

Board of Selectmen's Meeting Minutes
May 23, 2011
Harpswell Town Office

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Selectmen Present: Elinor Multer, James S. Henderson and Alison S. Hawkes

Staff Present: Kristi Eiane, Town Administrator and Terri Sawyer, Deputy Town Administrator

The meeting was video recorded for later broadcast on Harpswell Community Television.

Chairman Multer called the meeting to order at 4:05 p.m. stating the Board is meeting with its advisor Jack Sylvester who will assist with the process and lease terms for Harpswell Ocean Center in the Mitchell Field Business District. The meeting will begin in open session and may move to executive session to discuss economic terms.

Jack Sylvester thanked the Board for considering him to assist the Board and he hopes this time will be more successful. The Board confirmed certain information Mr. Sylvester stated such as the Mitchell Field Business District is 9 acres, the Harpswell Oceanic Center (HOC) is proposing to use the entire 9 acres plus easement areas for utilities and access. There was a discussion regarding parking and whether it would be entirely in the 9 acres and/or shared with other uses. The HOC's parking needs could be substantial with the projected employees and other uses. Mr. Sylvester questioned if the proposal is for a joint venture or arm's length; the Board responded that with the exception of possible infrastructure, it is not a joint venture. Selectman Henderson noted the Board only expressed interest in this type of development. Mr. Sylvester stated that any lease will require phase in parts due to issues such as the infrastructure, permitting (all levels), financing, construction, local review, and the Town's economic development policy, which will result in a gradual ramp up. Mr. Sylvester asked the Board where it stood on the infrastructure since water, septic, power, communications, access can be expensive. Administrator Eiane responded the Town approved \$20,000 for the removal of buildings and for the investigation of the infrastructure for any tenant. Mr. Sylvester noted that typically a lessee is not responsible for infrastructure as the life of the improvements exceeds the life of the lease and the infrastructure generally goes to the site and a business picks it up from there. There was a discussion regarding infrastructure and what the Town should be responsible for providing any tenant and it was noted that the needs of the HOC are not known at this time. Mr. Sylvester reviewed how a tenant needs to be qualified to enter into a lease and that there needs to be an independent person to monitor the lease during the development and thereafter. Selectman Henderson asked if the qualification process required the coverage for lease payments; Mr. Sylvester responded that the market determines such standards of credit etc. which will require meeting standards of a private transaction, including the creation of jobs. Chairman Multer expressed concern about further discussing the issue in public session and Selectman Henderson wanted a specific reason to move to executive session if general terms were to be discussed. Chairman Multer stated that continuing in open session could compromise the Town's position and economic items can be discussed in executive session. The Board discussed the different topics and options relating to executive session and agreed to leave it to Mr. Sylvester's discretion when specific details are required. Mr. Sylvester expressed concern about the HOC's schedule as there is a lot to do and while a lease can be negotiated, there can be so many kick-out features. Mr. Sylvester noted the Board may forego other interests during this period and that typically rent is structured to cover the Town's costs during the different phases and will vary due to cash flow with any tenant. Selectman Henderson asked what was needed to proceed with phase I negotiations; Mr. Sylvester responded it is critical to see the site plan, a business plan and the physical needs. Mr. Sylvester indicated further discussions should be in executive session.

Chairman Multer moved, seconded by Selectman Henderson to enter into executive session pursuant to 1 M.R.S.A. §405 (6)(C) to discuss the potential lease of town-owned property; motion passed 3-0.

The Board returned to open session and adjourned at 5:35 p.m.

Respectfully Submitted,

Terri-Lynn Sawyer