

To: Nathan Poore, Town Manager, Town of Falmouth
From: Jenny Grimm, Executive Director, Falmouth Land Trust
Michael Vance, President, Falmouth Land Trust
Re: Non-Binding Preliminary Proposal for Tidewater Farm
Date: July 3, 2018

Background. The Bateman Partners have title to portions of the Tidewater Farm that they have neither disposed of, nor develop, for a variety of reasons. These properties consist of acreage that includes encumbered farmland known as TF1, a former barn and homestead property called TF2, and a buildable lot called TF3. In addition, the Batemans hold title to a 7.56 acre parcel adjacent to the sewer treatment plant on Clearwater Drive known as TV5. (See attached map.) After many years of uncertainty about a plan for this area, the existing buildings and road are in a state of disrepair, with regular occurrences of vandalism creating a public safety hazard. (See attached monitoring report.) The properties are important for a number of reasons including their potential to provide public benefits to our community if actively managed for education and public enjoyment.

Proposed Uses. The Falmouth Land Trust (FLT) seeks to work with the Town of Falmouth (TOF) to acquire these properties and develop infrastructure to support its mission-related programming needs. Tidewater Farm has attributes that make this a particularly attractive place for a center for community engagement around topics including, but not limited to, ecology, horticulture, natural resources and conservation. The property has coastal/estuary features, contains diverse plant and animal populations, has an agriculture demonstration area and garden that has been established by University of Maine Coop Extension (UMCE), and is very beautiful. The Falmouth Land Trust believes it is an ideal site to construct a multi-purpose, multi-functional, experiential learning center that would serve our community. We envision a structure(s) to accommodate classrooms, offices and programming for FLT, students and other civic stakeholders. Our expectation is for this to occur on the TF2 portion of the property—currently the derelict homestead and barn.

Stakeholder Support. The existing stakeholders, including the Tidewater Homeowners Association (HOA) and University of Maine Cooperative Extension (UMCE) have expressed support and excitement at the prospect of FLT taking over as the property owner and steward. In particular, they are eager for FLT to invest in new infrastructure that will enhance support for conservation, agriculture, horticulture and strengthen our community's connection to place. They are also eager to see the property used and actively managed.

The existing informal uses of the property include trail walking, birding, dog walking, elver harvesting, kayaking, bee keeping, orcharding and fishing. This demonstrates how rich and productive the property could be for a diversity of public benefits. These informal activities are currently occurring alongside the horticulture teaching and demonstration gardens that have been established on the 3-acre agricultural fields by UMCE. Preliminary discussion with UMCE has revealed an eagerness for secure ownership and investment in functional infrastructure that is suitable and appropriate to the site. Discussions with the HOA representatives have shown an eagerness to see the land properly managed by a mission-oriented

entity like FLT. Both entities have informally agreed to partner with FLT in fundraising needs. FLT will be happy to furnish letters of support if the Council would like us to do so.

Programming. The Falmouth Land Trust is closely aligned with the town in terms of supporting open space and a healthy and conservation-minded community. Many of the properties owned by the town have conservation easements on them held by FLT. The town has an interest in seeing the Falmouth Land Trust grow into a strong and healthy organization that can sustain its obligations into the future. Strong civic organizations, like a Land Trust or a library, are part of a vibrant community. This initiative would be a major step forward for the Trust in its goal to grow the institution towards a more visible organization that is a part of the vital fabric of the town. It will also help catalyze our development goals by providing a highly visible project for the community to rally around as part of our capital plan. We have attached our latest Annual Report and Strategic Plan for review.

Infrastructure. Included in the vision is new and improved infrastructure at Tidewater Farm. As noted, the existing structures represent a liability and risk. They should be razed and replaced with a barn-like structure that is both a classroom, office and convening space that can support agricultural learning, storage for equipment, food preparations, a meeting area, and community education. We envision a 5,000-10,000 sq ft structure at one or both of the current building envelopes with potential costs for the buildings alone being approximately \$1-1.5 million. The attached sketch is of the building plan that was originally conceived by UMCE for the site and is illustrative of the type of structure FLT would consider erecting.

Fundraising. This project will have significant capital implications beyond the cost of acquiring the land. The Falmouth Land Trust is prepared to engage with its partners and some form of professional fundraising supports to launch a capital campaign over the timeframe of 2019-2023. The purpose of such a capital campaign will be to garner enough support to repay financing, exercise the option agreements and execute the infrastructure vision, including the buildings and ongoing costs of upkeep and stewardship.

Warranties. The board of the Falmouth Land Trust has signaled willingness to move ahead with plans for this vision, despite the uncertainties. Any final agreements will need to be reviewed and voted on by the Board of Trustees. This current proposal is a non-binding document and should be treated as FLT's sincerest effort to articulate its intentions to the TOF. In the event that the Falmouth Land Trust is unable to execute the purchase of TF2 or TF3 in the timeframe and manner agreeable to the Town, then that property and any improvements upon such will remain with the Town.

Transactional Elements of the Proposal

The following describes a logical scenario whereby the Falmouth Land Trust will acquire and invest in the properties in a manner that is consistent with a public benefit and stewardship outcome. In preliminary discussions, the TOF has consider support for the soft costs (legal, survey, appraisal etc) associated with such transactions.

1. Initial Purchase

- The TOF agrees to purchase all the parcels from the various Tidewater/Bateman interests for a purchase price of \$500K. This includes TV5, TF1, TF2 and TF3. TV5 is strategic opportunity for the town to acquire expansion capacity for its sewer infrastructure. It may also contain wetland mitigation values.

2. Building Demolition

- The TOF will spend an additional amount to raze the farm house and old barn. An estimate to complete this work is approximately \$50K.

3. Ownership of TF1 & TF2

- Once the buildings are razed and the site remediated, FLT will acquire from TOF TF2 which is the 1.3 acre parcel that abuts the open space conservation area. The price of TF2 will be \$150k. Financing of this parcel will be provided by the TOF. The loan terms are subject to further discussion but would have a three year term with two one-year extensions.
- The TOF will assign FLT the ownership and administration of TF1, the open space conservation easement area, which consists of land totaling 28.5 acres. The TOF will remain the easement holder. Ownership of TF1 enables FLT to support the education and programming vision described above, however, it also carries with it an administrative burden given the existing number of leases, etc. It would seem logical that this parcel be transferred to FLT without additional costs.

4. Ownership of TF3

- Finally, the TOF will offer financing and/or a first right of refusal to FLT for the TF3 parcel, the 2.3 acre area buildable lot. This is a developable parcel that will be offered to FLT for \$200K with terms subject to further discussion but also assumed to be for three years with two one-year extensions.

5. Infrastructure

- The capital campaign described above is expected to take as much as three years to complete. The subsequent development of infrastructure on the property (an ecological learning center and headquarters and associated needs) will likely take an additional three years.