

Tim Carroll

From: Chuck Hodgkinson [chodgkinson@chilmarkma.gov]
Sent: Thursday, February 02, 2012 3:12 PM
To: 'Warren M. Doty'; 'FMFENNERJR@aol.com'; 'Jonathan Mayhew'
Cc: 'Cynthia Wansiewicz'; 'JANE SLATER'; 'Judie Jardin'; 'Pam Goff'; 'William Meegan'; 'Chief Brian Cioffi'; 'Richard Smith'; 'Clarissa Allen'; 'Tim Carroll'; 'Assistant Exec Secretary'; 'Weidner, Janet L.'; 'Andy or Susan'
Subject: Tea Lane Farm Ground Lease Draft # 2 - and other Documents: Feb. 7 Selectmen's Meeting
Attachments: TeaLaneFarmLeaseRedlineDraft2.doc; TeaLaneFarmLeaseDraft2.Doc; HistoricalCommissionRestorationGuidelines.doc; TeaLaneFarmGrantAgreement.doc

Hi all,

The attached provides several documents for your review and discussion at the February 7th Selectmen's meeting. Here is an outline of what's included:

1. A red-lined Draft # 2 of the Tea Lane Farm Ground Lease. This highlights the changes from Draft # 1.
2. A clean version of Draft # 2 of the Tea Lane Farm Ground Lease. This does not have the changes from Draft # 1 highlighted.
3. Please notice Exhibit I. The parameters of the "mandatory repairs" should be discussed at your meeting. The final decision will essentially be presented as "conditions of sale".
4. The Historical Commission's Renovation Guidelines for the historic farmhouse.
5. A draft of the proposed \$100,000 CPA Grant Agreement that was prepared by Andy Goldman and myself—if approved by voters on February 13.
6. The ground lease questions listed below are from Cindy Wansiewitz. I have summarized a discussion I had with Cindy on each point in red type.

That's it for now.

Thanks.

Chuck

Chuck, attached is the Tea Lane Farm Lease, revised pursuant to the memo you gave me on January 12th. I have attached a redlined version, highlighting the revisions, and a "clean" version of the revised lease.

I would like to point out a few things, and have a few questions, as follows:

1) I removed all references to the Farm Committee and Advisory Board, except in the Recitals. However, the Farm Committee and Advisory Board have certain rights and responsibilities pursuant to the Inter-Municipal Agreement. Therefore, that Agreement must be amended if the current intent is that the Selectmen will be the decision-making and approval body regarding the Farm. **Cindy believes the Chilmark Land Bank Advisory Committee may be able to vote and delegate all decision-making authority to the Board of Selectmen provided: 1. The Land Bank agrees with this decision. 2. This does not conflict with the warrant article from April 23, 2001 that authorized the Town to purchase the Tea Lane Farm with the Land Bank. I sent Cindy the warrant article and meeting minutes for review. I hope to have a final answer by February 7.**

2) I added an Option to Extend the Lease Period—Section 3.2. The Selectmen need to determine the length of the option period (or periods).

3) I added the purchase price of \$1.00 for the Improvements and \$20,000 for the ground lease fee. The current wording of Article 10 does not permit the Lessee to get the \$20,000 back upon resale, however - it is not included in the definition of the Formula Price. Would the Selectmen like it to be? **Perhaps there are two options for handling this: Option # 1. A \$20,000 lease**

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over 75 years averages \$267/year. If the Lessee sells the assets and improvements to an "Eligible Purchaser", the Town could reimburse the lessee for the unused value of the lease pro-rated at \$267/year. The Town would then enter into a new lease agreement with the Eligible Purchaser for another 75 years with a \$20,000 up front payment. Option # 2: The Town may include the un-used, pro-rated value of the remaining lease at \$267/year in the agreed selling price of the base value plus the improvement value of the assets as outlined in the lease. The remaining, unused term of the lease would then be assumed (and owned) by the Eligible Purchaser. The Town would need to transfer the lease to the new owner somehow.

2) I asked in an e-mail to you earlier tonight if a separate Historic Preservation Restriction will be recorded (due to the proposed use of CPA funds for farmhouse renovations). If so, that should be drafted and the language of the lease regarding the farmhouse should conform with that of the Restriction. **Cindy is drafting the historic preservation deed restriction for the farmhouse using the Historical Commission's renovation guidelines as a model.**

3) The 200' "no-build zone" along Middle Road should also be spelled out in a separate restriction, which should be recorded in the Registry along with the lease. I referenced it in the lease, but it should also be a free-standing document. **Cindy is also drafting this deed restriction. It is for the 200-foot Middle Road Roadside District--see Section 7.6 of the ground lease draft # 2.**

4) The Land Bank Lease should be drafted so that I can properly draft the cross-default provision (I used general language in that provision, but it would be better if the Land Bank Lease was drafted). **I will discuss this with James Lengyel and forward him the cross default language in the Town's lease.**

5) I added a provision regarding the Selectmen's periodic review of the Lessee's Farm Plan - I used language permitting a quarterly review, but that can be changed to an annual review or a "time to time" review, etc. **It seems as if the discipline of an annual review would be prudent.**

6) Finally, do the Selectmen want control/review of all changes to the Improvements, so as to maintain the historic nature of the Farm, or only those that will qualify for Added Value (as defined in the Lease)? **This is already mandated in the Historical Commission's renovation guidelines for the farmhouse. The lease requires the Selectmen to approve all planned "improvements" to the property and establish an improvement value. Do the Selectmen want to review everything or, perhaps any improvement over a certain minimum dollar value?**

Thank you.

Cindy

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Please note, my email address has been recently changed. Please update your address book to reflect my new email address:
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