

Newburyport Redevelopment Authority
Police Station Conference Room
October 9, 2018
Minutes

1. Call to Order

Chair Bob Uhlig called a meeting of the Newburyport Redevelopment Authority to order at 7:00 p.m.

2. Roll Call

In attendance were members Leslie Eckholdt, Bob Uhlig, David St. Cyr and Andy Sidford. Also in attendance was Attorney Kathleen O'Donnell.

3. Treasurer's Report

Treasurer's Report

On September 28, the balance in the money market account was \$364,568.28. Leslie Eckholdt moved to approve payments to ESS in the amount of \$5,181.14; to the Waterfront Trust for park maintenance in the amount of \$1,024.13; to Tom and Gretchen Joy for maintenance of the PUP in the amount of \$204; to Gretchen Joy for minute taking for the October 9 meeting in the amount of \$150 and to Mackie Shea for legal services in the amounts of \$3,739.50 and \$4,160.50. David St. Cyr seconded the motion. The motion was unanimously approved.

4. Approval of Minutes

Andy Sidford moved to approve the minutes of the May 23 meeting. David St. Cyr seconded the motion. The motion was unanimously approved. Andy Sidford moved to approve the minutes of the June 20 meeting. David St. Cyr seconded the motion. The motion was unanimously approved. David St. Cyr moved to approve the minutes of the July 18 meeting. Andy Sidford seconded the motion. The motion was unanimously approved. The approval of the minutes of the August 15 and September 11 meetings was tabled.

5. Custom House RFP Review and Evaluation of Proposals

Bob Uhlig gave an overview of the plan to transfer NRA property to other entities. He said the public and the City have encouraged the NRA to expedite the transfer of its land. As a part of its conceptual framework plan, the NRA issued a RFP for the sale of the Custom House and Parcels B, D and E. The property would be conveyed with an easement for access and maintenance to the lawn on Parcel C. The sale would be subject to the existing lease to the Maritime Society and the preservation restriction on the Custom House. The use would be restricted to that of a museum. Andy Sidford reiterated that the disbursal of the land is being done in response to a request from City Council rather than a process the NRA sought to undertake on its own.

The Newburyport Maritime Society submitted the sole response to the RFP for the sale of 25 Water Street. Members of the Maritime Society were asked to make a presentation on the way in which the requirements of the RFP have been addressed.

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Doug Muir, president of the Maritime Society, summarized the key points of the proposal. He said the use of the Custom House as a maritime museum would continue, as would the raising of funds for the museum through the rental of the back lawn. The ownership of the property would allow for two new elements: admission to the museum would be free to all Newburyport residents and an endowment for the preservation of the building would be created. Mr. Muir said the staff has been expanded to take the museum to the next level in terms of growth, program development and financial stability. The Maritime Society has been responsible for installing a new heating system, windows and roof for the building. Future plans include the installation of a climate control system, which would be beneficial in obtaining grants, and improvements to the archival area. He added the Maritime Society is willing to accept the placement of additional safeguards on the deed, including provisions that the building could not be sold, ownership of the building would revert to the NRA or its successor in interest if it ceased to be operated as a maritime museum and the building could not be mortgaged without the approval of the NRA or its successor in interest.

Ken Jackman said the organization has been made better due to the bad times it has experienced and it is ready to take the next step. Ownership of the building is necessary to attract the donors that would allow the museum to reach its goals, such as improving the gallery spaces and installing signage and displays that are consistent across the museum.

The discussion was opened to questions from the RFP review advisory committee and NRA members. Susan Edwards of the Historical Society of Old Newbury asked if the museum operates with a balanced budget. Mr. Jackman responded that the timing of the receipt of grant money resulted in the slight deficit that was experienced in 2017.

Leslie Eckholdt said she would like to know about the sources of the museum's income and the way in which it spends its money. She asked if the maintenance costs for the structure have been projected. Mr. Muir said the Maritime Society would be willing to provide the audited annual profit and loss statements from the past three years, despite this being outside of the scope of the RFP. It is expected that \$250,000 would be spent in each of the next three years on the maintenance of the building. Mr. Jackman added the amount of work that can be achieved is dependent on fundraising. He said on the recent anniversary of the museum some potential large donations were not realized because the Maritime Society does not own the building.

David St. Cyr asked about the number of visitors to the museum from Newburyport. Mr. Jackman responded that because attendance increases during the tourism season, it is estimated that 80% of the visitors are from out of town. The free admission would enhance school group attendance and would prompt residents to visit the museum with out-of-town guests.

Bob Uhlig read questions submitted by Ron Thurlow, the Harbor Commission representative to the advisory committee, who was not able to attend the meeting. The questions, which involved mitigation for hazardous materials, liability and sale of the property, were answered by Messrs. Muir and Jackman.

Bob Uhlig said the proposer has met at least two of the eight criteria of the RFP – the price proposal and the acceptance of the property “as is.” He asked the members of the advisory committee if they believe the proposer has met the remaining six criteria.

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These are: success in managing a not-for-profit arts association; use of the property in accordance with the existing lease and preservation restriction and in conformity with the urban renewal plan; sufficient financial resources to operate the building; the conveyance of benefits to the NRA and the city through the sale; experience in developing and operating museums or similar cultural, artistic or educational resources; and submittal of all required documents.

Leslie Eckholdt said the financial information received is not sufficient to take action on the proposal. A second review meeting was scheduled for Monday, October 15 to allow the proposer to submit the audited annual profit and loss statements from the past three years.

Leslie Eckholdt also said she would like the committee to consider conveying the property to a trust. She believes this would result in an additional layer of protection beyond that which would be provided for in the deed. The Maritime Society could be the trustee. She said the NRA is not required to accept the proposal that was submitted. She said the RFP could be withdrawn and a different one could be issued after a different form of ownership has been explored. Kathleen O'Donnell responded that this would add a layer of complexity but would not necessarily provide more protection and a trust could have chosen to respond to the RFP but did not. Bob Uhlig added the NRA voted to issue the RFP as the preferred the way of disposing of the property.

The meeting was opened to comments from the public. Mayor Holaday said she has questions about the way in which the operating budget is funded. This information will be provided by the proposer for the October 15 meeting. She questioned if the ownership of the building is necessary for the establishment of an endowment, which it is not. She also asked if a response has been received from the Massachusetts Attorney General on the documentation that was sent. Kathleen O'Donnell has a call scheduled for October 12.

Mark Guay said a public/private partnership between the City and the Maritime Society should be developed and a legal plan should be required in addition to a financial plan. Ken Jackman said a legal plan was not requested in the RFP. Mr. Guay responded the RFP is therefore defective. Jim McCarthy added the RFP could be open to challenge if a legal plan were not submitted and he would not want to see the museum put in that position. Mr. Muir responded that the Maritime Society would work cooperatively with the NRA to develop protection for the property that are satisfactory to all three involved parties.

Bill Harris said he is pleased the Maritime Society has agreed to the placement of additional safeguards for the protection of the property and would like these to be made available in writing to the public and City Council. He said he is in favor of the building being owned by the Maritime Society. He recommended the use be restricted to that of a maritime museum rather than simply a museum or cultural center. He also suggested a one year-right of reverted be added in place of an automatic reverter to the City. Kathleen O'Donnell said she would incorporate the comments of Mr. Harris into a draft deed, which should address most of the concerns that City Councilors have expressed.

6. Recycling and Dumpster Enclosure

David St. Cyr said he again met with abutters about the design of the dumpster enclosure. He outlined two options for the access road. The first of these would be to reduce the width of the road by four feet to make it look more like a residential driveway. This option, which would be the more expensive of the two and would take additional time, would allow for the placement of four trees along the roadway. He said because the season in which the work could be done is coming to a close, the second option would be a good compromise. This option would be to locate the road four feet closer to the water to make room for four trees. The contractor will be asked to stake the location of the proposed roadway. Andy Sidford commented that lower planting materials should be installed near the dumpster instead of the trees so that the view of the park would not be blocked in the future. It was also recommended that colored concrete be used to minimize the contrast with the asphalt.

7. Ferry Wharf Way

Leslie Eckholdt said she spoke with Tony Funari and Wayne Amaral about rectifying the changes made to Ferry Wharf Way. She asked that the NRA contribute \$5,000 to the cost of the brick. The members would like brick to be installed across the entire way, while the DPS is willing to brick only half of the area.

8. Adjournment

David St. Cyr moved to adjourn the meeting at 8:57 p.m. Andy Sidford seconded the motion. The motion was unanimously approved.