

City of Chelsea  
**Economic Development Board**  
City Hall – Room 101  
Chelsea, MA 02150  
(617)466-4180

## MEETING MINUTES

June 20, 2011

The meeting convened at 6:00p in the City Manager's Conference Room. In attendance were Chairman Richard Pantano, Members Tim Fraser, Ted Coates and Anthony Gonsalves and City Manager Jay Ash. Also attending was Christine Thomas and Kevin Saba.

## PUBLIC SPEAKING

Chrm Pantano opened the meeting for public speaking. Hearing no members of the public wishing to speak, Chrm Pantano closed that portion of the meeting.

## ADOPTION OF MINUTES

Chrm Pantano asked for a motion to approve the minutes of the March 8<sup>th</sup> and May 31<sup>st</sup> meetings.

## **MOTION: To adopt the minutes of the previous two meetings.**

Offered by Mr Coates and seconded by Mr Fraser. On the motion, the Board voted 4-0 in the affirmative.

## URBAN RENEWAL – Chelsea Gateway

Chrm Pantano welcomed Christine Thomas to update the Board on the progress on the Marriott Hotel. Ms Thomas said the hotel is teed up and ready to go. She anticipates a 10 month construction, with the hotel opening the 2<sup>nd</sup> quarter of 2012. They are keeping their options open on financing and hope to still secure tax credits. They believe they have a good chance on New Market Tax Credits, and they have a lender and buyer ready. They are still waiting for an allocation to be available. One of the things they have going for them is that they have a high level of public benefit, including being with Roca on a partnership around jobs. Because of that, issuers of tax credits are examining the project again, and especially because the project is ready to go as a shovel ready project.

Mgr Ash notes that the Board may wish to consider amendments to the LDA, including for the closing conditions. He asked Ms Thomas how likely the construction will begin by June 30<sup>th</sup> and she responded that she was 100% sure. She noted again that they want to be shovel ready for a New Market Tax Credit application, so they will stay on track.

Chrm Pantano asked if not getting the New Market Tax Credits would threaten the project. Ms Thomas said that it is more attractive for the project and especially for potential expansion to have the tax credits, but the project will still go forward without tax credits, and that is their commitment to the Board.

Ms Thomas said they are still unsure about the FBI project, but are going forward without knowing about that. The major issue at this point is making sure the FBI project is not driving piles while the hotel is just opening. Mgr Ash then suggested that maybe everyone in the district could observe an 8a pile driving start time, which he had discussed with Ms Thomas and she believed would be a major improvement for both here hotel and the Wyndham. She would be willing to have that 8a start time apply to their own project as well.

Mr Coates asked how the Simboli's would feel about a 8a start time. Mgr Ash said he believed they would be okay with it.

Mgr Ash suggested that maybe there would be a 500' around the Wyndham to prohibit pile driving prior to 8a. That would take the line to the tip of the Mall property, corner of the MGH lot, and the Expressway.

Chrm Pantano asked if the tax credits will determine who finances the project. Ms Thomas said yes, because certain lenders have access to New Market Tax Credits. Mr Saba added that a debt lender couldn't foreclose on the project for 7 years, so the lender of the New Market Tax Credit needs to be more comfortable with the project.

**MOTION: No construction should start within 500' of any operating hotel in the EAURD prior to 8a.**

Offered by Mr Coates and seconded by Mr Fraser. On the motion, the Board voted 4-0 in the affirmative.

**MOTION: VOTE TO AUTHORIZE THE ECONOMIC DEVELOPMENT BOARD CHAIRMAN TO SIGN AN UPDATED AND AMENDED LDA FOR THE REDEVELOPMENT OF CHELSEA GATEWAY BY CHELSEA GATEWAY PROJECT, LLC**

**WHEREAS:** The City of Chelsea Economic Development Board (the "Board") is an urban redevelopment agency created by and operating in accordance with Massachusetts General Laws Chapter 121B, and is the successor in interest to the former City of Chelsea Redevelopment Authority; and

**WHEREAS:** In furtherance of the objectives of the Urban Renewal Act, the Board has undertaken a program for the clearance and reconstruction or rehabilitation of slum and blighted areas in the city and in this connection has been and is currently engaged in carrying out the urban renewal project known as the Everett Avenue Urban Renewal Program; and

**WHEREAS:** The Board holds title to that certain properties referred to as Chelsea Gateway, namely tax map parcels 55-17, 55-17A, 55-17B and 55-30; and

**WHEARAS:** The Board and The Development and Marketing Group, LLC (“DMG”) have continued to partner on the development of a hotel through a Land Disposition Agreement (“LDA”) signed by the parties of October, 21, 2008, which was subsequently amended by Amendment 1, dated November 24th, 2009, Amendment 2, dated June 8, 2010 and Amendment 3, dated December 21, 2010, and

**WHEREAS:** DMG has assembled a redevelopment team which is known as Chelsea Gateway Project, LLC (“CGP”), with CGP having assumed the controlling interest in advancing the development project, as permitted by the Board in Section 803 (a) (iii) of the LDA between the Board and DMG, and

**WHEREAS:** The Board and CGP wish to enter into an updated and amended LDA which, among other matters, affirms CGP as the redeveloper, the prerequisite of which is the confirmation of assignment and attestation by DMG and CGP of the transfer in controlling interest of Chelsea Gateway, now be it therefore

**VOTED:** That the Chelsea Economic Development Board does hereby 1.) adopt the updated and amended LDA as the superseding redevelopment agreement for Chelsea Gateway, and 2.) upon submission of documentation satisfactory to the Board Chairman of the assignment of development rights from DMG to CGP, authorize the Board Chairman to sign the updated and amended LDA as substantially in conformance with the LDA adopted by the Board.

Adopted on this 21st day of June, 2011 by the Chelsea Economic Development Board on a vote of \_\_\_ yeas and \_\_\_ nays. The above vote is hereby CERTIFIED by:  
Timothy Fraser

Offered by Mr Coates and seconded by Mr Fraser. On the motion, the Board voted 4-0 in the affirmative.

**MOTION: VOTE TO AUTHORIZE THE ECONOMIC DEVELOPMENT BOARD CHAIRMAN TO APPROVE ALL CLOSING DOCUMENTS FOR THE SALE OF CHELSEA GATEWAY**

**WHEREAS:** The City of Chelsea Economic Development Board (the “Board”) is an urban redevelopment agency created by and operating in accordance with Massachusetts General Laws Chapter 121B, and is the successor in interest to the former City of Chelsea Redevelopment Authority; and

**WHEREAS:** In furtherance of the objectives of the Urban Renewal Act, the Board has undertaken a program for the clearance and reconstruction or rehabilitation of slum and blighted areas in the city and in this connection has been and is currently engaged in carrying out the urban renewal project known as the Everett Avenue Urban Renewal Program; and

**WHEREAS:** The Board holds title to that certain properties referred to as Chelsea Gateway, namely tax map parcels 55-17, 55-17A, 55-17B and 55-30; and

**WHEARAS:** The Board and CGP, upon signature of its duly authorized officials, will have signed an updated and amended LDA for the redevelopment of Chelsea Gateway, and

**WHEREAS:** The parties wish to proceed to the land closing provided for in the LDA; now be it therefore

**VOTED:** That the Chelsea Economic Development Board does hereby authorize the Board Chairman, upon review of all closing documents to ensure conformance with the LDA, to sign any and all documents as necessary to convey Chelsea Gateway to CGP, subject to the continued and further control of the LDA between the parties.

Adopted on this 21st day of June, 2011 by the Chelsea Economic Development Board on a vote of \_\_\_ yeas and \_\_\_ nays. The above vote is hereby CERTIFIED by:  
Timothy Fraser

Offered by Mr Coates and seconded by Mr Fraser. On the motion, the Board voted 4-0 in the affirmative.

Chrm Pantano thanked Ms Thomas and Mr Saba for coming and especially for their continuing commitment to the project and the community.

#### URBAN RENEWAL – CROP

Chrm Pantano asked Mgr Ash for an update on CROP. Mgr Ash noted that developers Robinson and White are aggressively working the project and continue to be encouraged by their conversations. They have visited other properties in and around Chelsea and believe the market may be turning to a point where there is a possibility of the project being built. Financing will continue to be the toughest piece of the project, and they are talking to everyone about it. Conventional financing may be tough, but it doesn't require prevailing wage, which saves \$6m on a very thin project. FHA financing seems more likely, but that \$6m is something which could make the project not feasible. With this in mind, he has been in contact with state policy people trying to get some traction around a \$1b loan pool that could help out projects like this. More on this at the next meeting.

#### URBAN RENEWAL – Vale Street


Chrm Pantano asked Mgr Ash for an update on Vale Street. Mgr Ash says he has had preliminary conversation with Billy Thibeault and talked about the potential of relocating Woodwaste to Chelsea in order to allow for a big box to be built in Everett. The advantage for the Board is that they would have more control over the Woodwaste project, which will otherwise be on the Chelsea border and creating impacts without much oversight from us. Additionally, the development could produce mitigation benefits, including millions for infrastructure improvements and a new City Yard for the City. There are many details to still discuss, but he wanted to just update the Board.

Chrm Pantano said he understood the concept but was uncomfortable with it. Mgr Ash said no decisions are pending and if there is any possibility that this could go forward, the Board would be the first to know.

#### **MOTION: To adjourn.**

Offered by Mr Coates and seconded by Mr Fraser. On the motion, the Board voted 4-0 in the affirmative, thereby adjourning at 7:40p.

Offered by

  
\_\_\_\_\_  
Timothy Fraser  
Secretary

12-12-11