

Town of Milton
Town Council Workshop
Location: Shipbuilder's Village Clubhouse
Thursday, August 16, 2012
5:00 p.m.

Transcriptionist: Helene Rodgville
[Minutes are Not Verbatim]

Win Abbott:

Council Members Present:

Mayor Newlands

Councilman West

Councilman Booros

Councilwoman Jones

Councilman Lester

Councilwoman Patterson

Mayor Newlands: The bank took ownership of Shipbuilder's Village a few weeks ago. They got the deeds from Capano's. They didn't have to go through a formal foreclosure. They just handed them the keys and the deeds and said it's yours, we're done. The building straddles actually one of the property lines; there's a lot behind it; there's four lots going this way and I think three going across the front. There are seven building lots here that we're going to build on here, the initial thing was going to be that they were going to try to convert this to a house initially, so just that the property manager could monitor building the other houses. Then they were going to knock this down and put a house up. That's what the plans were last summer. Since he's gone bankrupt, the plans have changed. But right now it's defined as seven building lots and there are 3 acres of land. The bank's offering it to us, only because they figured we're the only entity around that's got steady income.

Councilwoman Jones: Have they actually made an offer to which we can answer?

Mayor Newlands: We talked during the meeting and the appraised value is \$320,000 for the entire area. When you look at what they normally get for a foreclosure, which is 48% of the appraised value, that's what they normally accept, that's somewhere in the \$155,000 range. Actually I didn't have to have too much discussion. They came down to \$200,000 and Steve Himmelsarb who said he would _____. It's a no money down deal. They didn't specify terms yet, so it's no money down; if we want to renovate the building; add to the building; they would still do the same, no money down. We have a big issue with the streets, because the streets we don't think were ever in Capano's name, so and that's the whole problem around here is this started off with Dr. Wagman; he started it; sold the whole thing I think to somebody else; who then sold sections; who then sold lots.

Councilman Booros: What does the bank own?

Mayor Newlands: The bank owns this.

Councilman Booros: Just this.

Mayor Newlands: Just this and I think the two at the end of the boulevard. The two at the end of the boulevard, they're taking over; there are two lots down there which actually got merged into one. The issue with the streets, liked we talked about in the meetings – I forget the names of the

little streets over there, but when the lots were sold to build the houses, the lots were just sold. Nobody really owns the development.

Councilman Booros: Gotcha. So the bank doesn't own... They didn't take up the development, they took over these seven lots, the buildings, the lots and the bank.

Mayor Newlands: A guy named Zonko.

Councilman Booros: He's got nothing to do with the rest of this development.

Mayor Newlands: Nope.

Councilman Booros: And we're talking about this building, these seven lots, this bank?

Mayor Newlands: Yes, Artisan Bank.

Councilman West: So if they came down to \$200,000, I would make them an offer of \$135,000 and... in between.

Councilman Booros: I talked to Kathy Potts the other night and she said with the real estate the way it is now, I would offer the man \$100,000 and start right there. Offer \$100,000.

Mayor Newlands: Yes. We haven't offered anything. As we were talking in discussion when he was showing Win and I the building, he just started throwing numbers out and he ended at \$200,000 saying, you know, he could go lower than that.

Councilman Booros: You've got to redo parking lots...

Mayor Newlands: Oh yes, you've got a lot of things to do.

Councilman Booros: Even if we just took it and banked it.

Councilman West: Because they broke this off.

Councilman Booros: I'm looking at the structure up through here, what I can see. There's no mold in that plywood up there. None of the roof has mold on it. Where I can see up there, in those roof areas, it's clean wood. There's no mold. The mold over here, I think you're going to find you've got an intake valve or intake thing for the heating and air-conditioning unit.

Mayor Newlands: I'm not sure what this is here.

Councilman Booros: I would have somebody do an inspection.

Mayor Newlands: It's got to get quite a few inspections. It's got to get structural and...

Councilman Booros: I could always pay a home inspector \$350 to come in... I mean other than that, even if you had to gut the drywall out of it, you've got the land and it's cheap enough...

Mayor Newlands: We are not under any pressure, time line, they haven't said a word as far as anything goes, other than they wanted to offer it to us first. That's all.

Councilwoman Jones: Then the question is...

Mayor Newlands: I wouldn't bank it. I don't know. I think that would be an issue, depends on the bank.

Councilman Booros: If you could rent it out to the neighbors in town to use. You could have summer park recreation things going on here for the kids, like we did when I was growing up.

Councilman West: This could be a community center.

Councilman Booros: Absolutely.

Councilman West: There's people in this town and we gave them a community center and they would be willing to put money into a community center.

Councilman Booros: I think so too.

Councilman West: I know it to be a fact, because they're paying to the community foundation and they want us to help raise money to build a community center.

Mayor Newlands: Are you talking about Bob and Carol and that group?

Councilman West: I'm not going to...

Councilwoman Jones: But there's no plan. I mean there's no discussed plan.

Mayor Newlands: No, it was just offered to us a few weeks ago and it was something that I

didn't want to _____ about something. I don't just tell them, no, go away. I'm willing to listen to suggestions. We already received an appraisal, we did that.

Councilman Booros: An appraisal in this day and age, there's nothing local that's going to compare to this, other than vacant lots.

Mayor Newlands: That's one of the problems. I think that's all they got was \$320,000 on the vacant lots and that's probably like \$50,000 a lot.

Win Abbott: I have the appraisal. It was called in to me just a few minutes ago. So this is done by Jamie Masten of Masten Realty in Milford. He appraised the building and all the lots together as an aggregate \$215,000. Now I asked him what his rationale was and he said highest and best use. According to him, the highest and best use is \$38,000 per lot, times seven, less \$50,000 to remove the building and the parking lot; to be able to resell it. Now I said, Mr. Masten could you look at it in a different way. Could you look at it as a unique use? The town can use this piece of property any way we want, because we are the town, and we could do things like perhaps fix up the building and use it as a community center; reserve the lots as a park; it would be a unique use. And he said, yes. I just finished an appraisal for insurance purposes for the Town of Milford's Police Department building. Now they're not going to sell it to anybody else, so the appraisal doesn't really have a market value, it's kind of unique. He said, let me go back and work on it; maybe I could have it done for you by tomorrow. But his first word, called in just a half an hour ago, \$215,000 for everything.

Mayor Newlands: You said \$38,000 per lot?

Win Abbott: \$38,000 per lot, times seven, minus \$50,000 to tear this down...

Councilman Booros: ... just sold up the street off of Coulter, it just sold for \$30,000 some odd thousand down the end of John Collier's street?

Mayor Newlands: Mary _____?

Councilman Booros: Yeah, one lot just sold...

Win Abbott: His written report may be available tomorrow. I'm sure he's used these current lot values, but nonetheless, that's the latest and best information. For your information, you also asked about the community, at large. I have a contract from CABA Associates. It hasn't been executed yet, but it is for them to manage the whole bidding and oversight of the paving job that is necessary to do this. So this is for them to put together contract documents, to manage the whole bid, to oversee it, to make sure that the tickets are right for the weight and value of the asphalt put on the job and make sure it's done according to specifications. So I have this here. They haven't advertised to start paving yet, but from what I understand, we can because there's no private ownership of these streets.

Mayor Newlands: Right.

Councilman West: Can you get a second estimate from another engineering firm?

Councilwoman Jones: Thank you.

Mayor Newlands: They're only estimating or giving us a bill for managing; not paving it. The paving business will be done by the paving company; they don't manage that for us.

Councilwoman Jones: Yes, but they're going to be like the General Contractor on this job?

Mayor Newlands: Yes, but we get billed from the pavers independently. They just make sure that everything's...

Councilwoman Jones: What is Kerr's _____ about managing?

Win Abbott: Let me see. I'm just double-checking here. I read it earlier today. I believe it was \$7,500, plus fees. Lump sum \$7,500 for engineering services necessary to design and prepare plans, specifications, and contract documents and bid phase services. This fee is based on the Scope of Work outlined herein and if there are significant increases or decreases, the work effort

in order to meet the needs, the fees shall be subject to renegotiation upon mutual... Then we also have Resident Project Representative, that's the person that stays on top of the pavers, making sure that they're not cheating us with regard to what it is, is estimated at \$2,800 additional, based upon 40 hours of work.

Councilman West: But Mr. Mayor, you know it's just like I told you before about CABA Associates; they've rode this milk train to death.

Councilman Booros: I don't see why if we have a Project Coordinator why we can't do a Statement of Work, have a site visit, have all of those proposals, have an initial site visit, have them give us proposals based on our statement; like our Special Projects Coordinator who we pay good money to coordinate the project and act as the technical representative for the project. Pave the damn streets. It's not rocket science.

Mayor Newlands: First of all, did you drive down the streets?

Councilman Booros: I've been through this neighborhood a thousand times.

Mayor Newlands: It's got to get fixed.

Councilwoman Jones: But my question is in the service _____ management, General Contractor skills...

Mayor Newlands: Engineering skills.

Councilwoman Jones: Either way my recommendation is that another bid be given worthy consideration or that it be done in house by Mr. Davis.

Councilman Booros: Do we not have the ability to put out an RFP in this town?

Mayor Newlands: We generally don't, we leave it up to the engineers.

Councilman Booros: I know we generally don't. That's the way it's always been done. We've contracted that out.

Mayor Newlands: I don't know if we have the skills in town to do that.

Win Abbott: I can say this much, that I did for the Town of Fenwick Island for the trash services; everything that CABA Associates did and I did it at no extra charge to the town and CABA Associates charged us about \$16,000 for that service, so yeah we do have the skills if you just want me to do it.

Councilman Booros: It's what I did for a living and I'd be more than happy to help. I did it for 37 years.

Councilwoman Jones: I have to say that if we have the capability in house, and if for any reason, any reason the majority has to take it outside, my vote would still be to get another opinion.

Win Abbott: I'm not going to say that I'm an expert on paving. I did it for the trash contract.

Councilwoman Jones: I don't think that _____ would state that.

Win Abbott: It will.

Mayor Newlands: You can get Pennoni Associates to take a look at it. Pennoni Associates is doing our water system so we can have them take a look at it.

Councilman West: I feel, you know, CABA Associates has been doing us, just like what Schell Brothers did sending their flunkies in here.

Councilman Booros: I have a problem with CABA Associates.

Councilwoman Jones: Well \$9,000 some dollars, I understand it's a professional services, but is there anything that says we can't bid it?

Mayor Newlands: No, this is a separate contract with them.

Councilwoman Jones: I understand. I'm talking about this is a \$9,000 something dollar contract with somebody to oversee this project.

Mayor Newlands: Right.

Win Abbott: By the way, I just want to specify. This project. We're talking about the streets in the community and not anything having to do with the building we're standing in.

Councilwoman Jones: That's it. Thank you for that clarification.

Mayor Newlands: Yes. We could go after Pennoni Associates and we can get bids from three different companies, without sending it out to bid.

Councilwoman Jones: But that's selective. When you call that company, you've made contact to get that bid, isn't there a bid process to let me know that this service is up for bid? Again, I'm choosing this second for the record, I'm choosing this second for doing it in house.

Councilman Booros: \$9,000 and we should be able to do an RFQ and stick out an RFQ asking for quotes from companies to do the engineering.

Councilwoman Jones: Only if we don't do it in house. That would always be...

Mayor Newlands: You're sending an RFQ for _____.

Councilman Booros: We don't have to have CABA Associates do our RFQ, do we?

Mayor Newlands: No, I mean, Seth can do them too. I don't think we have the expertise in house. Win's never done paving, so.

Councilman Booros: I'm talking about an RFQ to have an engineer come in here and do the Statement of Work.

Mayor Newlands: No, we can do that.

Councilman Booros: Yes, that was my question. Whether it's Pennoni Associates or CABA Associates or whoever it is, let them all quote on it.

Councilwoman Jones: Yeah.

Councilman Booros: God knows we have a general idea of what the cost should not exceed.

Mayor Newlands: Yes, we actually had a price from last year, so we know what the ballpark is.

Win Abbott: Right, _____ Paving.

Mayor Newlands: And oil hasn't change. It's gone down, actually, since last year, so we know what the price should be.

Councilwoman Jones: When do you expect you might have the grant money for the paving?

Mayor Newlands: We have it.

Councilwoman Jones: Oh, you have it. I'm sorry. I thought you were waiting for a little more?

Mayor Newlands: When are we going to get paid that money?

Win Abbott: I'm not sure when we're getting paid, but it's already been determined. I think I received our first check last year in December?

Mayor Newlands: It's been allocated to us; but the check hasn't come in yet.

Councilwoman Jones: So will you wait to pave until you have it?

Councilman Booros: We can get the process started.

Mayor Newlands: We can float \$12,000. It's only \$12,000 or \$13,000. We can float that.

Councilwoman Jones: So in the nice weather, rather than in the cold weather.

Mayor Newlands: The money is guaranteed.

Councilwoman Jones: Okay.

Mayor Newlands: The money is guaranteed from the State; it's part of Municipal Street Aid and we're not allowed to use it for street lights, we have to use it for street repairs.

Win Abbott: Last winter was warm, but we really don't want to push our luck.

Councilwoman Jones: I understand.

Mayor Newlands: Last year was \$12,600.

Councilman Booros: While we're asking an engineer to do that, could we get a separate quote on what it would cost to tear up this parking lot?

Councilwoman Jones: I'm sorry, I missed that.

Councilman Booros: If we're going to go to an engineer for an RFQ to get a Statement of Work, are they going to say it has to come out and go away; or whether they say we can take out those grass areas and patch it and put a top coat on it; whatever; just as a heads up of what it would cost to repair it?

Mayor Newlands: Plus the pool outside, they filled in.

Councilman West: They could come in here and grind that down; treat those cracks and resurface it.

Councilwoman Jones: Do you want to make any investment in that, until you know what you want to do with it?

Councilman Booros: Investment in it... While you have the guy here and you already had an RFQ and you're already doing the work to ask him for a quote; what a quote would be to do that, as a separate option one; repaving this parking lot kind of thing.

Councilwoman Jones: While they're here with blacktop?

Councilman Booros: It's an option that we don't have to exercise, but we have maybe a year to exercise the option. Because my theory is if you decide to buy the building. If you decide to at least fix the parking lot, so they could have tennis courts, while they've got that asphalt out here, there's no better time to do it.

Mayor Newlands: Oh yes. Actually there's a few things in town that I want them to take a look at, the parking lot on Magnolia Street, too; there are some areas that need to be done.

Councilman Booros: I would think that like Emory said, there are people who...

Councilwoman Jones: Yes.

Mayor Newlands: I'll put it on the agenda for next week, but it's just a note to say, we'll send it out to get an engineering process going.

Councilman Booros: As far as this building is concerned, I would have an inspection, or whatever it is; I would have somebody look at it.

Councilwoman Jones: At least the structural stuff.

Councilman West: Maybe they could get under this building and they could come under there and stabilize this floor.

Councilwoman Jones: I would say for inspection purposes.

Councilman Booros: I would say this building here was modular.

Councilwoman Jones: It decreases of the _____. Mine is low ball it, as far as you could go for real estate.

Councilman West: I know I'm blind, but it's kind of _____ and what they'll have to do, depending on which way the joists go; if they're going across, they they're going to have to come...

Councilman Booros: They're not going that way.

Councilman West: What I'm saying, John, is if the _____ joists are going this way, then you'll have to come underneath and go the long way to shore this floor up to bring it back level.

Councilman Booros: They jacked my house up. I know what it's like.

Councilwoman Jones: Is that it?

Mayor Newlands: That's it.

Win Abbott: Meeting adjourned at 5:30 p.m.