

# KNOX COUNTY COMMISSION

**Special Meeting**

**Thursday – January 5, 2012 - 8:30 a.m.**

A special meeting of the Knox County Commission was held on Thursday, January 5, 2012, at 8:30 a.m., at the county courthouse, 62 Union Street, Rockland, Maine.

Commission members present were: Carol L. Maines, Commissioner District #1, Richard L. Parent, Jr., Commissioner District #2, and Roger A. Moody, Commissioner District #3.

County staff present included: County Administrator Andrew L. Hart, Administrative Assistant Candice Richards, and Communications Director Linwood Lothrop.

Others in attendance: Steve Betts from the *Herald Gazette*.

## **Special Meeting – Agenda** **Thursday – January 5, 2012 – 8:30 a.m.**

- I. 8:30 Meeting Called To Order**
- II. 8:31 Action Items**
  - 1. Discuss and Vote on 301 Park Street Short Term Lease and Authorize the County Administrator to Negotiate Terms of the Lease.
- III. Adjourn**

### **I. Meeting Called to Order**

Commission Chair Roger Moody called the special meeting of the Knox County Commission to order at 8:30 a.m.

### **II. Action Items**

#### **1. Discuss and Vote on 301 Park Street Short Term Lease and Authorize the County Administrator to Negotiate Terms of the Lease.**

Administrator Andrew Hart stated that at the last Commission meeting, it was discussed having Martin Cates talk to Richard Anderson about leasing the property. Mr. Anderson would pay for the heat, light, utilities, plowing, and anything else related to occupying the building if he continues to stay there. At this point there hasn't been any discussion of anything beyond that. This Commission meeting was scheduled because Administrator Hart needed an answer from the Commission no later than tomorrow regarding whether or not they wished to lease the building to Mr. Anderson. If the Commission approves leasing it, Administrator Hart will start negotiating. Mr. Anderson's lawyer will draft the lease and have County attorney Peter Marchesi review it.

Martin Cates said that some details would be taken care of at the closing. Tenant-style insurance, heat, etc. has to be agreed upon at closing regardless of where the Commission decides to go from there. The County would need to take on landlord-style insurance since it's not occupying the building yet. Currently, Mr. Anderson has not offered to pay rent or to reimburse the County for the insurance, though this could be requested in the lease. The square footage is about 8,100 and it had previously been discussed having the rent (if he is charged rent) be per square footage at a median rate, keeping in mind that he's paying the utilities, etc. and he would need to make sure that the County still has access to the building for planning, design and construction phases. Most leases call for 24-hour notice for the landlord to enter the property.

When asked if there needed to be a provision in the lease in case Mr. Anderson needed to stay in the building beyond May, Mr. Cates responded that this was something the County would need to look at

while doing the project planning. Ultimately, Mr. Anderson knows he has to be out of the building and he needs to decide where he's going to go. He's known since November he will need to get out and we're days away from the closing. If he's allowed to stay he carries the cost of the building. The County isn't paying full insurance for the building or the heat, plowing, general maintenance, etc. It might be a different story if this was summer but with frigid temperatures in the winter, it could add up to be a lot of extra expenses for the County to pay if no one was leasing the building and paying some of the expenses. Mr. Anderson's proposal is to pay the carry costs so the County is paying essentially nothing except the landlord insurance.

There was a brief discussion of what kind of damage to the building the tenant or the County would be responsible for. If something goes wrong in the building, like a freeze up and tiles are destroyed, etc., and it's due to the tenant's neglect, the repairs would be the tenant's responsibility. Even if it's not due to neglect but is result of nature, in most commercial leases, it would still be the tenant's responsibility. If the building were to burn to the ground, insurance covers both the County and the tenant. The County is not responsible for providing the tenant with space if the building were suddenly gone. Commissioner Moody suggested that language regarding this should that be put into the lease to avoid that issue if such an event were to happen.

Administrator Hart commented that the County will incur expenses if the building is unoccupied, along with possibly unanticipated costs, so it's a savings for the County if Mr. Anderson is allowed to lease the building. He did not feel that the County should be out to make money from this, in part because it is already an advantage for the County to have the building occupied. If Mr. Anderson moved out then the County would be incurring expenses that it wouldn't have had to pay if Mr. Anderson had stayed, so it's essentially a wash if he does stay. If the County asks him to pay something, he may decide to leave. He added that the County is a long way away from starting doing anything with the building so it would be best to let Mr. Anderson stay in the building for a while.

Commissioner Maines stated that the commissioners are stewards of the taxpayers' money and should maximize it. She felt that Mr. Anderson should have to pay something to lease the building.

It was commented that it was about \$2,800 for monthly costs to maintain the building. Commissioner Maines felt that the County should get at least \$1,000 a month on top of that for rent.

- A motion was made by Commissioner Carol Maines to for the five months involved, on top of the agreement for the tenant to stay that we get at least \$1,000 a month for those five months and authorize the county administrator to negotiate terms of the lease. The motion was seconded by Commissioner Richard Parent.

Commissioner Parent stated that if Mr. Anderson doesn't agree to the \$1,000 a month, it's going to cost the County \$2,800 a month to maintain the building. Commissioner Moody said that he could see both arguments as having merit. He liked the County not having to pay some of the costs if Mr. Anderson stays in the building, but on the other hand, if Mr. Anderson moved out he would have to pay rent somewhere in addition to his out-costs, so he wanted Administrator Hart to be given a little flexibility around that so he can negotiate the possibility of rent. He added that he would rather not set a fixed amount at this time. Commissioner Parent said that he agreed and would like to give the administrator authority to move forward and if he can get some rent, fine, but he don't want to end up with no tenant just because the County was trying to get some rent. The County is not a business that should be trying to make money.

- A vote was taken with 1 in favor (Commissioner Maines) and two opposed (Commissioners Parent and Moody.) The motion therefore failed.
- Commissioner Richard Parent motioned to authorize the county administrator to negotiate the terms of the lease with the present owner of 301 Park Street, to May 1, 2012, with the provisions

that the current owner's legal representative draft the lease which will then be reviewed by the County's legal counsel and that a lease payment will be negotiated. The Commission may meet in executive session at a later date if the commissioners need to make a decision. Commissioner Roger Moody seconded the motion. A vote was taken with all in favor.

### **III. Adjourn**

- A motion was made by Commissioner Richard Parent to adjourn the meeting. The motion was seconded by Commissioner Carol Maines. A vote was taken with all in favor.

The meeting adjourned at 9:06 a.m.

Respectfully submitted,

Candice Richards  
Administrative Assistant

**The Knox County Commission approved these minutes at their regular meeting held on February 14, 2012.**