

6.10.2020

Purchase of 8 and 12 No. Main Street for Town Purposes

Q1: Why does the Town want to own these 2 parcels?

A: These purchases help us achieve our previously stated goals.

Goal 1: Based upon resident input from the 2004 Comprehensive Plan and the 2019 Comprehensive Plan Update, a main goal of the Town is to revitalize the hamlet, our Town's walkable business center. That means, among other things, creating an environment that will encourage people to open more businesses and services in the hamlet, as well as making the hamlet a more vital and enjoyable place for Town residents to do business.

- Strategy: Obtaining 2 centrally located, contiguous hamlet properties that have fallen into disrepair, and finding a better use for them helps us achieve that goal.

Goal 2: Based upon the Comprehensive Plan, a related, but separate, main goal of the Town is to return Town Hall to a location inside the hamlet. People want their Town Boards, Town Supervisor, Building Inspector Assessors, Town Clerk, Polling Place and Police centrally located in the hamlet, as opposed to a mile out of Town.

- Strategy: Obtaining these 2 properties for a new Town Hall helps us achieve that goal. A new Town Hall will also add much-needed room, as the current structure is insufficient for Town needs, even as augmented by the use of an on-site trailer, as well as poorly constructed so as to be very costly to maintain.

Goal 3: Based upon the Comprehensive Plan, another important goal of the Town is to invest wisely in our infrastructure.

- Strategy: The 2 parcels will provide ample room for not only a new Town Hall, but also some additional parking spaces which we believe will (A) serve the goal of attracting new businesses to the hamlet and (B) better serve existing businesses that are currently being redeveloped (e.g., The Old Library redevelopment, The

Stissing Center project, the renovation of 2990 Church Street, and others.)

Goal 4: Another goal that came out of the 2019 Comprehensive Plan Update is to encourage better communication between government and citizens. Without a local newspaper, we all must rely on in-person meetings (when possible), as well as social media and websites. However, the internet is not reliable in many parts of the Town, and some residents don't have internet access at all. Returning Town Hall to the hamlet enhances resident access to Town board meetings as well as elected officials, police and the court.

Q2: Why now?

A: The opportunity arose. The property at 8 North Main Street came up for sale in 2018 and the Town purchased it in August of 2019. The property at 12 North Main Street came up for sale in October of 2019. Since number 12 North Main is right next door to Number 8 and both are immediately next to an existing parking lot and the historical Graham-Brush House, as well as a mere 50 feet from the hamlet's main intersection, the Town Board recognized this rare opportunity and began purchase negotiations.

Q3: Is the purchase of 12 North Main a fair deal? Isn't it owned by a related party?

A: Yes, it is a very fair deal. The Town negotiated the final purchase price of 12 North Main at 50% less than asking price. Moreover, the Town negotiated an extremely low interest rate (2%) from a local bank in order to help pay for removal of the existing structure. The low interest rate means that the bank has great confidence in Pine Plains, its goals, and its strategies to achieve those goals.

Number 12 North Main is currently owned by a relative of our Town Attorney. In order to safeguard the Town's interest, the Town is represented in this purchase by Gary Murphy, Esq. instead of by the Town Attorney. In addition, the fact that we are buying it at half its listed price (and for less than we paid for 8 North Main), and the fact that a reputable bank gave us such a low interest rate, indicate that this is a very good deal for the Town.

Q4: Isn't there a better purpose for these 2 buildings? What about affordable housing?

A: It is too costly to renovate either 8 N. Main or 12 N. Main. The costs are prohibitive. In addition, affordable housing projects are being proposed at other sites that offer more capacity.

Q5: When was the Town informed of all of this?

A: This is a 2-part answer, because the Board works to set forth both the Town goals and then of the individual strategies we employ to achieve those goals. First, the Town was informed of the goals above as early as 2004 when the earlier Comprehensive Plan was published and again in 2019 at the Update. Since then, the Town Board has continually worked to achieve these goals through a variety of strategic measures. For example, in furtherance of our goals the Town Board has worked to:

- improve communication (weekly newsletter, improved website)
- improve drainage on N. Main
- investigate the possibility of a central septic system in the business zone of the hamlet with grant money we obtained from the State and County
- obtain grant money to conduct the Comprehensive Plan Update
- protect our fund balance
- find a new revenue stream (through an interest-bearing SWEEP account)
- renovate the Town park (in progress) and
- begin renovations on the Highway garage.

Second, when the Board determines to take a particular strategic action to further the Town's goals, the Board does this at its regular monthly meetings. For example, our hopes to purchase both 8 and 12 North Main were discussed at Board meetings in 2018, 2019, and 2020. Each of those meetings was filmed live and made available to Town residents, as is our usual practice. The specific offer and price discussions, however, were held in executive session (not filmed) in order to keep our bargaining position private from the seller (as any buyer would do). Specific details of the 12 North Main sale were then discussed publicly on April 13 and April 16, 2020. The 5 member Town Board voted unanimously in support of each purchase.

Q6: How would we pay for the eventual construction of a new Town Hall?

A: If the community determines to build a new Town Hall through a referendum process, the Board intends to apply for grants to fund as much of the construction as possible. Additional funds could also come from a sale or rental of the current Town Hall space, (appraised in 2020 at approximately \$350,000) as well as community donations.

Q7: Shouldn't there have been a special Town meeting of residents to discuss these purchases?

A: The Town Board is charged with carrying out the business of the Town on behalf of the Town residents in compliance with Federal, State and local law. That's our job. We meet as a Board regularly, consult with experts when we need to, and use our best judgment to work to achieve the Town's goals. The Town Board regularly does business without calling for a meeting of residents. In addition to the initiatives in Q5 above, examples of matters that the Town Board manages in its ordinary course of business without special resident meetings include:

- managing an annual budget of approximately \$1.8 million dollars (2020) (Town/Highway/Lighting/Water)
- determining the hiring needs of the Town
- setting salaries and benefits for Town employees
- acquiring useful assets
- selling obsolete or unusable assets
- investing Town funds
- defending the Town in lawsuits
- maintaining and improving the Library, Community Center, recreation fields, beach, parks and cemeteries
- enforcing Town ordinances and
- maintaining a local police force to enhance resident safety while reducing the costs of using County law enforcement.

Q8: Is it true that the Board rejected a request to vote on the 2 purchases?

A: Since the purchase of 12 North Main includes financing, that purchase was subject to a "permissive referendum" under New York law. In short, that means that the Board resolution was not effective for 30 days, which gave the Town residents time to ask (if they wanted to) that the matter be put to a general vote by the electorate. The process of a referendum on a Board resolution would be

extremely expensive for the Town and its residents. As of the deadline, no proper petition was submitted to the Town Clerk requesting a referendum.

The Town Clerk did receive one document purporting to be a petition that appeared on its face to be noncompliant with law in several material ways. Given the extreme expense of a referendum, and mindful that the Board cannot – by law – entertain petitions that do not comply with law, the Board submitted the document to a court for a decisive ruling. The court quickly determined that the document received by the Town Clerk was inadequate on face, invalid as a petition, in violation of the requirements of law, null, void and of no force and effect, even in the face of a pandemic.

Moreover, if the Board had accepted the flawed document, and run an expensive referendum, we would have exposed the Town to the certainty of costly lawsuits by other Town residents who do not want the expense of a referendum. Court papers would rightly argue that the Board has no right to conduct a referendum on a legally flawed petition and counsel has advised that the Town would likely lose any such lawsuit.

Accordingly, the purchases of the properties in question were conducted by the Board in good faith, in full compliance with all applicable laws and regulations, all with an eye towards achieving the Town's stated goals.

Disclaimer

The information set forth herein is based upon information available to us as of the date first above written, is summary in nature, and therefore does not purport to be complete. We assume no obligation to update or otherwise revise such information.