

Tea Lane Farm \$100,000 CPA Historic Resources Grant Agreement
Draft January 23, 2012

Chilmark voters have appropriated up to \$100,000.00 of Community Preservation Act (CPA) Historic Resources funds to help renovate the historic Tea Lane Farmhouse. The purpose of the grant is to help the owner preserve the farmhouse as an important historic resource and part of the Town's culture.

This grant agreement is between the Town of Chilmark and the owner of the Tea Lane Farmhouse. It outlines the terms of how to receive the funds and realize the incremental value and equity of the improvements paid for by the grant – as outlined in the Town's Tea Lane Farm ground lease.

Grant Application Process

1. The grant recipient must own the Tea Lane Farmhouse and be the lessee of the Town-owned Tea Lane Farm land – Assessor's Map 12 Lot 4.2.
2. The recipient may receive the grant in increments up to a cumulative total of \$100,000. Each incremental grant award should coincide with the specific renovation work that is agreed upon. It is not necessary to have all \$100,000 of grant-eligible work done at one time. This allows the recipient to renovate the farmhouse in several phases if desired.
3. The recipient, Historical Commission and Board of Selectmen shall review the scope of work, any related plans or drawings and an itemized cost estimate for the planned set of renovations. Both materials and labor costs should be specified. The Historical Commission and Board of Selectmen (as outlined in the Town's ground lease "improvements value" section) shall review the plans to ensure they are consistent with the farmhouse renovation guidelines established by the Historical Commission—see Exhibit I.
4. The grant money may be used for contractor materials and labor costs or, owner-purchased construction materials. The grant recipient may not use grant money as payment for personal labor invested in the renovations.
5. Once agreement is reached on the specific renovation plans and costs the recipient shall obtain any required Town permits and secure the funds needed for the work – such as from available personal cash on hand, a mortgage or through a construction home improvement loan.
6. The applicant may then do the renovations.

Grant Payment Process

When the work is finished and has passed any required inspections, the applicant shall review all paid receipts with the Historical Commission as proof the work was completed as specified. The Commission will then release the portion of the \$100,000 grant amount that was approved for and spent on the specific farmhouse renovations. The recipient may then use this grant money as he or she sees fit -- such as paying off a mortgage, construction loan or replenishing his or her cash on hand.

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Farmhouse Owner Equity in Grant-Funded Improvements

The Town's goal is to keep the grant funds invested in the farmhouse. The following outlines how the value of improvements made and funded with this grant shall be realized as equity by the grant recipient—should the farmhouse be sold. This is consistent with the "improvements value" section of the Town's ground lease.

The grant recipient shall realize twenty (20) percent of the agreed grant-funded farmhouse improvement value per year. This accrual period begins the year after the grant funds are received. For example, if \$50,000 of grant-funded improvements were made. The grant recipient's equity in these improvements would accrue at a rate of \$10,000 per year for five years. If the farmhouse was sold more than five years after receiving the grant money, the farmhouse established selling price as outlined in the Town's ground lease would include the full \$50,000 of grant-funded improvements. If the house was sold only two years after the grant money was received, the established selling price would only include \$20,000 of the total \$50,000 worth of grant-funded repairs (2 years X \$10,000/year).

Grant Amount Approved for Renovations: \$ _____

Description of Renovations:

Approved Chilmark Historical Commission:

Chairman

Date

Approved Chilmark Board of Selectmen:

Chairman, Board of Selectmen

Date

Selectman

Date

Selectman

Date

Grant Amount Received: \$ _____

Date Received