

Oak Bluffs

Affordable Housing Committee

Date: 11.05.09

Time: 9:00 am

Location: Town Hall Meeting Room

Members present:

Chairman Ron DiOrio, Brian Hughes, Harvey Beth, John Bradford,
James Westervelt(recorder)

Others Present:

Town Administrator Michael Dutton

Minutes of the meeting of 10.14.09 were read and accepted with one abstention.

Item: Noyes (Old Library) Conversion Project

Michael Dutton reported on the progress of the project. The TRI, Inc. RFPs is out and they expect bids to come in from qualified local contractors. They hope to award contracts by the end of December. **Harvey** reported that M. Vincent of TRI said there is a lot of interest from contractors for the project.

The sub-committee of Michael Dutton, Harvey Beth and Brian Hughes have met and proposed two options for the lease of the commercial space.

Option one:

Lease rate: \$24,000/year

Lease term: Up to 10 years with a rate re-opener after the third year.

Right to Terminate: Landlord's right under specific circumstances, such as failure of the pharmacy to accept insurances, poor service, illegal activity, or sale of the business (and other typical termination rights). Tenant's right to terminate upon adequate notice such as 6 months.

Option two: Lease rate: \$16,000/year base rent

Additional rent: 2% of gross sales over \$800,000 (includes prescription sales)

Lease term: Up to 10 years.

Right to Terminate: Same as above

The sub-committee feels comfortable with either option, and is willing to negotiate from these benchmarks.

A discussion by the full committee followed. **Jim** asked how the value of \$800,000 was computed. It was explained that the standard market rental rate would be approximately \$24,000 but that the key to success was a viable, competitive pharmacy anchoring the first floor space. Therefore a compromise was proposed of \$16,000 plus 2% of the gross. It was thought that this offer might be attractive to starting up a new business. If the pharmacy was successful and sales were over \$800,000 then 2% of gross would apply.

*** Motion by Harvey, seconded by Brian to have Michael Dutton present the two options to the Conroys.**

Vote 5 in favor 0 opposed.

Brian asked when would we finalize the contract with TRI? **Michael** said TRI's attorney is looking the contract over now and we should expect it any day now. **Michael will follow up with Melissa Vincent and Michael Gallasso. He will also instruct them to place the construction of the commercial space the number one priority.** The management of the property will be with DCRHA including the commercial space. This was discussed in previous meetings. If mortgaging the property is not needed then DCRHA can take over management upon completion of construction. David Vignuealt has stated in the past meetings that he would commence applications and screening of proposed tenants in April of 2010.

Item: CPA application:

Harvey explained that the CPC was given a memo from the town treasurer warning the CPC that the state may not fund the CPA fund with the expected 1st, 2nd, and 3rd rounds of money. The CPC should act prudently. **Harvey** said other applications to the CPC totaled more than \$1,000,000. **Harvey** also brought the committee up to date of the plight of the DCRHA and the rental assistance program. **Ron** reported Alice Boyd has told him that housing grant money is moving towards rental programs geared towards rental property foreclosures. **Ron** suggested that when we appear before the CPC we could request a melding of funds to help the DCRHA. **Harvey** said that we should not expect a CDC recommendation for the full \$400,000. **Jim** said that the CPC would most likely recommend an adjusted figure that would be contingent on the town meeting vote completing the setup of the Oak Bluffs Affordable Housing Trust Fund. He also said that bylaws setting up the trust should accompany our presentation before the CPC. Harvey expressed a hope that the CPC recommend 1/3rd of available funds towards housing needs in Oak Bluffs.

Meeting adjourned 10:10 am Next meeting to be announced

