

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

MEETING MINUTES

April 30, 2012

The meeting convened at 6:15p 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 present was Christine Thomas, Mark White, Quan Tran and Steve Dorona.

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

MOTION: Adopt the minutes of the December and March meetings.

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

URBAN RENEWAL – Chelsea Gateway

Mgr Ash entered the following email to the Board into the record:

The hotel is closing on financing tomorrow. One minor LDA issue has come up. The lender does not want to be in the chain of title on the land across the street. Chris Thomas is requesting that we designate her current group as the Phase II owner, but under a different name. Everything else stays okay and there shouldn't be any issues on our end. Here's a copy of the motion. She'll be first up at 6. Sorry to spring this on you now, but she just left my office. All else is good!

Regarding the email, he reaffirmed that this was a minor issue and restated the motion request was consistent with the LDA.

Mr Fraser inquired if the Board was being asked to assign the land now. Mgr Ash said no, the Board was being asked to assign the rights to the former Lawrence property to a separate entity owned by the same group so that the original entity could secure financing without the question of environmental issues clouding the consideration.

Mr Coates asked if the action would limit the lender's rights. Ms Thomas said the parcel the hotel is on stays with the hotel and is clean land and has zoning rights, so no, the lender is not impacted. The Lawrence sight would be separate.

Mr Coates asked why wouldn't they want to be on the deed. Ms Thomas said her group will be on the deed, just under a different name.

Mr Gonsalves asked if it was this action was to just separate the contaminated land from the current hotel parcel. Mgr Ash answered yes, as the contaminated land could be a liability, but the plan was to get it cleaned to a level that it wouldn't be.

Chrm Pantano said the action will have no negative impact on financing, correct? Mgr Ash said correct.

Mr Gonsalves asked how the Lawrence property will be used. Ms Thomas said it depends on the final cleanup plan, but it could be anything from just a parking lot to a third hotel.

Mgr Ash noted that the City and the redeveloper are meeting with EPA to discuss the extent of the cleanup required and what could happen on the property after the cleanup.

Chrm Pantano asked if the Marriott could be expanded. Ms Thomas said yes, but the Lawrence land would still be needed to support more parking.

Mgr Ash noted that a covenant not to sue could be used to limit the liability of the ownership group. He noted that the process of closing includes what the parties need to do to get the land cleaned-up and into the redevelopere's hands or not.

MOTION: (Attached)

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

Mgr Ash said the hotel is coming along and that Chrm Pantano and Mr Coates had an opportunity to tour it. Ms Thomas said the model room will be open by the end of May. Mgr Ash asked if there were any problems, to which Ms Thomas responded that they have been working with ACS and Wyndham and all is good there, and the City has been helping through a number of minor bumps.

URBAN RENEWAL – 242 EVERETT AVENUE

Mgr Ash noted that Mr Tran had received zoning approval to convert 242 Everett Avenue into a first floor dental office and two floors of residential above. The first floor was a physic office and the two upstairs floors were inhabitable. The Board needs to review the occupancy and vote that the use is consistent with the Urban Renewal Plan. Mgr Ash showed the Board the zoning file on the case.

Mr Fraser asked if the building was currently three units. Mr Tran said yes, he will convert the first floor into a dental office, the second floor into a three bedroom apartment and the top floor into a one bedroom.

Chrm Pantano asked if the parking had been reviewed. Mgr Ash said yes by both the Zoning and Planning Boards.

Mr Tran noted he would be moving his office from 279 Washington to this location.

MOTION: To affirm the proposed use by Mr. Tran to utilize 242 Everett Avenue as a dental office with residential above is consistent with the urban renewal plan.

Offered by Mr Fraser and seconded by Mr Coates. On the motion, the Board voted 4-0 in the affirmative, thereby approving the use as consistent with the urban renewal plan.

URBAN RENEWAL – CROP

Mr White told the Board that they had signed a letter with Gate Residential to partner on the development. All environmental and engineering has been done. They have stopped at construction docs, which will take 3-4 months to do, as they are going gout and working on financing first, utilizing a broker. The broker's involvement is a good sign in that they are risking time on the project. The broker helped with financing on Parkside Commons and understands the market and has a great deal of comfort in telling the Chelsea story. They should get a sense on finances in 3-4 weeks. Financial markets are starting to open up. They've been pushing off all other aspects while waiting on financing. But, they've already spent so much time on design, etc., that they are convinced they have the right product. Both local banks and institutional investors are at the table.

Mr Coates asked if it usually takes 3-4 months for construction documents. Mr White said yes, that they can't do it any quicker on a project this size.

Mr Gonsalves asked who approves any construction document changes afterwards. Mr White said the City still has site plan approvals. After that, minor changes are done at the site and anything major would need to go back to the City.

Mr White said they may be back to talk about signage and cool lighting to help with getting the right demographic in the building. They are doing smaller units, with that in mind as well, making it more affordable for someone to live on their own, and will have bigger common spaces. They are thinking of chasing the "dog market" but not sure. Did learn from Parkside Commons about being dog friendly, and are looking at a potential doggie day care.

Mr Coates asked if dog care would be available for the general public. Mr White said only for tenants.

Mr Gonsalves asked if he heard right that the financial consultant doesn't get paid unless they deliver financing. Mr White said that is right, so when they decide to engage they do think that financing can be secured.

Mr Gonsalves asked how much needs to be raised. Mr White said \$38-\$40m on a \$45m project.

Mr White noted that rents are going up and that the Chelsea market is doing well.

Chrm Pantano asked if June financing decision was important for an August ground breaking. Mr White said yes. They will do the construction docs right away if it is looking good. That is a \$300-500k commitment in and of itself.

OTHER

Mgr Ash said there was no news on the FBI, Thibeault may be thinking about residential, there is a possibility of a hotel on upper Central Avenue and 50 units of housing behind Planet Fitness.

MOTION: To adjourn.

Offered by Mr Coates and seconded by Mr Fraser. On the motion, the Board voted 4-0 in the affirmative and adjourned at 7:27p.

Offered by



Timothy Fraser
Secretary