

# TOWN OF MADISON

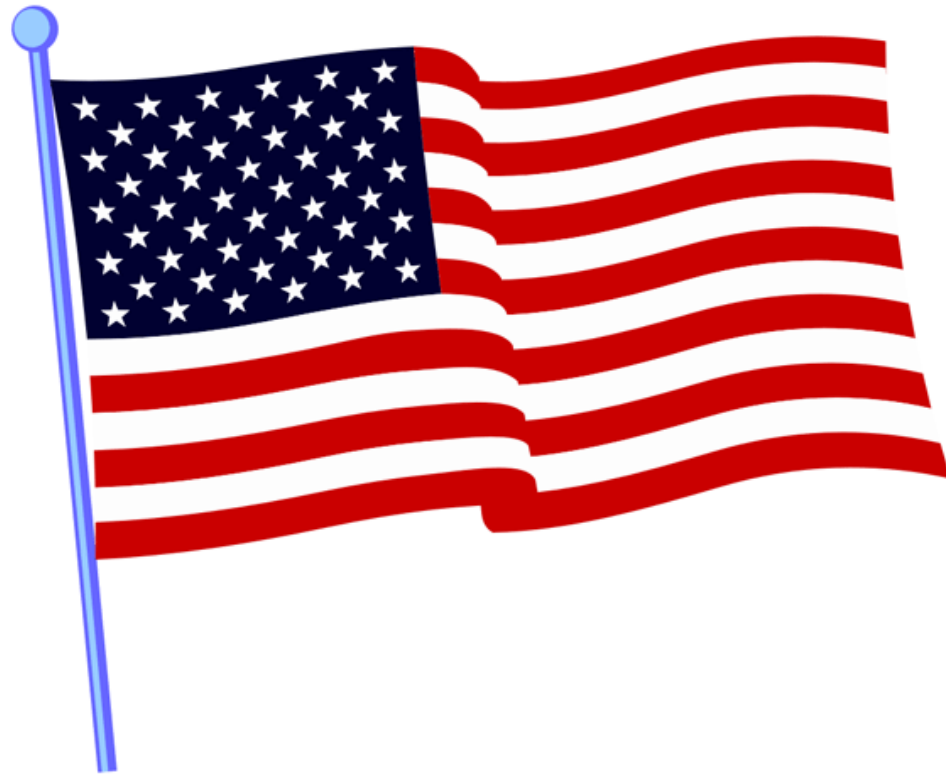
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**Special Meeting – January 11, 2022**

**Board of Selectmen**

# Pledge of Allegiance



# Agenda

1. Pledge of Allegiance.
2. Citizen comments.
3. Review February 1, 2022 Special Town Meeting and February 15, 2022 Referendum process including the “quiet period”.
4. Discuss and take action to approve a Purchase and Sale Agreement between the Town of Madison and OLM Prep Real Estate Holdings, LLC for the purchase of the Island Avenue School.
5. Discuss and take action to approve a Resolution to call a Special Town Meeting and Referendum vote with respect to the Bond Resolutions for the Academy and the School Projects, as well as the potential sale of the Island Avenue property; and to Approve the warning of a Special town Meeting to be held on Tuesday, February 1, 2022 and a Referendum vote to be held on Tuesday, February 15, 2022
6. Citizens comments.
7. Adjournment.

# IAS Sale Timeline

- **September 2017:** BOE votes to close IAS as part of redistricting plan
- **June 2019:** BOE vacates IAS. Town signs a Lease Agreement with OLM Prep
- **January 2020:** BOS establishes Ad Hoc IAS Future Use Committee
- **January 2021:** IAS Future Use Committee provides final recommendation to BOS to launch RFP process
- **March 2021:** BOS awards Colliers advisory role to manage RFP Process
- **May 2021:** RFP Launched
- **June 2021:** Three RFP responses received (2 from real estate developers)
  - *OLM Prep (\$2.3 million); Beacon (70 units, \$250K), Newport Realty (22 units, \$300K)*
- **July 2021:** RFP Responses reviewed by BOS. BOS recommends OLM Prep proposal to move forward to a Public Hearing, P&Z (8-24) and BOF Review
- **August 2021:** BOS holds Public Hearing. BOS approves recommended proposal and authorizes the FS to initiate a purchase and sale agreement process
- **September 2021:** BOF and P&Z (8-24) review recommended proposal. Town initiates discussions with OLM Prep regarding transaction terms and conditions
- **December 2021:** Town provides draft P&S Agreement to OLM Prep
- **Today:** Town reaches an agreement on a P&S Agreement subject to approvals

# IAS Sale Highlights - Economics

- **Full Market Value for the property at \$2.3 million**
  - In excess of other offers received through competitive RFP process
  - In excess of the Town's independent appraisal completed in March 2021 which appraised the property at approximately \$2 million
  - Provides \$2.3 million to invest in remaining schools, a commitment made to the Town when IAS was closed
- **Guaranteed tax payment stream**
  - 8-year tax agreement based on value in excess of the purchase price
  - Estimated \$50K in annual taxes that changes with the mill rate
  - Property has been tax exempt since acquired by Town in late 1940s
- **One year lease extension for OLMP at a reduced rent of \$320,000 if voters reject proposal at referendum**
- **Relieves the Town of any facility maintenance costs, capital improvements to the building, or future liabilities related to the property**
- **Town remains obligated under state statute to provide annual transportation & nursing services to all Madison private schools (OLMP cost est. at \$125K)**

# IAS Sale Highlights - Other

- **A right of first refusal (ROFR) for the Town of up to 5 years**
  - If the owner chooses to sell the property and receives a bona fide offer, the Town can match that offer
- **Agreement satisfies the existing ROFR of the Heirs**
  - Aligns with written notice received by the heirs of their desire the property remains a school
- **Retains existing deed restrictions for property**
  - Restricts commercial/industrial use. Existing zoning regulations also limit residential development options
- **OLMP remains in Madison as a part of our community**
  - OLMP has paid the Town over \$1 million in lease payments. They have declared this unsustainable and would find a new home
- **Aligns with the recommendations of the Ad Hoc Island Avenue Committee**
- **Maintains the status quo for the surrounding neighborhood**
- **Offers economic benefits to area businesses**
- **Avoids another vacant building at the heart of our town while determining another solution**