

**MONTAGUE ECONOMIC DEVELOPMENT
AND INDUSTRIAL CORPORATION
TOWN HALL
1 AVENUE A
TURNERS FALLS, MA 01376**

MEETING MINUTES

Wednesday September 21, 2022 at 4:00PM
Montague Town Hall
One Avenue A Turners Falls, MA 01376

Present: James Mussoni, Richard Ruth, John Furbish, Rob Steinberg
Staff: Walter Ramsey

Meeting declared open at 4:00PM by Richard Ruth, presiding

Approval of Minutes: *Motion by EI to approval the minutes of 7/27/2022. Seconded by JF. Motion approved unanimously.*

38 Avenue A Disposition: Review of offer to purchase from Leah Daniels

Walter R: Offer was withdrawn. It is longer on the table. Agent has also asked to part ways with the MEDIC regarding the real estate agreement. Walter recommended that this is the best strategy at this point. It became clear that an RFP process is more appropriate given the number of constraints and aspirations that the MEDIC has for this property. The property was listed for 39 days and received 4 inquiries. While the EDIC is seeking a mixed-use developer, the only interest is from businesses without that expertise or vision. The EDIC has a vision that is not supported by the market.

The formal offer was for cannabis retail on first floor with housing above it, however there were significant gaps in information about how feasible that proposal would be.

The EDIC concurred that the abandoning the real estate agreement at this time is the wise approach.

Rob S: TF commercial rents don't support new construction. There is very limited new commercial construction in the area. If we look at new retail construction, it is mostly franchise strip developments. The economics of the best use don't work. An RFP would need to remove the big questions about the site and the EDIC should consider a "mothball" strategy.

He presented the following slides that he developed:

33 Avenue A Presentation 3 / 5 50% Rob Steenberg

The Appraisal

- The economics of the proposed "best use" don't work (simplified)
- At 2,200 ft. with building costs at \$400 sq. ft., = \$880,000 cost
- Rent at \$15 = \$660,000 over 20 years
- Net loss even before taxes, interest and operating expenses
- Rent would have to be greater than \$45 sq. ft. (estimated)
- \$30 ft. to cover principal and interest over 20 years @ 6.5%

33 Avenue A Presentation 4 / 5 50% Rob Steenberg

Addressing the Market

- We need to know occupancy % on Avenue "A"
 - Is the demand there for more retail? (We've seen the housing shortage)
- The most likely ground floor target may still be medical - urgent care
 - No facility in TF - Nearest is Greenfield and Amherst
- Apartments would overlook the dam and Falls - a plus?
 - Appraisal mentions upscale rentals @ > \$1,500 month
- Is 4 apartment units the appropriate number?



33 Avenue A Presentation 5 / 5 50% Rob Steenberg

A New Option?

- Should we consider a taller gateway building with more units?
 - Better economics
 - Might get us a better building
 - Local resident input?
 - Would Zoning cooperate?
 - Important for RFP to eliminate uncertainties

Discussion:

An RFP would need to be developed and be specific about what the EDIC will accept. There needs to be discussion about whether to demolish the structure or not. It was acknowledged that we are heading into a bad climate for construction and development.

WR suggests an RFP first before seeking town funds for demo (ballpark cost \$50K)

Mussoni proposes a feasibility study of a cultural and heritage center. He would like to advance a request to town meeting and or seek grant funding. The Board has mixed feeling on the subject. Ruth suggests finding a funding partner before starting a study. DCR could be a potential partner.

No decisions were made, Discussion to continue at next meeting, where there will hopefully be more members present.

Preview of 10/27 Canal District Planning workshop

The third and final workshop is coming up. This will present the visualization of the master plan. The master plan definitively calls for demolishing the Strathmore Complex and converting it to passive recreation/ open space. Building 11 is recommended for adaptive re-use. Griswold is proposed for multi-family housing.

Topics not anticipated within 48 hour posting requirement: None

5:25 Motion to adjourn by JF. Seconded by JM. Motion passed unanimously.