

Community Housing Council

Judge Welsh Hearing Room

September 4, 2007

8:00 a.m.

Members Present: A.J. Alon, Elaine Anderson, Catherine Reno Brouillet, Joe Carleo, William Dougal, and Molly Perdue.

Members absent: none

Staff: Maxine Notaro

Others: David Krohn and Sharon Lynn, Town Manager

The meeting was called to order at 8:10 a.m.

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Meeting Agenda

Update on Herring Cove Village, 21 Bradford St. Ext. (Bissell's)

A.J. Alon would like to know the sq ft cost per building. Bill Dougal said that there would be some benefit to having some kind of proforma for the project since there are too many assumptions here and we do need to be more definite. We do need a base line. As we go forward as a Council - we need this information. Molly Perdue said the sq ft building costs can't remain confidential even when we're talking about private development. Bill D. said that under the current zoning bylaws, we are entitled to that information.

David Krohn said that he is ready to produce the financials for the Council. He has a letter from the builder about the sq ft cost and he detailed his concerns:

1. the purchase price per sq ft
2. the building costs (again mentioning the high-end aspect of the project)
3. the interest cost (as in what is the cost of the money?) and that becomes a huge variable.

Bill D. asked – based on all the information given, “Then why are you doing this?”

David K. replied that his business partner, Jim, asked much the same question. Then David launched into his “we're new developers and we're inexperienced” scenario and that they wanted to do something that was wonderful..... etc.

Bill Dougal then asked if the tennis revenue were included in the financials. Ans: - No.

Then Bill D. asked if there were any contingencies in the budget, i.e., a law suit, builder quitting, interest rates going up, etc.? David said that engineering fees, architectural fees, legal fees, septic installation, landscaping, and all are reflected in his presentation except the \$1.75M land cost. Molly Perdue asked if the tennis courts were to become common units? The tennis courts will be owned by David Krohn and not the condo development. Molly P. then thought that in the original cost of the property - shouldn't the value of the courts be extracted if the proposed value of the entire property is 1.75 million?

Molly P. repeated, “Shouldn’t the tennis courts be subtracted from the value of the land?” (The reply was that the wetlands comprise almost 3 acres?)

Bill asked David, “What is your break-even point?” David K. said that he didn’t do it that way.

A.J. said that you’re talking about revitalizing the tennis courts and asked, “Is that included in the building costs?” Molly P. asked, “What is the cost of redoing the tennis club?” It is comprised of approximately 900 sq ft and would be very costly.

The prices the Council was given assume net to the seller. Joe Carleo said to David K., “You’ve presented a lot of stuff to us and as a Council - moving forward – maximizing the number of bedrooms available - the one bedroom is your break even point - so, as a Council..... we’re going to be looking at ways to maximize the affordable accommodations.

Motion: Accept the three 1-bedroom units as part of phase 1.

Motion: Molly Perdue Seconded: A. L. Alon

A very long discussion followed this motion. Before it was voted on David K. wanted more discussion.

A.J. Alon said at the last Local Housing Partnership (LHP) meetings – there was never any discussion about phases – this phase idea is something new. Molly P. joined in and said that it’s not fair for us to look at this as 2 projects. You have to have the affordable housing component in this – so you’re caught in this issue. This is truly one project and that is how she views it. You couldn’t get an occupancy permit until the affordable housing units are completed and occupied.

Joe C. said that we’re looking at it and you’re developing many units – 17 in all. Maxine Notaro understands how David’s thinking – however - he went to Zoning as a whole project – not phased – so the project has to be revisited by all the Boards who initially approved it when it was a single project with 17 units.

Molly P. said (repeating what David K. had stated) that you’re not even certain that the rest of the project will ever be done. Profitability of the project relates to the development of the market units.

Catherine Reno Brouillet said that this shouldn’t be before us right now. Molly P. said that’s exactly why she made the motion. C. Reno Brouillet said that when it originally came before us it was one project. We can’t approve it now that it’s been changed.

Bill D. talked about the possibility of a loan from the Community Preservation Committee (CPC). Elaine Anderson’s suggestion was that we wait until you present the “phases” to the other boards, i.e., Planning, ZBA, BoH, and ConCom.

A.J. questioned that – in the past - we had asked them to move the affordables and when we asked for them to be moved around, you refused – but now that you want to break down the project into two phases - you can move them?

Bill Dougal presented a hypothetical question, “If the CPC were to loan you \$363K, what would be your objection to building the 3 affordable at this time?”

The cyclical discussion continued in this vein until Molly Perdue – who had to leave – **withdrew her original motion** – about one page ago. She left around 9:15 a.m.

Joe Carleo said that he would like the three affordable units built first but he, too, had to leave and passed the baton to A.J. Alon. David K., once again, said that this wasn't fair! This happened around 9:36 a.m.

Elaine Anderson said – to David K. - in conclusion, you have to decide whether this is one project – or two. If this is two projects – I'm not ready to take a position.

Bill D. said, “What we need to hear from you is – if you can't do it – why?”

David K. said, “We have to make some fast decisions.” He promised that he would come before the group – once again – on September 10th at their next meeting.

Adjournment happened at 9:45 a.m.

Respectfully submitted,
E. Rogers Gaudiano

Approved by _____ on _____, 2007.
Joe Carleo, Chair