

Updated Timeline of Events and Communications Pertaining to the Sale of Land and Buildings at 22, 26 and 30 Ship Street Circle in Thomaston

August 10, 2011

April 2010

- 4/13/10 - Jennifer Merrow, BGS, sends List of Properties and Legislative Resolves authorizing their sale to Bill Leet, Director of Leased Space, DAFS, noting that sale of these properties would benefit the General Fund pursuant to Part FF.
 - Legislative Resolve 1999 Chapter 114 authorized sale of this property. Section 6 regarding purchase price resolves *"That the commissioner shall have the current market value of the state property determined by an independent appraiser. The commissioner may list the property for sale or lease with private real estate brokers at its appraised value and negotiate sales or leases, solicit bids, sell directly to purchasers or enter directly into leases with tenants. The commissioner may reject any offers. The commissioner shall establish the rent or purchase price and the terms of lease or sale. If the commissioner elects to solicit bids, the commissioner shall publish notices of sale sufficient to advertise the property."* The repeal date on this resolve was originally August 11, 2005 and was extended via subsequent resolves in 2005 and 2010 to August 11, 2015.

June 2010

- 7/28/10 to 7/30/10 – BGS ran a Legal Notice announcing the opportunity to bid on an RFP for "Real Estate Planning, Management and Sales Services" in the Kennebec Journal for three consecutive days as required by State procurement rules for competitive bidding. The RFP was posted on a State website that was referenced in the Legal Notice. The comprehensive RFP stated the principal desired outcome was "to accomplish the sale of a sufficient amount of designated state property to generate net revenue to the seller of \$1.5 million by June 30, 2011." There were 10 properties listed in the RFP to be sold including the property on Ship Street Circle in Thomaston. The RFP gives the most recent appraised value for that property as \$430,000 but does not indicate when that appraisal was done.

August 2010

- 8/5/10 – The due date for interested bidders to submit proposals in response to the advertised RFP for Real Estate Planning, Management and Sales Services. CBRE/The Boulos Company was the only bidder to submit a proposal. The Boulos proposal included a fairly detailed description of its Approach and Plan which included public marketing of the properties.
- 8/27/10 - J. Merrow sends May, 2006 Independent Appraisal by Amidon Appraisal Company and January, 2009 CBRE/The Boulos Company Opinion of Value and Disposition Strategy to Boulos Company, cc'd to Bill Leet.
 - 2006 Appraised Value \$430,000
 - Town Assessed Value \$512,263
 - 2009 Boulos Opinion of Value \$220,471
 - Amidon's appraisal notes that it has valued the property under "extraordinary assumptions" as defined by the Uniform Standards of Professional Appraisal Practice. The extraordinary assumption being that the Ship Circle property can be subdivided into a minimum of three residential lots. Boulos' Opinion of Value report notes that the property must be subdivided in order to sell houses individually. The Appraisal and the Opinion of Value have differing acreage for this property at 5.03 and 4.16 respectively. It is also unclear whether the Opinion of Value was based on the same assumptions as the Appraisal.

September 2010

- 9/2/10 - Denise Lord, Deputy Commissioner Department of Corrections, email to Chip Gavin, Director Bureau of General Services, informing him that she has let the Commissioner and Warden Barnhart know of the pending sale of the Ship Street Circle properties. She writes *"The warden asked if there was possibility that she might purchase the house she is living in currently.....Is it possible that BGS would consider this? Not sure if there are any prohibitions or concerns about this and will respect your decision."* The Deputy Commissioner also raises a concern regarding the loss of temporary housing for newly hired staff.
- 9/7/10 – Chip Gavin email to Chris Paszyc, Boulos Co. informing him of potential buyer for one of Ship Circle Street residential properties and asking if selling to current occupant at appraised fair market value is a reasonable approach in current market.
- 9/7/10 – Chris Paszyc responds it is reasonable and encourages pursuing any and all buyers in this market.
- 9/29/10 Contract between DAFS and CBRE/The Boulos Company, to market and sell a number of State owned properties including Ship Street Circle parcel in Thomaston, is approved by Bill Leet, Director of Leased Space, and Betty Lamoreau, Chair of the State Purchases Review Committee. Sale price in the contract for Ship Street Circle properties is listed as \$300,000. Contract includes detailed advertising and marketing plan including appropriate public notifications. Rider B of the contract shows the total agreement amount on the contract as \$253,170 with a defined commission and fee structure for actual Boulos billings set out in Rider C.

October – November 2010

- Emails between Jon Leahy and Chris Paszyc at Boulos and Warden Barnhart sharing town assessor records, tax map, and comparable sales indicate parties are exploring the Warden's interest in the property and she is assessing her financial situation. DOC Deputy Commissioner Lord is cc: on the initial email from Boulos to Warden Barnhart.

December 2010

- 12/8/10 – Warden Barnhart email to Jon Leahy, Boulos, justifying purchase price she offered for the Ship Street properties. Key points are that properties on Main Street sold for approximately 39% of the appraised value given in the 2006 Amidon appraisal report, current condition of Ship Street Circle properties, and proximity of power station, active train tracks and hobo camp down by the river.
- 12/8/10 – Jon Leahy email to Bill Leet and Chip Gavin notifying them of Warden Barnhart's \$150,000 offer with her rationale.
- 12/13/10 – J. Leahy email suggests counter offers to C. Gavin and B. Leet with and without DOC leasing for \$1/year one building for three years. Recommended counter offer with lease is \$200,000 and without is \$275,000.
- 12/17/10 – Emails between Jon Leahy and Chip Gavin indicate Warden has countered at \$175,000 with three year lease of \$1/year for building DOC is currently in and Chip is going to pass that on for consideration.
- 12/28/10 – Email from DAFS Commissioner Ellen Schneiter to Sawin Millett with cc: to Chip Gavin. She is advising Sawin that there is an issue regarding an offer made on three properties they have been trying to sell in Thomaston. Email says there is a potential buyer (but does not say who), but that there are special circumstances involved that she wants to be sure he understands. She indicates DAFS can move forward with the sale quickly if the sale is "given the green light" and that she has asked C. Gavin to contact him regarding the matter.

- 12/29/10 – Emails between C. Gavin and J. Leahy. C. Gavin is requesting Boulos opinion of value for the Ship Street properties and sales information on Thomaston Main Street properties. Leahy provides the Boulos 2009 opinion of value of \$220,471 for Ship Street and adds information on Main Street buildings having sold for 41% of 2006 appraised value after being on the market for 9 months. He also provides Thomaston's current assessed value of Ship Street Circle properties of \$504,659.
- 12/29/10 – Evening emails between C. Gavin and E. Schneider indicate C. Gavin has set a meeting with S. Millett for 8:30 am the next morning.

January 2011

- 1/6/11 – Emails between J. Leahy and Warden Barnhart indicating State has counter-offered at \$175,000 with a 4 year lease to DOC for \$1/yr.
- 1/18/11 – Email from J. Leahy to C. Gavin and Jane Surran Pyne indicating Warden has agreed to counter-offer and requesting J. Pyne assistance in drafting the Purchase and Sale Agreement with the leaseback language included.
- 1/18/11 – B. Leet asks C. Paszyc where negotiations are with Ship Street Circle property as he has spoken with Bill Bird of Thomaston who is interested in purchasing. As negotiations are close to being finalized, B. Leet had referred Mr. Bird to C. Paszyc.
- 1/19/11 – J. Leahy informs C. Gavin, B. Leet and C. Paszyc that he had spoken with B. Bird. Mr. Bird heard about property selling at Thomaston Town Hall. He was told they were in basic agreement with a prospective buyer and he accepted that response.

January – March 2011

Negotiations continue for purchase and lease back of one building to DOC. Final purchase price of \$175,000 with the Warden leasing back to DOC 30 Ship Street Circle for four years at \$1/year, snow removal, trash removal and landscape maintenance for entire parcel to be responsibility of DOC. Lease agreement prepared by Jane Surran Pyne, Esq. for State. Of note:

- 1/31/11 – Email from J. Leahy to B. Leet with cc: to C. Gavin and J. Pyne forwarding several comments and questions from Warden on proposed transaction. Within this list, he says the Warden would like to continue having the State handle the lawn/plowing/trash for the properties. It is noted that these activities are currently handled by a prisoner work program. The stated question is, "Is it possible for this to continue?"
- 2/3/11 – J. Leahy checks in with C. Gavin on responses to Warden's comments and questions. C. Gavin informs him that this matter and all sales transactions are now in B. Leet's hands.
- 3/9/11 – B. Leet informs J. Leahy that Corrections and BGS are OK with revised contract, he has been trying to get answer from AG's office on whether it is appropriate and legal for Corrections to continue providing snow and trash removal and landscape maintenance on all properties.
- 3/14/11 – Betty Lamoreau is copied on email from B. Leet to J. Pyne requesting a few minor changes to the Purchase and Sale Agreement including to make it clear that Corrections will provide landscape maintenance, snow removal and trash removal for all properties "in exchange" for a lease rate of \$1 annually.
- 3/29/11 – Purchase & Sale Agreement signed by Betty Lamoreau, Acting Director BGS.

April 2011

- 4/4/11 – J. Pyne informs J. Leahy, cc's to B. Lamoreau, B. Leet, and J. Merrow at BGS and C. Paszyc at Boulos that B. Lamoreau has signed P&S.
- 4/4/11 – Warden Barnhart signs P&S.

May - June 2011

- Final release deed, lease agreement and lease memorandum prepared.
- 6/9/11 – Closing. State receives check in the amount of \$163,994.41.
- 6/24/11 – Lease amended to ensure it remains in effect even if a portion or entire property is transferred or sold, but provision for DOC to provide ground maintenance would become null and void.
- 6/30/11 – Summary of sale process from C. Paszyc to B. Leet. He says the asking price had it gone to market would have been \$221,000, but this was before they found out DOC had to stay and had no money to pay a lease. Also states that assessed values bear no relation to actual market value and this is typical of government owned property on municipal tax rolls. Attached summary from J. Leahy states that leasing back to DOC would have made property difficult to sell. Warden Barnhart was willing to lease back and it took some time to work through detailed lease back negotiation.
- 6/30/11 – Initial news story on sale and Warden Barnhart's 7 unit subdivision proposal to the Town of Thomaston.