

WISCASSET BOARD OF SELECTMEN,
BOARD OF ASSESSORS AND OVERSEERS OF THE POOR
January 31, 2012

(tape recorded meeting)

Present: Chair Judy Colby, Bill Curtis, Pam Dunning, Vice Chair David Nichols, Ed Polewarczyk and Town Manager Laurie Smith

1. Call to Order

Chair Judy Colby called the meeting to order at 7 p.m.

2. Pledge of Allegiance to the Flag of the United States of America

3. Mason Station Properties Workshop with Planner Misty Gorski

Gorski explained the layout of the 33-acre Mason Station property. The first application for 80 single family lots, five condominium lots and the Mason Station mixed-use facility had been made in 2005. The DEP and the Wiscasset Planning Board had approved construction on the first phase of 15 lots, for which water and sewer were available. Construction on future lots would not be approved until the water and sewer were upgraded. Other lots were not approved by the DEP until asbestos remediation was done. Additional lots could not be approved until the railroad easement and CMP rights on the land were dealt with.

Taxes on the majority of the lots have not been paid for tax years 2007 to 2011. Town Manager Laurie Smith said the town has pursued the tax lien and foreclosure process on lots which have unpaid taxes and has automatically foreclosed on tax years 2007, 2008 and 2009. The town has not taken ownership of these properties. Mason Station LLC still owns lot 81 (Mason Station), lot 72 (Northpoint lot) and lots 12 and 15 (house lots) on which taxes have been paid. There is an outstanding balance for all taxes of \$670,000. With interest and costs, the amount owed is \$750,000. Annual taxes are \$150,000 on all properties and presents a cash flow problem for the town when they are not paid. The valuation on all lots is \$10.3 million. Valuation on the lots on which taxes have been paid is \$3.3 million.

Gorski said it was up to the town to decide how to handle this situation. One option would be to sell the property as is with 15 buildable lots and the remainder needing infrastructure. There is three-phase power, water access and a rail spur. There are environmental problems which need to be addressed and which may not make developing residential lots desirable. The land is subdivided into small lots which may not be attractive to developers, although these lots could be reconfigured into larger lots. It would be necessary to improve the infrastructure, resubmit a subdivision plan and legally reconfigure the streets, a process that could take two years.. Another option would be to form a partnership with Mason Station, LLC, or the town could sell the property back to Mason Station LLC for outstanding taxes.

In response to Ed Polewarczyk's question, Gorski said that the railroad runs through a part of the property and that issue has not been resolved.

Smith explained that after foreclosure the town continues to assess the property in the previous owner's name and it continues to accrue taxes. If the property is no longer in the owner's name and the town takes possession, taxes cease to accrue; however, previous taxes are still owed to the town.

In response to Polewarczyk's questions, Smith said that there have been no recent discussions with Mason Station LLC, although she will be contacting them; and with the current market conditions and unattractiveness of the property, a sale was not likely.

David Nichols speculated that after Mason Station removes all equipment from the building, it would stop paying taxes and leave millions of dollars of asbestos remediation to the town. He said it would be difficult to sell the building and he recommended taking it out of the valuation.

In response to Pam Dunning's question, Smith said that when taxes are not paid, it creates a tax flow problem and necessitates borrowing money. Normally, taxes are carried on the books as a receivable, which will be collected eventually; however, the potential for collecting on commercial properties is less certain. The \$150,000 that Mason Station, LLC does not pay, although an anticipated receivable and budgeted as such, must be made up for in decreased spending by departments.

Larry Lomison, who had worked on the Shoreland Business District ordinance, said that the original purchase price of the property was \$2.8 million and the town was losing opportunities by letting the land lie fallow.

In response to Bob Blagden's questions, Gorski said that the Mason Station lot is 8.3 acres and that under the subdivision, the railroad right of way was owned by the owners of the lots. Blagden said he was tired of carrying the property and the town should be doing something with it.

Cliff Hendricks suggested putting an injunction on the equipment being removed from Mason Station. Smith said legally that was not a process that the town could undertake.

George Green said the site has deep water, rail, aquaculture, and possibility of tidal power and suggested that the property could be redeveloped by the state and put on sale for a vocational school.

Tom Curtis recommended approaching a major wind turbine manufacturer like GE about the possibility of using this site for wind power generation with the advantages of rail, deep water, safety as a winter harbor, nearby airport and BIW involvement.

Norman Guidoboni suggested that the town ask for a bond for developments such as this.

Richard Hanson said Mason Station, LLC never did what they said they would do and the biggest mistake the town made was in not foreclosing at the beginning.

Smith said the town has done what it should in terms of moving forward with the statutory process. Once the town forecloses on a property, the only option left is to sell the property. There is nothing the town can do from a legal prospective to force the owners to pay the taxes. She said it would be great to erase all the subdivision lines and start over, but because it is a subdivision plan involving three different owners (Town, CMP and LLC) , it can not be easily changed. The town does not have an ordinance that dissolves a subdivision; the land could be resubdivided but it would need the approval of the three owners.

Smith summarized the town's options: Contact Mason Station, LLC, and try to develop an agreement, resolution or partnership with Mason Station, LLC; consider legal action to finalize ownership of the properties and clarify the titles and legal issues with the roads, which would take a couple of years; go out to auction; or sell the property back to Mason Station, LLC with quitclaim deeds for outstanding balances. Decisions on assessments must also be made.

In response to questions, Smith said it would be expensive (\$10,000 minimum) to dissolve the subdivision; uses of the property are limited by the shoreland business ordinance; it may take six months and cost a minimum of \$10,000 to get ownership of the property.

Judy Colby recommended reaching out to Natural Resource Energy to see what their thinking is with regard to these properties and look into what type of legal action the town can take at this time.

Pam Dunning recommended reaching out to energy-related companies to see if there is interest in this property.

4. Request to manage and host W.E.R.P. information on Town website.

A motion to manage and put the W.E.R.P. information on the town website was defeated. Reasons for the opposition were that it would require town resources, and it would be unfair to other organizations, which might also prefer to be on the town website.

5. Executive Session regarding personnel matters

Judy Colby moved that the Board of Selectmen go into executive session pursuant to 1 M.R.S.A. §405(6)(a) to discuss personnel matters regarding labor negotiations. Vote 5-0-0.

The board entered executive session at 8:25 and exited at 8:45 p.m.

6. Adjourn

David Nichols moved to adjourn. Vote 5-0-0.