. We need a mechanism to get the voters to approve a portion of the overall budget initially and then over time. Educating the town voters is a strategic decision.

TV the biggest advantage the town has is the eminent domain option to clear title quickly.

Agent needs to get 80% of timeshare owners to make the deal. However, even with 80%, they would likely have continuing title issues.

CM feels a private developer will have a sweet spot of about \$300 per square foot.

Issues for tonight.

Bid price

Strategy

Language of ballot question

DP does not feel as though we have enough information to determine a bid at this time.

CA we need to focus on the gap before we decide the price.

TV we are still purchasing an asset, which some units could be sold overtime if the gap grows.

CM ceiling at \$350 plus renovation is \$12.5 million.

Td concerned about the term and the rates.

DP is happy to obtain additional financial advisor options.

Strategy options:

1. If we lose the bid, then the town can involk eminent domain if our strategy does not win. We should disclose the possibility publically.
2. Negotiate with the trustee that we are the best bidder because of our ability of eminent domain.
3. Three year funding strategy for the trust. Fund the housing trust for the gap over a period of three years. Therefore we don't need to disclose the exact bid for town meeting. We can go into the town meeting with a limit on the gap to a certain percent. Trust will declare that it will buy a certain number of units, not specific to location. This would cap the amount that we would pay for the voter.

LV would like to have a sense of what the demand will be for housing rental.

MJ has already received several phone calls from folks to get on the list. Demand may depends on the rental rates. Demand at various rates, not just the 120% level. Most of the demand is for one bedrooms and harbor hill is nearly all two bedrooms.

Peter – why don't you put a big number in the article to concel the bid, and let the voter know that the actual bid will be much lower.

3. Other: None.

Without objection, Eric moved to adjourn the Board of Selectmen meeting at 5:10 p.m.

Roll Call Vote:

Erik Yingling: Yes

Tom Donegan: Yes

Cheryl Andrews: Yes

Robert Anthony: Yes

4/0/0 Motion passed.

Motion to adjourn the Finance Committee meeting at 5:10 p.m.

Motion: Mark Hatch

Seconded: Louise Venden

Roll Call Vote:

Louise Venden: Yes

Duane Steele: Yes

Mark Bjorstrom : Yes

Mark Hatch: Yes

Tony Valentino: Yes
5/0/0 Motion passed.

Motion to adjourn the PYRRHT meeting at 5:10 p.m.

Motion: Tom Donegan

Seconded: Christopher Mathieson

Roll Call Vote:

Rob Anderson: Yes

Tom Donegan: Yes

Christopher Mathieson: Yes

Kevin Mooney: Yes

4/0/0 Motion passed.

Minutes transcribed by: