



## Edgartown Yellow House Committee Meeting Minutes

JANUARY 16, 2018

### **I. CALL TO ORDER:**

Chris Scott called to order the meeting of the Yellow House Committee at **12:30pm** on **Tuesday, January 16, 2018**, at the **Edgartown Town Hall Meeting Room**.

### **II. ROLL CALL:**

The following persons were present:

**MEMBERS:** MJ LOOK  
JAMES CARTER  
CHRIS SCOTT  
GAIL CROTEAU  
CAROL FLIGOR  
JIM SHANE  
SAM SHERMAN

**OTHER:** KAREN BURKE  
BRICQUE GARBER  
JULIET MULINARE

**PROPOSERS:** MICHAEL HEGARTY  
PATRICK AHEARN

### **III. OPEN ISSUES:**

1. Mr. Scott stated that the purpose of the meeting was to further evaluate the proposals received for the Yellow House and today's meeting is specifically for further evaluation of the Hegarty proposal. There will be another meeting next Monday, January 22, 2018 at 12:00pm to further evaluate the Trademark proposal. Mr. Scott then turned the Committee's attention to Mr. Ahearn for his presentation.
2. Mr. Ahearn began by providing background information on the proposal team, Mr. Hegarty, Mr. McHugh and himself. They have worked together on a number of significant projects over the past 11 years, including the HGTV dream house. Mr. Ahearn pointed out that he is a Fellow of the AIA, the AIA's highest membership honor, and one that reflects exceptional work and contributions to both architecture and society in general. Mr. Ahearn continued by describing his involvement in multiple projects that have benefitted the Edgartown community, such as the Carnegie Building and the Museum. He also highlighted his experience with the Yellow House itself, working for both the Hall family as well as the Town, pro-bono. He described this proposal submission as his "fourth round with the Yellow House".
3. Mr. Ahearn explained that his team sees this investment as an opportunity to address the greater good of the community; this will be accomplished by restoring the building to create seven year-round residential units, units that each have their own front doors and are "not just apartments above a shop". Mr. Ahearn stated that a major consideration for his design was to maintain the "nature of the house", being that it was originally a house.

4. Mr. Ahearn addressed some of the differences between the two submitted proposals. He described and compared aspects of his team's proposal in detail: it offers handicap access through the addition of a full-sized elevator; his proposal offers seven housing units while the other proposal offers only one; his proposal offers 17 parking spots, the other proposal offers fewer; his proposal includes maintenance of the Open Space area for the duration of the lease, the other proposal does not. Mr. Ahearn stated that the Hegarty's are "year-round island residents, they have a high level of integrity and, most importantly, they listen to and heed the advice of their architect". In contrast, "the other team was thrown together in 48 hours and has no established history of a successful working relationship". Mr. Ahearn added that he would like the Yellow House Committee to consider this during their evaluation of the proposals.
5. Mr. Ahearn stated that his team would also like the Committee to consider some alternatives that weren't spelled out as options in the RFP, including the possible relocation of the small building to the other side of the property, so that it could be integrated into the park and utilized throughout the year and not just by the Police in the summer.
6. Mr. Ahearn explained that his team used the RFP rating system to evaluate their own proposal and continued by explaining why their proposal should receive the highest rating for each of the seven rating categories [*see technical proposal*].
7. Mr. Ahearn shared a new piece of information with the Committee regarding his and Mr. Hegarty's proposal. He explained that the bank letter previously provided stated the loan was secured by the lease with the Town, any leases with tenants and the Yellow House building itself. Mr. Scott expressed a concern with this at the previous meeting, so Mr. Hegarty spoke with the bank and was provided with an updated letter stating that the loan was secured by only the lease with the Town and underlying leases with tenants, and by Mr. Hegarty's personal property, not by the Yellow House building itself.
8. Mr. Ahearn told the Committee that he and Mr. Hegarty have specific expertise in management and construction, and they have collaborated on numerous projects. Mr. Ahearn's expertise specifically includes work on the Sydney Hotel (on-going), the Boathouse building (which required underwater construction), and he has been solicited for the work on the Yacht Club, to begin this fall. The team's combined expertise far exceeds what the Yellow House project will require.
9. Mr. Ahearn told the Committee that his team is prepared to move forward with the approval process immediately, which he would be able to do based on the submission of a complete plan ("unlike the other team") so that construction can begin by this April. He aims to have the shell of the building complete by July 1, 2018. Mr. Ahearn then guided the Committee through a presentation of the plans for both the site and the building. He described fencing and plantings that would be in keeping with the look of downtown, "reflecting and enhancing the character of the village", and the addition of a waterfall to create background noise. He said the parking area would be screened and out of view. He informed the Committee that he has a Master's in Urban Design and he used this expertise to create a concept for a festival marketplace that can be enjoyed year-round; he cited his work on Boston's Faneuil Hall as evidence of his success in work of a similar nature. Mr. Ahearn described the proposed building as a building with "all fronts", meaning each facade received the same level of consideration.
10. Mr. Scott thanked Mr. Ahearn for his proposal and opened the meeting up for questions by the Committee and those in the audience.

11. Mr. Shane inquired about an inconsistency between the presentation and the proposal itself, calling attention to the fact that the proposers are stating that the seven units will be year-round residential, but the bank letter refers to the business as the “Inn at the Yellow House”. Mr. Ahearn stated that the Inn designation simply had to do with the Insurance information; the apartments all have kitchens and can be considered complete units.
12. Mr. Shane inquired about the use of the retail spaces. Mr. Ahearn said those details have not been finalized yet, but that it will certainly not be another t-shirt shop. The selected retail tenants will add to the commercial viability of downtown. Mr. Ahearn explained that he has extensive experience in analyzing the success and diversity of downtown businesses, years ago he went door to door to in an effort to collect this information and will use that experience to enhance the retail offered at the Yellow House.
13. Mr. Shane asked if Mr. Ahearn had received any indication from the Historic District Commission that they would approve his plans. Mr. Ahearn said he had not.
14. Mr. Shane asked for clarification about who would be responsible for maintaining the proposed park. Mr. Ahearn stated that his development team would be responsible for maintenance of the park for the duration of the lease term.
15. Mr. Sherman asked if there would be any preference given to Edgartown residents for the housing. Mr. Ahearn said the idea would be for the apartments to be made available to those who need housing most.
16. Mr. Carter asked about the future of the development team and if they planned on continuing to work together to manage the Yellow House after construction is complete. Mr. Ahearn said he and Mr. Hegarty are dedicated to this project and have no plans to pass it off.
17. Mr. Carter asked about the addition along South Summer St. and whether there would be any changes to the height of the building. Mr. Ahearn said there would not be any change to building height, they have proposed dormers to increase the area of the third floor but will also be adjusting the floor heights to accommodate the third floor residences.
18. Ms. Croteau inquired about the proposed addition of dormers, commented that they were quite large, and asked if any alternatives had been considered. Mr. Ahearn commented that the dormers increase headroom and square footage but alternatives were certainly possible. He noted that, “in the not too recent past the HDC approved these same plans” (for a tear-down/rebuild project that was never initiated).
19. Ms. Look asked about the 17 parking spaces and who they would be designated for. Mr. Ahearn said that seven spaces would be reserved for the residential units and the other 10 would be for public use.
20. Mr. Carter questioned how large the entrance to the parking area currently is and how that would change with a 24’ addition. Mr. Ahearn said his goal was to create an “alleyway, or portal to the parking area”; he emphasized the importance of subtlety and commented that the material used for the alleyway (brick sidewalk and pea stone for the parking area) would naturally cause the driver to slow down while attempting to enter the narrow driveway. Mr. Ahearn also commented that further discussion about the parking area should happen after the developer for the property is designated.
21. Mr. Scott asked whether the proposed lease area includes the park area and maintenance of it. Mr. Ahearn confirmed that it does.
22. Ms. Croteau revisited the size of the alleyway, commenting that it would only be 10.5 feet wide and questioning whether clearance between the two buildings would be an

issue for larger vehicles. Mr. Ahearn responded that the proposed width is two feet wider than a standard parking space and should be adequate for any sized vehicle to get through.

23. Mr. Shane asked about the design for the Open Space area and whether it included an adequate amount of space for the many needed bike racks. Mr. Ahearn stated that bike racks were a part of the revitalization of the space and would be included.
24. Mr. Shane revisited the question about the collateralization of the loan to the lease and inquired about what would happen if the Town did not find this acceptable. Mr. Ahearn responded that his team could complete the project without any financing from the Bank of New Hampshire; he further stated that Mr. Hegarty's relationship with the bank would allow him to collateralize with his own property and possessions, if necessary.
25. Mr. Shane then directed the same question to Mr. Hegarty, asking if the Town could rely on him to finance the project himself, if the bank backed out for any reason. Mr. Hegarty responded that it would not be his preference, but yes.
26. Mr. Scott noted that Mr. Shane's point was not insignificant, an arrangement where a loan was secured by the lease would need to be looked into by Town counsel and would need to be approved by the Town; he further noted the fact that the institution financing the loan is an out of state bank.
27. Mr. Scott commented that it's not just the bank letter that refers to the project as the "Inn at the Yellow House"; that reference appears on the Insurance information as well. Mr. Scott explained that the Committee would not have been opposed to the proposition of an Inn for the Yellow House; certainly an argument could be made for another Inn downtown, but the narrative provided in the proposal does not represent this, and it is, in fact, contradictory to the narrative's emphasis of the seven "year-round" housing units. Mr. Hegarty responded that, in his opinion, "year-round" means open for business all year long. His proposed seven residential units would still be subject to market rates and he has not yet been able to determine what his rates would be, it's possible that for his business plan to be viable, seasonal increases would need to be applied to his rental rates. What is meant by "year-round is that the lights will be on all year long".
28. Ms. Mulinare asked Mr. Hegarty how he would be able to secure a loan, with the tenant's leases used as collateral, if he was not necessarily planning to enter into long term (1 year or more) leases with his tenants. Mr. Shane followed up the question by asking if Mr. Hegarty was not able to come to terms with the bank and the Town regarding this issue, would he move forward with the project. Mr. Hegarty responded that he would.
29. Mr. Carter asked if there was a cash flow analysis provided to the bank before they determined the eligibility of the loan offer, and if there was, could the Committee see it. Mr. Hegarty stated that he had provided this information to the bank; he thought through ten streams of revenue (7 units, 3 retail spaces) and considered a combination of attainable numbers based on seasonality and other factors. He mentioned that the proposed building improvements were significantly more expensive to build, and that he felt the maintenance of the other areas on the property were an important part, to him as a developer, of offering residential units. He went on to state that figuring out how to offer and price the leases throughout the year would be a balancing act and that he would be open to whatever works best, as long as it's financially feasible. Mr. Hegarty said that if he were to get a year-round resident in one of his units, he would see that person as having significant funds, "the

units have kitchenettes” he said, “not exactly my idea of suitable year round housing for a family”.

30. Ms. Fligor commented that “year-round” housing should mean just that, *year-round*. She went on to say that she didn’t know of anyone who would consider this an advantageous housing situation.
31. Ms. Croteau asked whether a new foundation was a part of the plans. Mr. Ahearn said it was, and that they would also be adjusting the floor heights to create more space for the third floor.
32. Ms. Look asked if the proposers thought the Linden tree would be a problem with a new foundation/basement added. Mr. Ahearn said it would not be a problem for them. He then added that the other developer is only proposing one apartment.
33. Ms. Burke asked whether the developers would be the ones deciding who uses the park. Mr. Hegarty said they would but only for special events, otherwise it would be available for public use.
34. Mr. Scott commented that while there were a couple technical errors in the proposal, the Town has decided it would like to fully evaluate both the proposals, based on the assumption that the Town is able to waive, as minor informalities, the identified technical errors. Mr. Hegarty said his team is happy and willing to work with Town Counsel on any of these issues.
35. Ms. Susan Catling, member of the audience, identified herself as a member of the Historic District Commission but stated that she was speaking as a private resident. She said she went to the property and measured, from the existing building, the 24 foot proposed addition and that it came out almost directly next to the existing small building. Mr. Ahearn responded that he had based his measurement on the plot plan provided by the Town as part of the RFP. He said any needed adjustments could be re-worked based on the available space.
36. Ms. Julia Celeste, member of the audience, asked whether Mr. Hegarty and Mr. Ahearn would be handling the business operations of the building. Mr. Hegarty said he would definitely be involved, but they would likely hire a manager as well.
37. Mr. Ben Hall, member of the audience, asked the developers what exactly about the building they were preserving historically, and how they could justify the \$1 million in CPC funds that was allocated for historic preservation. Mr. Ahearn responded that they would be preserving the frame of the building. Mr. Hall then stated that if the plans call for a change in the footprint, the floor heights and every elevation/façade of the building, there was nothing left to be historically preserved. Mr. Ahearn replied, “We do that all the time”.

Mr. Scott adjourned the meeting at 2:00pm.

Minutes submitted by: Juliet Mulinare

MINUTES VOTED & APPROVED:

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Chris Scott, Chairman

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Date