

## 99 Year Lease Option Presentation

January 31, 2012

This presentation is not meant to be a definitive statement on how a long-term lease between the City of Novato and PAC would affect the life in this park. I am hoping that it can spark a discussion among the residents on how this concept can bring long-term financial security and peace of mind to this park.

For the last 5 years or so, the big issue in the park has been who holds our title. I believe that a 99-year lease offers distinct advantages to the residents of MVMCC.

**It is easy to understand.** It does not require the residents to be an expert in various forms of corporations or real estate options. It is the formalization of the status quo. It retains us as a low cost mobile home park. We can continue to live in the park just as we do today.

**It is a predictable plan.** Other options will have many consequences and many that are unintended. New boards and differing ways to govern the park may bring unforeseen and unwanted consequences.

**It is affordable.** It does not require a refinance. It would not require massive legal fees that would be incurred by transfer. It is a simple agreement with the City that should not involve AG or other institution. It answers the question of what will happen with the property taxes, as we will continue to pay our current in lieu of taxes. It would reduce the money the residents pay to the park when the bonds are paid off by either reducing the rent or providing free services like water and sewer. Because of this the resale value of our properties should go up.

**It would bring peace to the park.** The future of the park will be settled. Other options may increase the political wrangling as new political structures will be formed and power dynamics will change.

**It is independent of how we finance the park.** The bonds could be paid off early or the park could be refinanced without altering the lease. We can stay with AG or not depending on what is right for the park.

**It answers the problem of what happens when the bonds are paid off.** This is currently a major area of concern. Mostly, importantly what happens to the rent structure.

**It retains the city as an important source of professional knowledge and resources.** The City and PAC have very successfully run this park for over 10 years. The city acts as an independent board of directors. The city has legal and professional people on staff who are familiar with the park. There is concern that the City will cost us more money, as they demand to do things in the correct manner. Perhaps doing this correctly will actually save us money in the long run.

**It provides the security that the park wants.** It keeps the park as a low cost mobile home park. We would know that the lifestyle that we enjoy would continue.

There would need to be negotiations with the city over the terms of the lease. The key issue with the lease is that it would retain the basic relationship that the city has with the park. **Items that the lease would contain:**

It would permanently designate the Park as a low cost mobile home park.

It would permanently delegate to PAC the running of the park.

It would maintain the fact that monies collected by the park would be spent in the park.

It would prevent any construction of buildings etc. without PAC approval. This maintains the density in the park that we currently enjoy.

It would remain in effect with any sale or transfer of the title. The terms could be changed if the park wants it with PAC agreeing to terms with the entity that gets title, such as a park corporation. This gives the park flexibility in the future.

In short the 99-year lease option is:

Understandable

Predictable

Affordable

Flexible

It provides the park with:

Peace

Security

Status Quo

All that is required to make this a reality is the goodwill of the City of Novato. The City has consistently shown this kind of goodwill in their long relationship with the park to date.

Please email me any objections to this plan that you think of or hear about. It is important to get objections out in the open so that they can be looked into. For example, it is said that a city council cannot enter into these kinds of long-term commitments. I was then surprised to read in the Novato Patch:

“In 2000, Homeward Bound of Marin opened the New Beginnings Center at Hamilton with the help of donations from local businesses, nonprofit groups and government agencies. New Beginnings was made possible by a \$1-a-year/99-year lease allowed by the Novato City Council, and the city has continued to support its activities.”

Thanks for reading this,

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