



## TOWN OF BROOKLINE, NEW HAMPSHIRE

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### *Minutes Melendy Pond Planning Committee October 16, 2018*

Attendees at the opening of the meeting included committee members Tom Solon, Eddie Arnold, Chris Duncan, Peter Webb, Chris Adams and Tad Putney. Absent: Eric DiVirgilio, Kevin Visnaskas and Webb Scales.

**Tom** called the meeting to order at 6:34pm.

#### Minutes

*Eddie made a motion, seconded by Chris Adams, to approve the October 2<sup>nd</sup> minutes as amended; Voted Yes 6-0.*

#### Public Input

**Eddie** said that **Randy Farwell** told him he thinks taking some lumber off of the property for revenue is a good idea. **Tom** said a resident asked if mountain biking is currently permitted on the Melendy Pond land and if the MPA would be the body to grant permission. **Peter** said if it involves the Melendy Pond land, the MPA would be the one to grant permission, but they really only focus on the land area used by tenants.

Webb arrived at 6:39pm.

#### Discussion re Potential Lease Elements

**Tom** referenced the October 2<sup>nd</sup> minutes. **Peter** said that only four of the 23 leases require tenants to fully remove their structures. **Webb** suggested removals should include the septic tank as it could collapse, but not the leach field. **Peter** said expecting tenants to remove the structure and septic tank is not realistic. It was suggested that simply pumping and collapsing the tank could be an option. **Webb** suggested putting the money collected for demolition in escrow so if the tenant removes the structure within 90 days of the lease's termination, they can have funds returned to them (or the balance left, if the town is required to do some final clean-up). **Tom** said we could just presume the Town covers the demolition costs and that would simplify the lease. **Chris Duncan** said he thinks it is best to have the wording for the tenant to remove the structure so it gives them incentive to do it, if they can do it for less cost than the town.

#### Modeling of Future Revenues and Costs

**Tad** reviewed two different spreadsheets he had created to project potential revenues and costs to the town under two scenarios. One assumed current leases continued to their current terminations and then were replaced with new leases through the end of 2032. The second scenario assumed current tenants were given an opportunity to replace their

current lease with a new lease as of January 1, 2020 and the new lease ran through 2032. **Tad** noted that the two models include a number of assumptions which could be modified, including that the assumed annual maintenance costs were spread over only nine re-newed leases.

### **Recommendation for Lease Extensions**

**Tom** asked if the committee is interested in recommending extending leases to the Selectboard. He noted that only three leases can be extended – and only through 2020. **Webb** said we will need to have some numbers in any warrant article. **Peter** said he would like to see us get better leases in place with new rents for three more years. It was suggested that there is not much support for extending the existing leases. Members agreed. **Chris Adams** asked what the breakeven is in terms of the number of lease extensions to cover our costs. **Tad** said that he did not know, but he feels that if five tenants renew with higher rents, the town would be in a better financial position than the status quo. **Chris Duncan** said he favors giving all tenants the option to renew on January 1, 2020 with a term that runs through the end of 2032. He said he thinks many would take it as it spreads the demolition costs over a longer period. **Tad** questioned a tenant's incentive to sign a new lease if their current lease expires in 2025 and the current annual rent is only \$100. It was suggested that we could make sub-leasing a possibility. **Tom** said he wanted to limit any sub-leasing to no more than six months per year as was discussed at the last meeting. **Webb** said he would like to limit it to three months per year.

**Kevin** arrived at 7:41pm.

Those in favor of offering new leases effective January 1, 2020 included **Tad Putney**, **Chris Duncan**, **Webb Scales**, **Eddie Arnold**, **Tom Solon**, and **Kevin Visnaskas**. **Peter Webb** and **Chris Adams** expressed reservations. It was agreed that any warrant article to change the current restriction on the leases should include “contingent upon new leases”. **Tom** said that we should not use “extension” as it suggests continuing the current leases.

### **Potential Lease Elements**

**Tom** summarized potential lease elements:

- Cover cost of demolition and annual maintenance
- No requirement to get MPA permission for sub-leasing for less than 30 days
- Sub-leases capped at no more than 6 months per year; or voids lease
- Sub-leases over 30 days must be approved in advance by MPA
- Defaulting on terms of the lease would result in termination of the lease
- Tenants need to provide a Certificate of Insurance with the town listed as an Additional Insured with at least \$1 million in coverage
- Tenant responsible for maintaining their driveway and land so that they are free of hazards
- Limited to seasonal use
- No use as “residency”
- If structure sold during lease, results in termination of lease and new lease to be negotiated with the MPA (sale would be made contingent on the purchaser signing a new lease with the MPA).

**Chris Adams** noted two additional concerns:

- Verifying septic is functioning properly
- Verifying no underground oil/petroleum tanks

**Peter** said that the lawyer who is involved in drafting a new lease should meet with the MPA before drafting the new lease.

**Second Potential Warrant Article – MPA Replaced with Town for Oversight**

**Peter** shared background on a 1998 court decision regarding Melendy Pond. **Chris Adams** said he thinks the MPA has not had the best of luck enforcing the terms of the leases and he feels that the town has enforcement bodies and personnel who could better pursue such issues.

**Third Potential Warrant Article – Forestry Management**

**Chris Duncan** asked if we want a warrant article regarding forestry management. **Tom** said he will have it as a future discussion point.

**Drafting Potential Warrant Articles**

**Tad** said he would draft the first two potential warrant articles (for new leases and management of the Melendy Pond land) and will then send to **Webb** for initial review and comment.

**Next Meeting Agenda**

It was agreed the next meeting agenda would include:

- Review lease items
- Review potential warrant article language
- Review legal guidance from town counsel

It was confirmed that the next meetings will be at 6:30 on October 30<sup>th</sup> and November 13<sup>th</sup>.

Meeting adjourned at 8:39pm.

Minutes submitted by Tad Putney.