

Gloucester Community Preservation Committee (CPC)

Meeting Minutes for September 17, 2013

Members present: Charles Crowley, Sandy Dahl-Ronan, Bill Dugan, John Feener, Stacy Randell

Members absent: J.J. Bell, Karen Gallagher, Tom O'Keefe, Scott Smith

Staff present: Deb Laurie

Community members: Denton Crews, President of the Board of Directors, Friends of Good Harbor, Inc. (FOGH), John Knowlton and Chris Eagen, FOGH supporters, Ruth Pino

Ruth Pino opened the meeting with a summary of her knowledge and involvement in the Salt Island proposal. She asserted that only about 10 people in Gloucester knew the island was privately owned, so the news of its sale was a shock. She articulated her concern about its loss to the community and wanted to do something about it. She got involved as a citizen, not as a realtor.

She reported that the heirs of James E. Kimball had communicated with Greenbelt and the Trustees of the Reservation in Gloucester about possible acquisition; Greenbelt offered \$100,000 for the island and guaranteed public access and stewardship, and the Trustees offered an endowment for its care after a family donation of the property. Those offers were declined by the heirs. Ms. Pino reported they "had exhausted every possibility" with those two organizations. Tax credit savings were estimated by an accountant, but were not substantial enough. Ms. Randell asked how much those savings were to compare the different options available to the heirs, but that information was not shared. Some CPC members felt that information was above our "need to know."

Ms. Pino contacted City Councilor Paul McGeary with her concerns; he contacted Mr. Crews, and that's how FOGH got involved. Ms. Dahl-Ronan and Mr. Crowley shared knowledge about Greenbelt's concern about an asking price of the island that is twice the appraised value. Ms. Pino said she had to good reason to believe it is worth more than the appraisal. Mr. Crews reported on the FOGH's contact with the sellers and the Brier Neck community:

- FOGH will match the requested \$150,000 in CPA funds with \$165,000 of private fundraising
- To date, \$22,000 has been raised by "community" members, and a \$50,000 Dusty Foundation pledge has been confirmed.

- A Purchase and Sales (P & S) agreement for \$300,000 has been signed between FOGH and the sellers.
- A Letter of Intent from Cape Ann Savings Bank details a \$75,000 bridge loan to the FOGH, payable over an 18-24 month period.
- The owners included a Parking Contingency section, guaranteeing their families' permanent use of three parking spaces at Good Harbor Beach in perpetuity. Several CPC members strongly objected to this provision. The FOGH are "looking into" the possibility of finding spaces on private land.
- A memorial plaque to the family is planned for placement on the island.

Mr. Crowley asked who would hold the deed to the property. Will FOGH need the deed for collateral for the loan? Mr. Eagen replied that FOGH would guarantee the loan.

Mr. Crews shared that everything will be resolved, but FOGH needs the help and support of the city. He shared that the owners would not consider a lower selling price and "would withdraw from the P & S agreement and put the property on the private market." He felt there are so many examples of possible adverse consequences if it fell in private hands, and was worth any kind of risk at a level of \$300,000. He reported that Land Vest Appraisers looked at comparable islands and estimated \$60,000/acre; Salt Island is five acres. Mr. Crews shared a timeline that would support the process: do the closing at the end of January after a City Council vote in November and reach private fundraising goals during the months of November and December. FOGH needs the bank loan to proceed.

Mr. Eagen acknowledged that the island cannot be developed with permanent structures, but he feared that in 75 years, technological advances could make it possible, mentioning a hotel or a dock as concerns.

Mr. Crowley asked if there is deeded access. Ms. Pino shared that access is Whitham Street. Mr. Eagen said the sand bar is considered a public way. Mr. Crowley said nothing can be built there without a solid road to the island, and asked if the City or DPW wants to continue public access there. Ms. Pino replied that no one in the public arena knew it was privately owned. Mr. Crews shared that the question of if the residents of Gloucester have "a right to continued access" because it has been that way for over 20 years has not been researched by the FOGH. He wants to make it a "friendly purchase" and not in "an adversarial position." Mr. Feener shared that it is his obligation as a CPC member to get the best deal for the community, looking at all options, and ensuring that value and best price are connected. He also shared that development on the island is impossible.

Mr. Dugan asked for clarification of what the threats are to public access to the island. Ms. Pino "would rather not go the route" of a private individual on Brier Neck buying the island directly from the family. Mr. Crowley was concerned about setting a precedent of buying property at twice the appraised value

under the fear that if not, the owners “would sell to a bad guy.” Mr. Crowley was troubled by the memorial plaque idea, and suggested that the people of Gloucester and their taxpayer dollars would be credited on a plaque. Mr. Crew mentioned the threat of possible development, including raising goats, repairing boats and portable toilets, as seen on a Marblehead property. He acknowledged the problematic requirement of lifetime parking from the seller, but assured the CPC that FOGH “could take care of it.”

Ms. Dahl-Ronan stated that public access is very important to the CPC. Mr. Knowlton added that the sand bar is directly in front of some of the properties. Mr. Crowley stated that FOGH would have to take down the private beach sign, and would need an easement. Mr. Knowlton stated the low tide mark, not the sand bar serves as public access. Mr. Feener added that public access had to be held in perpetuity.

Ms. Dahl-Ronan addressed Mr. Crew’s requested timeline for CPC action on the FOGH grant proposal, stating that the CPC is currently in the middle of Round Four with a fixed amount of money to award. She added the CPC needs time to debate and decide what to do with that money, including possibly paying down part of the bond on Newell Stadium. Mr. Crowley asked if the island was “land-locked”, stating you can’t build on a lot without frontage. Ms. Laurie stated Salt Island is zoned for residential R3, and it would not be legal to build anything. Mr. Crews mentioned the FOGH mission is to preserve and protect, and will commit to care for the property, asserting its value as \$500,000, because “we’ve been told there are people out there who are interested in it at the \$500,000 level.”

Mr. Dugan asked if the sellers will ask any buyer to require public access. Mr. Eagan responded, “Impossible to say,” and Ms. Pino said “I don’t think so.” Mr. Crowley expressed concern about the Land Vest Appraisers, saying “that’s what they do, jack up the prices.” Mr. Dugan asked if the Brier Neck financial donations were premature. Mr. Eagan said they went “back and forth,” but decided they are “not willing to take the risk.” Mr. Knowlton added that they were “trying to eliminate the 1% of uncertainty so it’s 100% done.” Mr. Crowley added that some things may not be appropriate for the CPC to do as a public entity; public finances may not be the right source of funding for paying three private landowners. Mr. Crews said there is a narrow time window to make the purchase, and it’s not ideal for philanthropy because Essex County is already 19th in the country for Open Space. He felt it was beyond the reach of FOGH to raise the full \$300,000. Ms. Dahl-Ronan reiterated that the CPC needed some time to discuss next steps, thanked FOGH for its thorough presentation, and stated that the value of preserving Salt Island was not a question in anyone’s mind. Mr. Crews welcomed any follow up questions from the CPC. Mr. Feener added that it comes down to paying down the bond or the FOGH proposal. The FOGH representatives left the meeting at this point.

CPC members discussed the FOGH proposal. Mr. Crowley questioned if preserving public access was even an issue. Ms. Dahl-Ronan questioned if the City already has guaranteed public access because of the 20+ years. Ms. Randell said it was really 350+ years of public access, that we know of. She agreed with Mr. Crowley's doubts about the use of public dollars for private enterprise, and was 100% opposed to lifetime parking spaces for the sellers. Mr. Crowley questioned if the proposal fit better under acquisition or preservation. Mr. Feener stated he is 100% behind paying down the Newell stadium bond.

Ms. Randell shared a written draft request to the heirs to donate Salt Island to Gloucester and her people. Ms. Dahl-Ronan will seek legal input to determine if such a letter can be sent from an entity like the CPC, or would it have to be from an individual. Ms. Randell added that as agents of the public benefit, she hoped the group could act in unison. Mr. Crowley suggested we table the discussion because four members of the CPC were missing from the meeting.

Ms. Randell asked for a summary of issues/concerns raised to that point for the minutes:

- The selling cost of 50% above appraised value
- The assessed value of \$8,500 with limited tax liability
- No guarantee of public access yet because of privately owned beach
- Parking issue "taken off the table" for the CPC by FOGH
- Legal follow up needed on "eminent domain" or "right to public access" because of tradition
- Possibility of asking the sellers to donate the property to Gloucester
- Further discussion of the Newell Stadium bond options needed
- Assertion that no septic system or other building would ever be allowed legally

Other Business:

Ms. Dahl-Ronan reported that one Building and Finance (B & F) meeting had occurred, with a second scheduled for September 19, 2013. Six site visits were completed. The final B & F will be October 3rd, following by full City Council. Ms. Dahl-Ronan asked how we could better involve past and current CPA grant recipients to write letters to the newspapers about their positive experiences. Ms. Randell suggested hosting a gathering of some kind, possibly a tea to ask people in person, or a half page ad in the newspaper with possible bank support. Ms. Laurie suggested the CPC provide more detailed information to organizations with grants that are not funded, and could post updates/final reports on the CPC website. All CPC members agreed. Ms. Dahl-Ronan also suggested that CPC members could also write more My

Views, in addition to the annual one written thus far by Ms. Randell. Ms. Laurie suggested a CPA brochure that included reminders of the process and examples of funded projects. Ms. Randell asked Mr. Crowley to draft a My View about his concerns/suggestions on how to address community perceptions or negative commentary when grants are not funded. Ms. Randell stated that including consistent reminders about how little individual taxpayers contribute to the CPA fund is very important. Ms. Dahl-Ronan agreed.

Mr. Crowley asked if it were possible to create an abbreviated grant process for smaller grants under \$1,000. Ms. Dahl-Ronan will follow up with Stewart for advice. Mr. Dugan announced that Ms. Laurie has a new position with the Housing Trust Fund (HTF) as a staff person. The HTF invited Mr. Dugan to its next meet to discuss how to access CPA funds, and requested that Mr. Bell or Ms. Dahl-Ronan attend with him. Ms. Randell felt the HTF's role is to activate collaborations and assist with grant-writing, rather than be given CPA funds outright in a yearly allotment. She asked to review a list of projects the HTF has completed or assisted with in recent years. Mr. Dugan reported the HTF has approximately \$240,000 in its current budget for affordable housing development.

Mr. Feener moved to adjourn the meeting at 8:05 and was seconded by Mr. Dugan.

Minutes prepared by Stacy Randell