

**Selectboard Executive Session
1 Avenue A, Turners Falls, MA
Monday, June 26, 2023
8:20 PM**

RE: Executive Session under G.L. c.30A §21(a)(6) to consider the purchase, exchange, lease or value of real estate, GMTA Garage, 382 Deerfield Street, Greenfield

Present: Selectboard Richard Kuklewicz, Christopher Boutwell and Matt Lord, Town Administrator Steve Ellis, Asst. Town Administrator, Walter Ramsey;

Documents: Standard Commercial Purchase and Sale Agreement

Kuklewicz opens the meeting at:8:20 PM.

Ellis:

- JimBob Realty LLC, representing Greenfield Real Estate Group, aka Cartelli Holdings, has made a revised offer for the purchase of the former Greenfield-Montague Transportation Authority bus maintenance facility.
- Based on a previous offer, on 4/25/22 the Board moved to accept Cartelli's offer of \$470,000, if we could get a deal done.
- There was uncertainty in the following months due to the need for a Phase 1I and Phase II environmental sight assessment and due to the need for underground fuel tank to be removed before they could finalize their long term financing.
- On 8/3/22 the board agreed to a reduced cost for the property if tank removal was done at the buyer's expense.
- In January 2023 the \$470,000 offer became a \$450,000 offer and there were expectations on part of the proposer that they would receive a potential credit for removal of the fuel tank.
- From a cost perspective, its much better for us to have the cost of tank removal discounted from the price than have to pay to have it done, since GMTA would be subject to prevailing wages and may not have the cash flow to pay for the project.
- FRCOG was able to use brownfields funds to pay for a Phase I environmental. Following on this, the buyer elected to a Phase II Environmental Assessment at its own expense, with an understood cost of \$26,000. GMTA could have gotten a grant, but it would have taken several months. They took on a cost that we had another means to get it done
- Nothing bad was found in Phase II and they wanted to proceed to purchase.
- Subsequently GMTA received an offer of \$229,609. We understand the offer considered the cost of the Phase II, and underground tank removal quote of \$29,000 and that they wanted \$129,000 to replace the roof.
- On behalf of GMTA, Steve Ellis called Bill Martin (JimBob Realty) on June 26 and told him we were unwilling to even consider an offer on those terms and proposed \$441,000.
- As of 5:30 today JimBob Realty said the buyer would be willing to pay \$400,000, with the assumption Greenfield would be willing to talk to them about a TIF. Ellis informed him that GMTA has no standing to consider a TIF from Greenfield.
- Counsel determined GMTA is not subject to standard stand land disposition (procurement) requirements due to how it was constituted as a Transportation Authority. Ellis shared that he has contacted an Auctioneer if this offer is not found reasonable. GMTA officials have concerns due to the building's condition, location and Greenfield's sewer and utility easements for its sewer treatment plant. He is not sure we'll get competition that will allow us to get the \$400,000 on the open market for it.

- Ellis understands that the Greenfield Mayor's bottom line figure is \$395,000. Town of Montague will get 30.7% of the sale proceeds. The last appraisal done was in 2022 and was for \$600,000.

Kuklewicz thinks we should try to negotiate as high as we can go and take anything above \$400,000

Lord is fine with anything between \$400,000 and \$441,000

Lord makes the motion to authorize the sale of the GMTA building at no less than \$400,000. Seconded by Boutwell, approved unanimously. Boutwell – Aye, Kuklewicz – Aye, Lord - Aye

Approved:

Yes Boutwell

Yes Kuklewicz

Yes Lord

Release to the Public:

Yes Yes
3-0

_____ Not Yet

4/1/24 Date

Date Released to the Public: April 2, 2024

(With Contingencies)

(Binding Contract. If Legal Advice Is Desired, Consult An Attorney.)

From: BUYER(S):
Name(s): JIMBOB REALTY, LLC
Address: 1 MAIN STREET
GREENFIELD, MA 01301

To: OWNER OF RECORD ("SELLER"):
Name(s): GREENFIELD MONTAGUE TRANSPORTATION
Address: AUTHORITY
14 COURT SQUARE
GREENFIELD, MA 01301

The agent William Martin, MA Lic # 73425 is operating in this transaction as:
Buyer's Agent Seller's Agent Facilitator Dual Agent
on behalf of GREENFIELD GROUP REAL ESTATE

This provision does not eliminate the requirement to have a signed Mandatory Real Estate Licensee-Consumer Relationship Disclosure, but acts to satisfy Standard of Practice 16-10 in the REALTOR® Code of Ethics.

The BUYER offers to purchase the real property described as 382 DEERFIELD STREET, GREENFIELD, FRANKLIN COUNTY, MA together with all buildings and improvements thereon (the "Premises") to which I have been introduced by upon the following terms and conditions:

1. Purchase Price: The BUYER agrees to pay the sum of \$ 229,609 to the SELLER for the purchase of the Premises (the "Offer"), due as follows:

- i. \$ 20,000.00 as a deposit to bind this Offer
and delivered herewith to the Seller or Seller's agent
or to be delivered forthwith upon receipt of written acceptance
ii. \$ 20,000.00 as an additional deposit upon executing the Purchase And Sale Agreement;
iii. Balance by bank's, cashier's, treasurer's or certified check or wire transfer at time for closing.

2. Duration Of Offer. This Offer is valid until 4:00 a.m. (p.m) on June 23, 2023 by which time a copy of this Offer shall be signed by the SELLER, accepting this Offer and returned to the BUYER, otherwise this Offer shall be deemed rejected and the money tendered herewith shall be returned to the BUYER.

3. Purchase And Sale Agreement. The SELLER and the BUYER shall, on or before 5:00 a.m. (p.m) on July 12, 2023 execute the purchase and sale agreement with standard and customary representations and warranties for a commercial real estate transaction which, when executed, shall become the entire agreement between the parties and this Offer shall have no further force and effect.

4. Closing. The SELLER agrees to deliver a good and sufficient deed conveying good and clear record and marketable title at 4:00 a.m. (p.m) on July 21, 2023 at the Franklin County Registry of Deeds or such other time or place as may be mutually agreed upon by the parties.

5. Escrow. The deposit shall be held by Greenfield Group Real Estate, as escrow agent, subject to the terms hereof. Endorsement or negotiation of this deposit by the real estate broker shall not be deemed acceptance of the terms of the Offer. In the event of any disagreement between the parties concerning to whom escrowed funds should be paid, the escrow agent may retain said deposit pending written instructions mutually given by the BUYER and SELLER.

6. Contingencies. It is agreed that the BUYER'S obligations under this Offer and any Purchase and Sale Agreement signed pursuant to this Offer are expressly conditioned upon the following terms and conditions:

a. Mortgage. (Delete If Waived) The BUYER'S obligation to purchase is conditioned upon obtaining a written commitment for financing in the amount of \$ at prevailing rates, terms and conditions by

. The BUYER shall have an obligation to act reasonably diligently to satisfy any condition within the BUYER'S control. If, despite reasonable efforts, the BUYER has been unable to obtain such written commitment the BUYER may terminate this agreement by giving written notice that is received by 5:00 p.m. on the calendar day after the date set forth above.

StevenE - Montague Town Administrator

From: William Martin <william.ggre@gmail.com>
Sent: Thursday, June 22, 2023 11:00 AM
To: StevenE - Montague Town Administrator; Dani Letourneau
Subject: GMTA

Hello,

I have clarified, for your discussion today at the GMTA meeting, the approximate costs and expenses for Tighe & Bond, Davenport Tank removal and restructured roofing.

Tank removal (Davenport Inc updated from June 2022) - \$29,000
Tighe & Bond (Phase II) - \$26,000
Fontaine Construction, Commercial roofing - \$167,000

Hope this information helps and I'm looking forward to hearing from you.

Thanks,
Bill

--
Respectfully,

Bill Martin
Owner/Broker/Realtor
Greenfield Group Real Estate
29 Mill Street, Suite 1
Greenfield, MA 01301

413-219-8648

william.ggre@gmail.com

Katherine
- We have an offer

SAMPLE FOR DISCUSSION

STANDARD COMMERCIAL PURCHASE AND SALE AGREEMENT
(With Contingencies)

The parties make this Agreement this _____ day of _____, _____. This Agreement supersedes and replaces all obligations made in any prior Letter of Intent, Contract To Purchase or agreement for sale entered into by the parties.

1. **Parties.** _____ Greenfield Montague and Transportaton (GMTA) _____ [insert name],
the "SELLER," agrees to sell and _____ Cartelli Holdings LLC or nominee _____ [insert name],

the "BUYER," agrees to buy, the premises described in paragraph 2 on the terms set forth below. BUYER may require the conveyance to be made to another person or entity ("Nominee") upon notification in writing to SELLER at least five business days prior to the date for performance set forth in paragraph 5. Designation of a Nominee shall not discharge the BUYER from any obligation under this Agreement and BUYER hereby agrees to guarantee performance by the Nominee.

2. **Description Of Premises.** The premises (the "Premises") consist of:
(a) the land with any and all buildings thereon known as _____ 382 Deerfield Street, Greenfield, MA 01301 _____

as more specifically described in a deed recorded in the _____ Franklin _____ Registry of Deeds at Book _____, Page _____, [Certificate No. _____], a copy of which is is not [check one] attached; and

(b) all structures, and improvements on the land and the fixtures, including, but not limited to: _____ Building _____ but
excluding _____ underground storage tanks _____ [insert
references to fixtures, appliances and other items, where appropriate] All goods, materials, equipment and other personal property at the Premises that is intended for use in the maintenance and operation of the Premises and that has not been exhausted or consumed will be delivered to BUYER at the time of delivery of the deed without additional charge.

3. **Purchase Price.** The purchase price for the Premises is \$ _____ 450,000.00 _____ dollars of which
\$ _____ were paid as a deposit with Contract To Purchase; and
\$ _____ are paid with this Agreement;
\$ _____ 25,000.00 _____ are to be paid _____ at time of an accepted Offer _____; and
\$ _____ 425,000.00 _____ are to be paid at the time for performance by bank's, cashier's, treasurer's or certified check or by wire transfer.
\$ _____ 450,000.00 _____ Total

4. **Escrow.** All funds deposited or paid by the BUYER shall be held in a non-interest bearing escrow account, by _____ Greenfield Group Real Estate _____, as escrow agent, subject to the terms of this Agreement and shall be paid or otherwise duly accounted for at the time for performance. If a dispute arises between the BUYER and SELLER concerning to whom escrowed funds should be paid, the escrow agent may retain all escrowed funds pending written instructions mutually given by the BUYER and the SELLER. The escrow agent shall abide by any Court decision concerning to whom the funds shall be paid and shall not be made a party to a lawsuit solely as a result of holding escrowed funds. Should the escrow agent be made a party in violation of this paragraph, the escrow agent shall be dismissed and the party asserting a claim against the escrow agent shall pay the agent's reasonable attorneys' fees and costs. [If interest is to accrue on escrowed funds, indicate to whom it shall be paid.]

5. **Time For Performance.** The SELLER shall deliver the deed and the BUYER shall pay the balance of the purchase price at _____ 5 _____ o'clock _____ p. m. on the _____ 31st _____ day of _____ March _____, 2023, at the _____ Franklin _____ Registry of Deeds, or at such other time and place as is mutually agreed in writing. TIME IS OF THE ESSENCE AS TO EACH PROVISION OF THIS AGREEMENT. Unless the deed and other documents required by this Agreement are recorded at the time for performance, all documents and funds are to be held in escrow, pending prompt rundown of

BUYER'S Initials _____ BUYER'S Initials _____ SELLER'S Initials _____ SELLER'S Initials _____



lease and tenancy agreement at the time of delivery of the deed. SELLER further agrees to deliver to BUYER a copy of a notice to each tenant of the sale of the Premises to BUYER and directing the tenants to make rental payments thereafter to BUYER. SELLER further agrees to deliver to BUYER an assignment of all leases and tenancy agreements, in a form that is satisfactory to BUYER, at the time of delivery of the deed. In the event that any rentable space in the Premises is now available for rent or hereafter becomes available for rent, SELLER shall not enter into a lease or tenancy agreement (except as required by an existing agreement) without prior written authorization of BUYER. Neither shall SELLER extend or renew any existing tenancy nor waive any other rights without prior written authorization of BUYER. BUYER agrees that it will not unreasonably withhold such consent.

19. **Warranties And Representations.** The SELLER represents and warrants that the Premises is is not [check one] served by a septic system or cesspool. [If yes, a copy of the Title 5 Addendum is attached.] The SELLER further represents that there is is no underground storage tanks. The SELLER further represents and warrants that SELLER has full authority to enter into this Agreement. The SELLER agrees to execute and deliver to BUYER at the time of delivery of the deed: (1) a non-foreign affidavit, in compliance with applicable law; (2) an affidavit in the form reasonably required by any title insurance company for the BUYER which states that there is no person to whom payment is due for labor or materials furnished for the Premises; (3) an affidavit that there is no person occupying any portion of the Premises other than as set forth in the leases or tenancy agreements provided; and such other documents that may reasonably be required by the BUYER or BUYER'S mortgage lender. The SELLER further warrants that SELLER has no knowledge of any existing or contemplated lawsuit, administrative proceeding or enforcement action with regard to the Premises other than disclosed; that the SELLER has not received notice of any condemnation proceeding; eminent domain or other proceeding affecting the Premises and that SELLER has no knowledge of any such contemplated proceeding; that there is no undisclosed agreement regarding the management of the Premises or the provision of labor, equipment, supplies or services; that SELLER agrees to pay all outstanding amounts for utilities, goods, labor, materials and services furnished to the Premises prior to delivery of the deed; that SELLER has not received notice of any violation of a building or zoning code or ordinance or of any municipal, state or federal law or regulation, other than disclosed; and that the SELLER has not received any notice of any charge for a betterment or governmental improvement for or benefiting the Premises. The BUYER acknowledges that BUYER has not relied upon any warranties or representations other than those incorporated in this Agreement, except for the following additional warranties and representations, if any, made by either the SELLER or the SELLER'S real estate agent:

Exclusive of Sellers 2023 Tighe & Bond hazardous waste Phase 1 and Phase 2 report of January and February 2023 shared with Buyer also noting in attached mutually agreed upon Addendum providing for mitigation costs, if any, and mutually agreed upon sharing of costs.

[If none, state "none"; if any listed, indicate by whom the warranty or representation was made.]

20. **Notices.** All notices required or permitted to be made under this Agreement shall be in writing and delivered in hand, sent by certified mail, return receipt requested or sent by United States Postal Service overnight Express Mail or other overnight delivery service, addressed to the BUYER or SELLER or their authorized representative at the address set forth in this paragraph. Such notice shall be deemed to have been given upon delivery or, if sent by certified mail on the date of delivery set forth in the receipt or in the absence of a receipt three business days after deposited or, if sent by overnight mail or delivery, the next business day after deposit with the overnight mail or delivery service, whether or not a signature is required. Acceptance of any notice, whether by delivery or mail, shall be sufficient if accepted or signed by a person having express or implied authority to receive same. Notice shall also be deemed adequate if given in any other form permitted by law. [If there are multiple buyers, identify the mailing address of each buyer in paragraph 22.]

BUYER
Address: _____

SELLER
Address: _____

BUYER'S Initials

BUYER'S Initials

SELLER'S Initials

SELLER'S Initials





GREENFIELD GROUP
REAL ESTATE
SALES & DEVELOPMENT

Proposal to Purchase 382 Deerfield Street, Greenfield, MA 01301

1. **Purchaser:** Cartelli Holdings LLC or nominee
434 Memorial Avenue
West Springfield, MA 01089
2. **Premises:** 382 Deerfield Street, Greenfield, MA (parcel ID 15-4-0) consisting of approximately a 16,000 square foot building on 1.3 acres zoned General Commercial more accurately described in the Franklin County Registry of Deeds in Book 896 Page 71.
3. **Purchase Price:** \$ 470,000.00 payable as follows:
a) **Earnest Money Deposit:** \$25,000 at the execution of the Purchase & Sale Agreement (P & S). The Earnest Money Deposit shall be held by an attorney or a mutually acceptable title insurance company in an interest bearing account and applied together with accrued interest toward the Purchase Price at Closing (as hereinafter defined). The Earnest Money Deposit is refundable and will be returned to Purchaser if Purchaser exercises its right to terminate the P&S on or before the expiration of the Due Diligence Period.
b) \$ 445,000.00 balance in cash or certified funds at closing.
4. **P&S:** Seller will provide written confirmation of acceptance of this Offer by 5:00 PM on April 15, 2022 and to draft a purchase and sale agreement by April 27, 2022 with a transfer of deed closing by June 1, 2022.
5. **Due Diligence Period:** (a) Purchaser will have 30 days from the mutual execution of the P&S (the "Due Diligence Period") to conduct physical inspections and environmental investigations of the Property, and to review the title and other matters related to the Property and the ability to make any changes needed for the effective operation of Purchaser's business. Seller shall provide Purchaser and Purchaser's authorized agents with access to the Property for purposes of such inspections. For any reason prior to the expiration of the Due Diligence Period, Purchaser may terminate the P&S and receive back the Earnest Money Deposit with interest accrued thereon.
- (b) Seller at its sole cost and expense shall document and deliver the property to purchaser free and clear of any environmental liability consistent with buyer's intended use (as vehicle repair and service center).

RECONCILIATION AND VALUE CONCLUSION**INDICATED VALUE VIA THE SALES COMPARISON APPROACH**

*SIX HUNDRED TWENTY-FIVE THOUSAND DOLLARS
(\$625,000)*

INDICATED VALUE VIA THE INCOME APPROACH

*FIVE HUNDRED SEVENTY THOUSAND DOLLARS
(\$570,000)*

We have considered the quality of the data used and the perceived strengths and weaknesses of the different approaches to value. We have weighed the degree of emphasis to be accorded each. The variance in value indication via the two approaches applied is believed to be a result of the different emphases given to value factors in each method. In the final opinion of value we have attempted to reconcile the inconsistencies between the estimates via the different approaches to value. We have not relied upon either approach to the exclusion of the other.

In the **Sales Comparison Approach** we were able to analyze and make the appropriate adjustments to comparable sales of properties, which are very similar to the subject. This approach is highly relevant in the market. This approach best reflects the actions of the buyers and sellers who constitute the market for such properties. The comparable sales are such that relatively few adjustments were required and it is our opinion that these comparable sales reliably reflect the current commercial market for similar properties.

In the **Income Approach to Value** we used **Direct Capitalization** to determine the present value of the projected net cash flows. We believe that the **Net Operating Income** of this analysis has been justly forecasted based on the analysis of the marketplace. Operating expense allotments is based on typical industry standards for this type of property. The **Capitalization Process** reflects both current mortgage conditions and current equity requirements for investors participating in the real estate sector and supported by market extracted rates.

Given that this type of property is most often owner-occupied we believe that the **Sales Comparison Approach** is slightly more reliable and is therefore given the slightly more consideration.

Therefore, after taking into consideration all factors that affect value, we are of the opinion that the “as is” *Market Value* of the fee simple interest for the subject, as of February 9, 2022 is:

FINAL OPINION OF VALUE

*SIX HUNDRED THOUSAND DOLLARS
(\$600,000)*