

59 STATE STREET, LLC
657 CONGRESS STREET, FIRST FLOOR
PORTLAND, MAINE 04101

December 12, 2023

Via Email to trelawnytenantsunion@gmail.com

Trelawny Tenants Union
ATTN: Ethan Strimling

Re: *Scott D. Gallant / Impermissible Rent Increase*

Dear Mr. Strimling:

Please accept this letter as part of an effort to resolve the lease dispute between 59 State Street, LLC (the “**LLC**”), and its principal, Geoffrey Rice, on one hand and Scott D. Gallant, a tenant at apartment 24-25, 59 State Street in Portland, Maine (“**59 State**”), on the other.

Mr. Gallant first became a tenant at 59 State in 2003 when he and the former owner Stateway Apartments, LLC, executed the attached lease (the “**Lease**”). Since that time, the lease has been amended and the rent increased on several occasions. Notably, the Lease provides for parking.¹

Parking was provided to Mr. Gallant in the form of a parking space located at 126 Danforth Street (“**126 Danforth**”), a neighboring property owned by Mr. Rice. In August of 2023, Mr. Rice sold 126 Danforth and the parking space was therefore no longer available for Mr. Gallant’s continued use. On August 19, 2023, Mr. Gallant notified Apartment Mart that he was told by a third party that his parking spot had been sold. On or about September 12, 2023, Apartment Mart, Mr. Rice’s property management company which manages 59 State, notified Mr. Gallant via email about the sale of 126 Danforth and the loss of the parking space. The email noted that Mr. Gallant’s rent would be reduced by \$25.00/month. In this email exchange, Apartment Mart erroneously notified Mr. Gallant that a space was available at another location, 47 State Street (“**47 State**”) for a parking fee of \$150.00 per month. Unfortunately, there were not then, and are not now, any parking spaces available at 47 State to offer Mr. Gallant. On or about September 19, 2023, the LLC sent Mr. Gallant a lease amendment removing the provision regarding parking.

Upon examining Mr. Gallant’s Lease, we recognize that this amounted to an impermissible rent increase because (1) parking is included in Mr. Gallant’s lease and (2) the LLC had previously increased Mr. Gallant’s rent the maximum amount allowed amount for this

¹ See Lease at ¶9(R) (“Parking is provided for one car behind the building at 47 State Street.”)

calendar year. The \$25.00/month reduction in rent combined with the parking fee of \$150.00/month, resulted in an impermissible rent increase of \$125.00/month. The LLC is eager to correct this mistake and reach an amicable resolution with Mr. Gallant.

To that end, the LLC has retracted the erroneous rent increase and agreed to a reduction to Mr. Gallant's rent in the amount of \$150 per month to account for the loss of the parking space. This reduction shall be effective as of September 1, 2023. The LLC will reimburse to Mr. Gallant any rent he was charged over the reduced amount from September 1, 2023, through January 1, 2024 (the "Rent Reimbursement").

Further, the LLC is willing to allow Mr. Gallant to terminate the Lease early (without penalty) and vacate the unit. The LLC is willing to pay \$4,000 dollars to Mr. Gallant, plus any deposit held from Mr. Gallant, if he vacates his unit by January 15, 2024 and leaves it in a broom clean condition, which \$4,000 includes the Rent Reimbursement and any moving expenses.

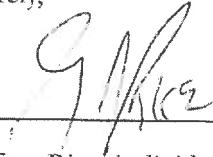
While we believe Mr. Gallant's situation is unique—in that he is the only tenant who lost parking due to the sale of property where the parking space was located—we are aware, based on your representations, of concerns at, at least, two other units regarding charges related to parking. We will be working with the Trelawny Tenants Union ("TTU") to address these issues and, to ensure that all increases in rent are in compliance with Portland's Rent Control Ordinance, including, if appropriate, providing TTU with copies of any lease agreements and separate parking agreements upon the reasonable request of TTU.. We want to assure all tenants who, like Mr. Gallant have parking included in their lease, that they will not be subjected to the imposition of parking fees that would result in an impermissible rent increase.

We understand the Union will, based on this letter, request that the Rent Board hearing scheduled for December 13, 2023 be tabled until the January, 2024 hearing date, with the expectation that we will be able to satisfactorily address the issues which are the subject of this letter prior to the rescheduled hearing date.

Thank you for your time and attention to this matter. I look forward to our continued efforts to resolve the potential lease disputes referenced herein, and others that may arise.

[signature appears on following page]

Sincerely,



Geoffrey Rice, individually and
on behalf of 59 State Street, LLC