



Edgartown Yellow House Committee Meeting Minutes

JANUARY 22, 2018

I. CALL TO ORDER:

Chris Scott called to order the meeting of the Yellow House Committee at **12:00pm** on **Monday, January 22, 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
MARGARET SERPA
PAM DOLBY

PROPOSERS: MARK NICOTERA (TRADEMARK SERVICES, LLC)
STEPHEN BERGER
DUDLEY CANNADA

III. OPEN ISSUES:

1. Mr. Scott stated that the purpose of the meeting was to further review the proposal submitted by Trademark Services, LLC. He introduced the members of the Committee and the advisors to the Committee and said there would be a time for members of the public to ask questions. He further stated that, if time allows, the Committee may begin the formal evaluation of the proposals.
2. Mr. Nicotera introduced himself and his team to the Committee. He said their goal for the space is to restore the property and make it financially viable. He distributed a set of plans that included more detail than the ones submitted with the proposal; he said the team was able to do some fine-tuning since the previous meeting.
3. Mr. Nicotera introduced Stephen Berger, Managing Partner at Imprimis, an investment firm that has committed funding for the project. Mr. Berger greeted the Committee and told them he has been a summer resident of Edgartown for over 40 years and he is very pleased to join in on this process and grateful for the opportunity. He said the Trademark proposal team came together very quickly but they have since put in a lot of thought and are committed to the project. Mr. Berger thanked both Martha's Vineyard Insurance as well as Martha's Vineyard Savings Bank for their support of the team's proposal for the Yellow House.
4. Mr. Cannada, the architect for the proposed plan, distributed a color version of the site plan and directed the Committee's attention to the display on the screen, showing a 360 degree view of the elevations of the property and the proposed changes. The plans showed the potential for up to three residential units.

5. Mr. Cannada said he took the public use aspect of the RFP very seriously and wants to create an outdoor area between the Yellow House and Town Hall; it's a high foot-traffic area that could be utilized for outdoor markets or, at the very least, improved for pedestrian access. Mr. Cannada then went into more detail about the plans for the house, stating the first floor addition is necessary for the added retail value but the second and third floors will remain the same. He is proposing the addition of a small dormer on the back side of the roof and two small dormers along the South Summer St. side to give a little more space to the third floor areas. Mr. Cannada's plans show two new showcase windows along the Main. St elevation, with a handicap accessible door between them. The proposed addition (also on the Main St. side) will be made to look like an enclosed porch, which is historically appropriate; the added space will offer one more retail area.
6. Mr. Cannada said his plans call for the removal of the bay window along South Summer St.; the front of the house will be restored to its original post and beam exterior façade. Much of the clapboard and window trim will need to be replaced and Mr. Cannada is still working on the style of window that will be used, but he said there's some evidence that the original windows were 9/9 and that's what he would propose going back to. The Summer St. side is residential only, all the retail entrances would be along Main Street.
7. Mr. Shane asked Mr. Cannada about the site plan, specifically its design and use. Mr. Cannada said that for maintenance purposes, it makes sense to hardscape as much as possible, but he envisions a lot of green area as well; he wants to add more benches and bike racks, as they were extremely popular last summer. He suggested the addition of more shade trees and possibly widening the sidewalk to accommodate the congested area. Other details of the site plan were discussed, including the materials used and the need for drainage.
8. Mr. Cannada then described his plan for the parking lot as a loop with the Town Hall lot.
9. Mr. Shane commented that anything beyond the Yellow House itself is outside the Committee's major concerns and would need to be approved by the relevant Town board. Mr. Cannada said he understood and that his team is flexible with what they're proposing for the site plan.
10. Mr. Scott asked for clarification on the offer being made for the open space area. Mr. Berger stated that the proposed leased area would be the footprint of the building, the walkways around it and an area for five parking spaces (three for residential and two for retail). Mr. Berger stated that the Trademark proposal does not offer to take responsibility for the open space; he further stated that his team put together a cost estimate to perform the open space work (between \$100k-\$200k), but that it is not a part of the proposal, it's simply a vision the team would be happy to discuss further with the Town.
11. Mr. Scott inquired about the "community space" that was highlighted in the initial presentation of the proposal. Mr. Berger responded that unfortunately a community space, which would have been rent-free, is not feasible with the economics involved in the project.
12. Mr. Scott asked Mr. Berger to elaborate on the housing element of the proposal. Mr. Berger said that the units will be year-round; the team has been discussing a 30 year lease with the Island Housing Trust (IHT). Mr. Berger said they have not struck an agreement yet but Executive Director Phillippe Jordi was present to confirm the IHT's interest in the project. The Committee discussed the nature of an agreement between

the Developer and the IHT; Mr. Jordi said the Trust will purchase and lease out the three apartments to qualified applicants.

13. Mr. Scott asked how the purchase of the units would happen. Mr. Berger explained that the Trust would purchase the lease-hold interest from him; the IHT would then be responsible for the interior of the building, while Mr. Berger's team would be responsible for maintaining the outside. Mr. Scott followed up with a question about the Town needing to approve a sub lease to the IHT. Mr. Berger said it would be the same idea as a retail sub-lease, it would just last for 30 years.
14. Mr. Scott stated that discussions with the IHT were certainly worthy, but the proposal before the Committee should not be evaluated on this since it has not been finalized. Ms. Burke stated that this development still falls within the original proposal.
15. Mr. Shane asked about the representation of year round housing in this proposal and whether that would actually be the case. Mr. Berger stated that he is not interested in short-term rentals, they are a headache and the turnover/potential for noise is not good for the retail businesses below.
16. Mr. Shane asked Mr. Berger about a bank letter. Mr. Berger said that he has a commitment letter from Phil Mercier at MVSBS for approval of 50% financing on the project, the rest of the money will be from Mr. Berger's company or other private investors.
17. Mr. Carter asked about the site plan. Mr. Berger said the team has \$1.8 million budgeted for the Leased Area, the \$200k budget for the site work is not included in the proposal but could be negotiated along with the lease terms.
18. Mr. Scott brought the discussion back to the financial information provided in the proposal; he asked Ms. Mulinare if the information provided was sufficient, she confirmed that it was.
19. Mr. Shane asked Mr. Berger what would happen if the financing from MVSBS fell through somehow. Mr. Berger said that his offer is not subject to the MVSBS financing and that he was actually surprised that the Bank made an offer to finance a lease-hold interest; it will be collateralized by the lease with the Town as well as the leases with tenants. Mr. Scott asked Ms. Burke for a legal opinion on this. Ms. Burke said it was not advisable from a policy standpoint. Mr. Berger stated that he only asked for 50% of the financing because borrowing on future revenue is risky right now; he has chosen MVSBS because it's an institution with a vested interest in the Town, should anything go wrong. Ms. Burke said that if the Town decided to allow this, she would recommend getting confirmation from the State that it is fact allowable.
20. Mr. Scott stated that because both applicants stated that they would and could do this project without financing, the Committee should consider this allowable and trust that both developers would still do the project. Mr. Berger commented that securing a loan with a long-term lease is commonly done.
21. Ms. Croteau commented that she was excited about the community outreach room and the proposal to do something other than retail. Mr. Berger stated that it was determined not to be financially feasible to offer 1/3 of the retail space rent-free.
22. Mr. Shane asked what kind of retail it would be. Mr. Berger said they have only had preliminary discussions and it will likely be seasonal due to the value of the space; he also said he would be thrilled to find an interested year round tenant.
23. Mr. Shane asked if the intention was to put in a new foundation. Mr. Cannada said they would be replacing the foundation with a basement, including under the addition, but they would not be moving the building at all.

24. Ms. Croteau asked for clarification on what the roof of the addition would look like. Mr. Cannada said the roof will have the least possible impact on the street view from Main. St.
25. Ms. Look asked how the IHT would choose residents and whether there would be any preference for Edgartown residents. Mr. Jordi said the applicants would have to meet the requirements for a median income household and that local preference is an option.
26. Mr. Shane asked about the exterior shakes. Mr. Cannada said he will work with the HDC and follow the standard for downtown Edgartown, or use whatever material the HDC prefers. Mr. Cannada also stated that all mechanical units would be hidden behind a partial roof on the second level (over the addition), each of the residential units would be metered separately and a sprinkler system is included in the plans.
27. Ms. Look asked if the team was still proposing an elevator. Mr. Cannada said they removed the elevator because it took up too much space and was not financially feasible.
28. Ms. Croteau asked about the International Building Code's requirements for egresses and how many stairwells the building would have. Mr. Cannada stated that all codes would be followed and that the building will be extremely safe.
29. Mr. Scott invited questions from the audience.
30. Mr. Ahearn asked the proposal team how they would manage this project given that Mr. Berger lives in South Carolina and Mr. Cannada lives in Washington. He mentioned an issue with one of Trademark's on-going projects, a private residence on Pease's Point Way. Mr. Ahearn said the house has been significantly altered from his approved plans, and his reputation is being affected by this poor representation; he also said the project is taking too long and Mr. Nicotera used the wrong materials. Mr. Ahearn reiterated his concern that both the Developer and the Architect of the Trademark proposal were located out of State. Mr. Scott asked Mr. Ahearn if the private job he was referring to was in the Historic District. Mr. Ahearn said it was not, it's subject to the ZBA. Mr. Nicotera then stated that he had to make significant changes to the plans because they were of such low quality; he attempted to reach out to Mr. Ahearn to fix the problem but was disregarded. Mr. Scott asked Mr. Nicotera if he had any issues with Town officials over this project. Mr. Nicotera stated that he has not had any issues with the Town and that it was unfortunate this topic was brought up at this meeting.
31. There being no more questions from the audience, Mr. Scott asked the Committee if they felt they were ready to move forward with the formal evaluation. Ms. Mulinare asked for the Committee's attention on a few matters regarding the Hegarty proposal; after further review and consideration, she determined that the Hegarty proposal was not eligible for a few reasons: (1) The proposal is missing signatures on two required forms (the Disclosure of Beneficial Interests in Real Property form, and Addendum 4); (2) the proposed leased area of the proposal includes the Open Space area, which was specifically excluded from the possible leased area in the RFP and in Addendum 2; (3) the design offered for all exterior elevations of the building does not conform to the State's requirements for CPA funds used on historic preservation (nor does the fact that the plan for the parking lot requires that the building actually be moved four feet closer to Main. St.), which is a requirement based on the taking by eminent domain.
32. Ms. Burke commented that the Town could probably waive the issue with the missing signatures as a minor informality, but the inclusion of the Open Space area as part of the leased area directly contradicts the parameters of the RFP, and the Town

would be required to reject a proposal that does not properly use CPA funding, which moving the house would violate. Ms. Burke's recommendation to the Committee was to go ahead and evaluate the Hegarty proposal based on the comparative criteria. Mr. Scott asked Ms. Burke if she needed more time to research any aspect of the Trademark proposal. Ms. Burke said she did not.

33. Ms. Croteau asked for clarification about where the Hegarty proposal states the park is included in the leased area. Mr. Scott said it was discussed at length during the previous meeting. Mr. Ahearn then stated that his team was under the assumption that by including the park in the leased area, they were offering something that was in the best interests of the Town and that based on the RFP, including the park in the leased area offered the Town more value from that proposal.
34. Ms. Mulinare stated that if you take a measuring tape to the south side of the building (where the proposed addition would be) and extend 24 feet (the proposed size of the addition) there is only about six feet between the end of the tape measure and the small building, meaning the addition would block the parking lot and make it unusable. Mr. Scott agreed that this major issue with the Ahearn design could be confirmed with simple math. Mr. Hegarty commented that the spirit of this process is new to everyone and conversations about such issues should be fluid. He then questioned why the Trademark proposal was not being rejected due to the integration of the parking lots. Mr. Scott commented that the parking lot design for the Trademark proposal was merely a suggestion and was not included in the leased area. No modification of the actual building plans would be required for the Trademark proposal to be viable, which is not the case for the Hegarty proposal.
35. The Committee discussed how to proceed. Ms. Burke recommended that material modifications to proposals not be permitted. Mr. Hegarty asked whether the inclusion of the Town Hall parking lot was fundamental to the Trademark proposal. Ms. Burke answered that it was not fundamental to the proposal as it was not included as part of the leased area.
36. Mr. Ben Hall asked if he could address the Committee since it appeared he had missed the opportunity to do so earlier. He asked whether the application of CPA funds was being considered and how it was determined that this project was not subject to M.G.L. c. 149, the construction bid law. Ms. Burke said the project is not subject to c. 149 since it's a long term lease and the Town will not have control over the construction; but the Town should continue with care.
37. Mr. Hall then asked where the restrooms would be located. Mr. Cannada responded that they would be in the basement. Mr. Hall asked how that qualified as handicap accessible. Mr. Cannada said that a waiver might be an option or the lease could be given to a type of business that does not require a public bathroom, regardless, the Building Inspector would obviously weigh in.
38. Mr. Ahearn stood up and announced that, based on the information given by the Procurement Officer, he and Mr. Hegarty were withdrawing their proposal. Mr. Ahearn said he supports Mr. Cannada's proposal and knows he will do a good job.
39. Motion placed on the floor by Mr. Shane to accept the withdrawal; Mr. Sherman seconds. Discussion: Ms. Croteau stated that she felt blindsided by this new information and would like an opportunity to discuss the developments presented by Ms. Mulinare before voting on anything. Ms. Fligor agreed with Ms. Croteau and said she was shocked at how this situation was playing out. Mr. Ahearn stated that his issue is that he thought he was offering something that was in the Town's best interest, but that is not being taken into consideration. Ms. Fligor further stated that she thought a chance to re-do should be offered to the Hegarty/Ahearn team. Ms.

Mulinare said that was an option, but it would mean starting the process over from the beginning. Mr. Shane reminded the other members that there was a motion made and seconded. Ms. Dolby (Town Administrator) commented from the audience that Ms. Mulinare was acting in her capacity as Procurement Officer; she kept the Selectmen's Office informed and is now offering her recommendation to the Yellow House Committee, it will be up to the Selectmen to accept or reject their recommendation. Mr. Sherman recognized the time and effort spent by all those involved in this process; he then stated that there was no point debating the timing of the information or whether modifications could or could not be made since Mr. Ahearn's withdrawal removes any of the Committee's options regarding their proposal. Mr. Scott called for a vote on the motion to accept Mr. Hegarty and Mr. Ahearn's withdrawal. The vote was 5-2 in favor of accepting the withdrawal, Ms. Croteau and Ms. Fligor voted against.

40. Motion placed on the floor to accept the Trademark proposal and recommend it to the Selectmen. Ms. Burke stated that before this vote could take place, the proposal still needs to be evaluated based on the comparative criteria. The Committee began the individual evaluations.
41. Ms. Croteau voiced her concern that the information provided by Ms. Mulinare was done so too hastily and should have been provided to the Committee ahead of time, before the meeting. Ms. Mulinare apologized and said she did not want to influence the tone of Trademark's evaluation by providing information prematurely; she felt both proposers should be further evaluated in the same fashion.
42. During the evaluation process, some members of the Committee felt they should take proposals home to evaluate so there was no rush to complete the evaluations. The Committee decided they would meet again the following Monday, 1/29/18 at 12:00pm to tally the ratings and open the remaining price proposal.
43. Motion placed on the floor by Mr. Carter to accept the 1/9/18 draft meeting minutes, Ms. Look seconds; Mr. Shane and Mr. Sherman abstain, vote taken and passed.
44. Motion placed on the floor by Mr. Sherman to accept the 1/16/18 draft meeting minutes, Mr. Carter seconds, no discussion, vote taken and passed.

Mr. Scott adjourned the meeting at 2:30pm.

Minutes submitted by: Juliet Mulinare

MINUTES VOTED & APPROVED:

Chris Scott, Chairman

Date