



TAYLOR BUILDING COMMITTEE
December 15, 2020
4:00PM



1. Review and Approve Notes
 - a. October 27, 2020
2. Concept proposal
 - a. Review of conversation with Kittery Art Association
3. Formulate recommendation to Council
4. Next Steps

Materials (also available in the DropBox):

- October 27, 2020 Notes



TAYLOR BUILDING COMMITTEE

Meeting notes for October 27, 2020



Attendance: Kendra Amaral, Matt Brock, Adam Causey, Roger Cole, George Dow, Dianne Fallon, Susan Goodman, Jan Lamont-Rodons, Lee Perkins, Jeff Thomson

1. Work-up of leasing scenario - Kendra Amaral and Adam Causey

The Town manager (Kendra) and Director of Planning & Development (Adam) presented potential leasing scenarios as well as how proceeds from a Taylor Building sale might be used by the Town.

On leasing, the Town would seek a long-term lease of at least five years. Any improvements or changes to the Building would have to be approved by the Town. The lessee would be responsible for building maintenance, with the possible exception of snow plowing, especially if the lease included a clause allowing public parking when the building was not being used for lessee functions/business. Kendra noted that the town does not want to be in a position where it is paying for long-term repairs and maintenance to the Taylor building.

If the Taylor Building was sold, proceeds might be used to help support \$100,000-\$200,000 in costs associated with the Rice Library renovation and expansion, for items such as furnishings and technology. Funds could also support other town initiatives, such as the demolition of the old Rec Center, public works projects, or the relocation of the Ambulance Service to Gorges Road. Proceeds from the sale could also be applied to debt service for the Library bond, although savings would be minimal (e.g. \$30,000 per year over a multi-year period).

Kendra & Adam recommended that the best use of the Taylor lot was sale for private development.

Full details of the work-up from are included as an addendum to these notes.

2. Continued discussion of public use & proposals

After the presentation from Kendra & Adam, the Committee continued to discuss the three proposals, as well as the public use concept presented and discussed at the October meeting. After extensive discussion and questions, and with the goal of narrowing the scope of consideration, the committee took a straw vote on the public use concept. Some committee members expressed the need for more public green space, especially in the Foreside. However, a consensus (though not necessarily unanimous) emerged that to take public use (i.e. a park or parking lot) off the table from consideration, with general agreement that the Taylor lot is not ideal for a parking lot or public park, especially given the fact that the future use of this property will not be the only opportunity for the Town to work towards those goals.

The committee then discussed the three proposals, two for private development (long-term stay hotel and micro-apartments) and the third for a public-private partnership (lease proposal from Kittery Art Association, or KAA). Adam Causey noted that all three proposals fit into the Town's zoning for the Foreside. After extensive discussion, the committee took a straw vote on the hotel & micro-apartment proposals (which serve different needs but likely be approximately the same size and scale), and another straw-vote consensus emerged (though not necessarily unanimous) that a large building on the lot was not ideal. The two proposals were "parked", for the time being.

Committee members expressed a need for additional information about the third proposal from the KAA, and asked Kendra and Adam to meet with the organization to get additional information. Dianne, as Chair, asked committee members to submit questions that they wanted to be part of the conversation by Friday, November 6. Kendra & Adam agreed to set up a meeting with KAA and report back at the next meeting, sometime in December.

Note: Meeting date was subsequently established as Tuesday, December 15 at 4 p.m.

Addendum: Taylor Building Options, October 26, 2020 (Scenarios for Leasing/Proceeds from Sale)

TAYLOR BUILDING OPTIONS

Hypothetical Lease Terms

- * Long-term lease 5 years with renewal options
 - o Longer depending on the rent and tenant fit-up needed
- * Tenant improvements/fit up – fully funded by lessee.
 - o Certain improvements to be approved by Town (changes to MEP, structural, or exterior)
- * Double net lease agreement (insurance, utilities)
- * Lessee responsible for own maintenance.
 - o Would be willing to discuss plowing as a Town service
- * Exclusivity clause that allows the lot to be used as public parking under certain conditions
- * May sublet with approval of Town

Use of Taylor Building Sale Proceeds

April 1, 2020 Assessed Value: \$559,000

- Rice Public Library Project ~\$100K - \$200K for furniture, equipment
 - o Items can be done after Library operations move in
OR
 - o Voters would have to approve via ballot initiative to use undesignated reserve to float the funds until property is vacated and sold (incurs some risk; would need to be done June 2021)
- Lower Bond and/or Debt Service
 - o \$500,000 will save approximately ~\$30,000 a year on debt service
 - o Apply to debt service in future years
- Apply to other capital projects
 - o Roads and sidewalks
 - o Open space/parks
 - o Removal of Cole Street Bldg ~\$80,000
 - o Sustainability/Energy Efficiency opportunities ~TBD
- Add to undesignated reserve fund for future needs
- Fund relocation of ambulance service to Gorges Road