

SUBJECT TO APPROVAL

MEETING DATE: THURSDAY, JUNE 2, 2016
6:00 P.M.

MEETING PLACE: JAMES MADISON ROOM (ROOM A) - TOWN CAMPUS

BOARD OF SELECTMEN MEETING MINUTES

6:00 p.m. Special Session

First Selectman Banisch called the Special Session of Thursday, June 2, 2016 to order at 7:01 p.m. Present were First Selectman Banisch, Selectman Goldberg, Selectman Hale, Selectwoman Walker and Selectman Wilson. First Selectman Banisch led the Pledge of Allegiance.

1. Discuss and take action on the purchase of the LeSage Property.

MOVED by Selectman Hale and seconded by Selectman Wilson to **APPROVE** a tabling this item.

VOTE: This motion was approved unanimously.

2. Discuss and take action to approve a Letter of Understanding between the Town of Madison and Siemens for the upgrade of the street-lighting system to LED.

MOVED by Selectman Goldberg and seconded by Selectman Wilson to **APPROVE** a Letter of Understanding between the Town of Madison and Siemens for the upgrade of the street-lighting system to LED.

VOTE: This motion was approved unanimously.

3. Presentation from the Shoreline Arts Alliance.

Eric Dillner, Executive Director of the Shoreline Arts Alliance introduced the presentation of the SAA. He stated that they wanted to give the opportunity for the new Board of Selectmen administration to learn about the intentions of the project; which will be a legacy for the future. He thanked the Board for allowing their presentation. Mr. Dillner stated that in February \$600,000 in scholarships were given out to high school seniors. On this date, the parents and families of the recipients attended a ceremony and before the ceremony, they experienced the Town of Lyme; where the ceremony was held. He noted that this would be the kind of opportunity Madison could expect if ceremonies, etc. were held in Madison. Mr. Dillner noted another example of a ceremony in Branford as well. Mr. Dillner also played a video about the SAA.

Mr. Dillner added that the SAA's "job" is to make art happen and to connect those who want to create and experience art. This is the 35th anniversary year for

the SAA. Mr. Dillner also provided a PowerPoint presentation for those present which gave an overview of the SAA as a hub for the arts, inclusive of all people and all art forms. He also provided an overview of the attractiveness of the Academy School for the SAA's mission; as well as noted how this use would honor the mission of Daniel Hand. Mr. Dillner also provided some ideas of how the building's rooms could be renovated for a multi-use arts center. Mr. Dillner also noted that there was opportunity to partner with private artists and businesses in the area (i.e. a dance studio looking to open a second location). Mr. Dillner summarized the benefits as follows:

1. Cultural Arts "Think Tank"
2. Financial Prosperity – year round
3. Catalyst for jobs
4. Educational spaces
5. Performance spaces
6. Gallery spaces
7. Cultural, Tourism spaces
8. Meeting spaces (un-conference center)
9. A destination
10. Center for healing – Yale, Smilow Cancer Center

The non-profits arts and cultural organizations:

1. Are a \$653 million industry in the state
2. Support 18,314 full-time equivalent jobs
3. Generate \$59.1 million in local and state revenue
4. Spend roughly \$455.5 million annually and leverage an additional \$197.5 million in spending by arts and culture audiences.

Mr. Dillner also provided information regarding studies that the SAA is conducting in conjunction with area organizations (i.e. Middlesex Community College).

Andrew Wood, Board member of the SAA Board of Directors was then introduced and he provided an overview of process to-date in regards to the use and studies of the Academy School building. The reasons for the Town's retention of the building were to preserve the legacy of Daniel Hand, preserve the Town Green and for economic reasons. Mr. Wood noted that the SAA has a Letter of Intent with the Town that promised exclusivity with the SAA for use of the building. He noted that the current Board of Selectmen seems to have been looking into other uses for the building. Mr. Wood also gave an overview of the reasons why alternate uses for the building did not make sense. He noted that the only upside to an alternate use would be the revenues from taxes; but these revenues would be minimal. He also cautioned that the building would continue to deteriorate and this could result in the demolition of the building.

As a summary, Mr. Wood stated that a Cultural Arts Center is a realistic option. He noted that there were many benefits and that there were also historic preservation grants which could be sought to fund the renovation costs. He stated that the Town and the SAA need to act in partnership. Mr. Wood also gave a summary of the terms to move forward.

At the end of the presentation, Kathryn Hunter made the following statement:

Good evening, I am on the board of the SAA and I am the legal advisor. I am making this statement on behalf of the Board of Directors of the SAA. We want to thank you again for allowing us the opportunity to present this evening. Thank you for allowing us to share our vision and our mission with you. While we remain committed to this Cultural Arts Center project and we are very willing to review and provide comments and negotiate a lease for the school; it must be a lease that incorporates the deal terms that are set up in the Letter of Intent. It must be a lease that is tailored to this deal that we have been discussing for over two years now. And it must be a lease that includes contingencies for the Town and the SAA. With all due respect the lease that you have in front of and that you sent to us is a boiler plate lease. It is not tailored to this deal and doesn't include the LOI terms. It also doesn't include the contingencies that the Town requires to bring this to a public vote and to take it through the approvals and permitting process. It doesn't include the contingencies for the SAA to receive the appropriate approvals and permits that it requires to have the time and opportunity to fundraise. So once again, in the normal course what we would do is have a tailored document; one that includes the deal terms set forth in the LOI. And I would, or whoever was representing the SAA would review the lease; would provide a mark-up of the lease to council for the landlord and we would proceed to negotiate it there. At this point, I don't feel that this document allows us to move forward in a meaningful way for the deal terms that we have with the Town. Thank you.

4. Review draft lease between the Town of Madison and the Shoreline Arts Society pertaining to the use of the Academy Street School.

First Selectman Banisch introduced Attorney Brian Lema. Attorney Lema stated that the lease that was presented wasn't necessarily a boiler plate lease, but as more of a format to proceed into the detail of the transaction. The LOI that was referenced was again, also, a blue print. It was a non-binding document that contains a number of areas that were not addressed (i.e. insurance, maintenance, subletting). There were a number of business terms that the parties need to address. He stated that the Town was willing to sit down and discuss with the SAA board the business terms. He stated that there are competing uses for the parking in this area and the Town needs to make sure that parking for all uses are provided for in any lease agreement. These details were not in the LOI. He stated that the parties need to be brought together to present a lease for a Referendum vote. He also stated that the LOI was lacking in many respects and it was unfair to say that this was the entirety of the agreement.

Selectman Wilson questioned statements made by the SAA and asked for clarification as to whether the SAA was unwilling to work with the Town unless the Board was willing to work with the documents already presented.

Ms. Hunter responded that this is not exactly what she said. The lease presented is a boilerplate lease and it doesn't define many basic deal terms that are defined in the LOI. In fact parking is noted in the LOI. She stated that the SAA is poised to move forward. However she didn't want the lease to start from scratch. The SAA

wants the lease agreement to include the points in the LOI. Ms. Hunter further stated that the LOI is well thought out and took months for the last administration to produce. She stated that there are two binding aspects of the LOI. While the LOI is not a lease, it is binding for the Town and the SAA to negotiate a lease. It also contains an express prohibition from the Town negotiating or discussing another use for the building. The parties are supposed to come together in good faith and make the deal happen. She noted that a lot of time had been lost in this process. She stated that SAA would appreciate the Town extending the LOI for even a couple of months so that these lease negotiations could be conducted. Again, the SAA would be more than happy to negotiate a lease that included the terms of the LOI; as well as the contingencies of both parties. She stated that she didn't mean to be disparaging but that this lease is a multi-tenant space lease. It is not designed for a tenant that will take an entire building for use; also this lease prohibits all licensing and subleases for space. She reviewed that there were other terms that were not part of the deal in the LOI. She stated that she would take as much time needed to review a lease document that reflected the deal in the terms of the LOI.

Selectman Wilson asked for further clarification and if it was correct that the SAA is willing to negotiate but was not willing to start with the current lease. Ms. Hunter stated that the lease needed more detail and needed language as to the contingencies from both parties. She noted her understanding that the lease would need a public vote and that the lease should include contingencies for the Town to take the building through a permitting and approval process should the town need to make any renovations for the building to be habitable. And, contingencies for the SAA for any renovations they will need to do and for any fundraising that they will need to do.

5. Set next meeting to review draft lease

First Selectman Banisch stated that he suggested that the SAA meet with him and Attorney Lema offline to work on revising the lease document. He stated that the Board needs to do what is best for the Town; and the SAA agreed.

Selectwoman Walker stated that before moving to executive session; she would open the floor to public comments and at least take a poll of the members of the public who are in favor of the agreement with the SAA.

6. Discuss and take action to authorize a gate for County Road.

First Selectman Banisch stated that approval was needed as a matter of safety as trespassers are starting fires on the property, etc. Selectwoman Walker asked if the water company could install a gate on their portion of the property and the Board discussed the reasons why the gate needed to be installed on Town property. Selectman Wilson confirmed that the Town would have access in the case of emergencies and Selectman Hale confirmed that the cost would be for the water company.

MOVED by Selectman Goldberg and seconded by Selectman Wilson to **APPROVE** authorizing a gate for County Road.

VOTE: This motion was approved unanimously.

Moved by BH / BW. Unanimous.

Public:

Selectman Wilson stated for the public that the meeting did need to wrap up by 7:00 p.m. for the Planning and Zoning Committee to conduct their meeting. He noted that comments would be stopped at that time.

A member of the public stated that he felt the LOI was a document developed between the Town and the SAA and he asked what had changed on the Town's part to make the lease more difficult. He questioned if there was a change in political philosophy or if there was a change in the needs of the Town. First Selectman Banisch responded that the Board has changed

Whatever documents are being exchanged are not mutually exclusive. He also suggested that the information be made available to the public (i.e. the proposed lease agreement) which detailed where the \$15million taxpayer monies would be used.

Selectwoman Walker stated that there has never been any form of an agreement that stated that the taxpayers would be responsible for a \$15million project. She stated that the Board has been trying to incorporate an agreement which leveraged the taxpayers monies and stated that for every \$1 spent by the taxpayers, the SAA would be responsible for \$1. The leverage will probably be greater than \$1/\$1 with the SAA taking on the greater burden. Selectwoman Walker added that the negotiation process currently was at the place where the Town needs to determine what needs to be done for the building to be habitable.

X stated that the problem is that the taxpayers cannot see credibility for any financial responsibility for the SAA. He stated that he would like to be able to read some document that stated that the SAA had cash available, or the ability to fundraise certain amounts.

Adjourn 7:03 p.m.

7. Adjournment to Executive Session

- a. Discuss purchase of the LeSage Property

There being no objections, First Selectman Banisch adjourned the meeting to Executive Session at 7:03 p.m. Invited in was Town Engineer, Mike Ott.

Respectfully submitted,

Lauren Rhines
Executive Assistant