



Commonwealth of Massachusetts

**SOUTHERN ESSEX DISTRICT REGISTRY OF DEEDS
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A division of the Secretary of the Commonwealth
WILLIAM FRANCIS GALVIN, SECRETARY

January 6, 2017

Honorable Charles Baker
Office of the Governor
Massachusetts State House
Room 280
Boston, MA 02133

Via: Express Mail

Re: House Bill No. 2837 and Amendment #1 to H2837

Dear Governor Baker:

As the Register of Deeds for the Southern Essex District I am writing to you on behalf of the Registry requesting you consider vetoing House Bill No. 2837 in its present form. My reasons for this veto request are as follows:

The bill, in its original form (copy enclosed) had my support. It was filed by Representative Paul Tucker and Senator Joan Lovely, with the full support of Mayor Kim Driscoll, who were all trying to do the right thing but sadly their efforts were derailed. It was written to transfer the Salem Superior Court and Commissioners Building to the Salem Redevelopment Authority. The Salem Redevelopment Authority would then seek proposals from private developers to restore and develop these historic buildings and thereby would place them on the tax rolls for the City of Salem.

At the last moment the Bill was amended by Amendment #1 to H. 2837, Floor Amendment (copy enclosed), which includes a provision to create a condominium estate, or other real estate holding interest to transfer ownership thereof to the Commonwealth under the care, custody and control of the Secretary of the Commonwealth of some 18,000 to 20,000 square feet to house the Southern Essex District Registry of Deeds, in exchange for which the Secretary shall make annual payments to the Salem Redevelopment Authority or their designee, in the amount determined annually at the discretion of the Secretary to be commensurate with the cost of constructing or leasing the space.

By way of background, over the last 18 months DCAM, representatives of the Secretary's office and myself explored the possibility of relocating the Registry to the Superior Court building. However, after careful review of the proposal it became apparent to us that due to the high cost of renovation, which at that time was projected at some 50 million dollars, coupled with the logistical issues the building presented I determined this made no sense and publicly opposed the plan in May of 2016. I have been told there has been communication issued from both DCAM and your administration regarding this matter stating there are no funds for a project of this magnitude.

At that time I expected that House Bill No. 2837 in its original form would have passed, however, I am told it was stalled in the House Committee on Bills in the Third Reading due to pressure from the Secretary. During this time discussions were held between officials of the City of Salem and the Secretary that I was not included in nor was my opinion sought from the Secretary. The Secretary drafted this new plan without any input from me as the Register of Deeds.

Had I been included in these discussions I would have shared my ideas and concerns and consequently we would have a piece of legislation that worked for all. It also would have allowed me to dispel the notion being put forth that somehow my Registry is wasting over \$600,000.00 in rental payments. Again, the facts are we pay the lowest rate per square foot of any Registry in the Commonwealth housed in a private complex and had the Secretary adopted my space reduction plan over the last 5 years we would have saved the taxpayers approximately 1.2 million dollars in rental payments.

On January 4, 2017 I was informed that the Amendment, which I had never seen, was passed by the Legislature. Upon receiving a copy of the Amendment, which after careful review, I concluded it is neither logistically feasible nor fiscally responsible. It is hard to believe that any developer will show any interest in purchasing this property knowing that half of the building will be owned by the Commonwealth. How the Secretary believes his new plan will attract a developer to invest time and money for the purchase of the remnants of a structure makes no business sense to me.

In addition, the designated areas which the Secretary has proposed we occupy will not accommodate the needs of the Registry of Deeds. The cost to renovate those areas along with physically moving the Registry will be upwards of 30 million dollars. Having represented the taxpayers of Essex County for 40 years I can assure you they do not have an appetite for such an unnecessary expenditure. What I find even more disturbing is the fact that in 8 years the Secretary has never visited the Salem Registry nor has he spoken to me in over 5 years. He has refused to meet with me to discuss not only this issue but other important matters as well; including the largest land recordation scandal in our nation's history, the corruption of the land records and homeowner's chains of title which this Registry exposed on a national level. This begs the question: As the elected official who has a fiduciary duty to the people of Essex County for the oversight of this operation, why was I kept in the dark?

I want to make it very clear; the Salem Registry of Deeds is a nationally acclaimed award winning Registry. We were the first to provide deeds on line, the first in exposing the fraudulent documents which corrupted homeowner's chains of title, we have won two Smithsonian Awards we will be the first to begin electronic recording in Registered Land and we provide the public with extraordinary customer service, living up to our moto "How May We Help You"? My team has worked long and hard to make this Registry of Deeds the gold standard and the model of excellence that it is today and I will not stand by and have those efforts compromised by another elected official who has no concept on how the Salem registry functions, nor demonstrates the courtesy of communicating with the duly elected official who has the responsibility to operate the Registry. I need not tell you the importance of communication between elected officials, something which you and your staff demonstrate each and every day.

Currently we lease 39,093 square feet of office space at Shetland Office Park and pay \$16.50 a square foot or \$645,035.00 annually for rent; all our space is located on one level. This rental rate includes all utilities, a generator which enables us to always be able to provide service to the public and free public parking both outside and in a garage. Our square foot lease rate is the lowest square foot cost of any Registry of Deeds housed in a private complex within the Commonwealth. With that said, through careful management and vision we developed a plan 5 years ago to reduce our space by 50 percent thereby reducing our rental payments in half to approximately \$325,000.00 annually. My 20,000 square foot space reduction plan is viable because at our current space we are located on one floor within a square box versus the Secretary's plan consisting of 20,000 square feet of space spread out over 2 floors in a hodge podge scheme of space.

I have presented my space reduction plan to the Secretary's office for the last 5 years which sadly has been ignored. For reasons I cannot understand he took no action in renegotiating our current lease for less space as proposed in my plan and therefore lowering our annual rent. He ignored the fact that we were paying rent for space which my plan had outlined we did not need. Therefore, I find it quite troubling that his rationale is to place us in a public building so we no longer have to pay rent, this is a deceptive statement. It will cost us upwards of 30 million dollars to renovate the space and at least \$200,000.00 annually for maintenance. As I have described, with my space reduction plan put into place at our current location our rent, including utilities, free public parking, which the public is entitled to in order to utilize the facility and a generator would be in the neighborhood of \$325,000 annually. I would also add our landlord has agreed to make the necessary alterations required to reduce our space at no additional expense to the Commonwealth. Time is of the essence, our current lease expires in 2018 and Shetland will be hard pressed to continue to charge us the same low square footage rent for a short period of time while the Superior Court is being renovated. I fear we would face a large rent increase which would bring us up to the level other Registry's in the Commonwealth housed in private buildings are paying. Again, I reiterate we pay the lowest rent per square foot of any Registry of Deeds housed in a private complex within the Commonwealth. It is clear my team's plan has been designed

based on common sense and fiscal responsibility whereas the Secretary's plan is both fiscally and logistically irresponsible.


In summary I disagree with the Secretary's ill-conceived plan for the following reasons:

1. There are no funds available to renovate the Superior Court Space.
 2. We are being placed on 2 levels in the middle of the structure which will jeopardize not only the efficiency of the work flow but the ability of the public to utilize the facility in an efficient manner as well.
 3. No developer will bid for the remaining areas as the cost for the historic and architectural renovations required will be prohibitive to do so, and
 4. It will hamper the City's ability to carry out their original mission of developing this complex for private use and placing it on the tax rolls.
- Therefore, the building will remain vacant which will result in further decay.

I urge you to veto this bill as quickly as possible, assemble a meeting of all parties concerned within the next 2 weeks to draft a common sense piece of legislation which will satisfy the needs of the City of Salem, the Registry of Deeds and the taxpayers of Essex County. With all of us working together we could have a piece of legislation on your desk by March to insure this historic building is put to its highest and best use.

I respectfully ask for your veto of House No. 2837 in its present form. I will make myself available to you to discuss this matter at any time.

My Best,

A handwritten signature in blue ink, appearing to read 'JOH L O'BRIEN', with a stylized, cursive script.

John L. O'Brien
Register of Deeds
Southern Essex District
Registry of Deeds

Enclosures