

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

## MEETING MINUTES

June 8, 2010

The meeting convened at 6:11p in the City Manager's Conference Room. In attendance were Chairman Richard Pantano, Members Tim Fraser and Ted Coates, and City Manager Jay Ash. Also present were Kevin Saba and Christine Thomas

## MINUTES

Chrm postponed the reading of the minutes of the April Meeting

## PUBLIC SPEAKING

Chrm opened with no one wishing to speak and then closed.

## CHELSEA GATEWAY

Ms Thomas addressed the Board on the pending hotel project. Plans have been submitted to ISD and we're expecting a Planning and Zoning Board meeting by the end of the month. We are eager to get permitting done. Working through the parking issues. Have enough for hotel operations on site and have more across the street. There are no guest rooms on the first floor in the current plans. They continue to design it more and are looking at keeping flexible public space on the first floor. It will have a restaurant, bar and function space. We're working through the finance issues and getting a good response on financing, both public and private. Looks like they will get the pieces together in October for a closing in December. They'll start the project in December with at least site work, and depending on the winter conditions, maybe more. Construction will take 12 months. Team is geared up to get this going and may need an LDA extension just to keep all the paperwork on tack.

Chrm Pantano asked how large the function space would be. Ms Thomas said 200 or so. Chrm Pantano said he would like to get all the events back here. Ms Thomas agreed and said they would like to get the first floor functional to give people the flexibility to have larger events.

Mr Coates asked how many rooms. Ms Thomas said 100, 25 per floor of the top 4 floors.

Chrm Pantano asked if the function, bar and restaurant would be on the first floor and together. Ms Thomas said yes, and the function space had a pre-function space that would allow for the expansion to 200.

Chrm Pantano asked where the nearest Hilton Homewood Suites was. Ms Thomas said Peabody, but she thought this one would be more upscale than that. Baltimore is more representative of what the Chelsea space will look like.

Mr Coates asked what the next milestone would be. Ms Thomas said there would be a joint meeting with the Planning and Zoning boards by the end of the month. They'll work with ISD on the building plans. Looking for all permits by October.

Mr. Coates asked when the finance will be locked up to get the commitment. Ms Thomas said the commitment isn't necessary to get the permitting finished but it would be for the closing to happen.

Mr Fraser asked when the private equity needs to be in place. Ms Thomas said the banks are looking at 60/40 debt to equity and a personal guarantee. We think we need to get to 50/50 to get everyone comfortable.

Ms Thomas said the project will be LEED certified with a long list of green features and will emphasize transit oriented development.

Chrm Pantano asked how much parking will be supplemented across the street. Mgr Ash said there could be 10-200 parking spaces across the street, depending on environmental conditions. There will be 59 spaces on the site.

Chrm Pantano said that he saw 4 room designs on the presentation sheet, could Ms Thomas explain the mix. Ms Thomas said there is higher demand for the studios because they do great as a standard hotel room but also for longer stays.

Mgr Ash said that the ED Board had the following responsibility for the project going forward: 1.) make sure the project conforms with the LDA, 2.) that it is consistent with the urban renewal plan, 3.) provide some general design comments and negotiate that with the developer, and 4.) comment to the Zoning and Planning Board.

Mgr Ash reviewed the status of the LDA with DMG. It requires a closing on July 1<sup>st</sup>. If the Board wished to accept the project that is currently proposed, it would need to expend that date, perhaps to Feb 1<sup>st</sup>. He reviewed Section 201 of the LDA.

Mr Coates said if everything was perfect, could you close by December. Ms. Thomas said maybe even October, but definitely by December.

**MOTION To approve Amendment 2 which reads:**

Amendment 2  
The Development and Marketing Group, LLC LDA

Whereas The Economic Development Board and The Development and Marketing Group, LLC (the Redeveloper) continue to partner on the development of a hotel on the parcel known as Chelsea Gateway, and

Whereas the Redeveloper has demonstrated a plan to lead to a Winter '10 groundbreaking for a Homewood Suites or similar upscale extend stay hotel, and

Whereas, the LDA between the parties in Section 103 (a) required a closing on the property by October 1, 2009, which was subsequently amended by Amendment 1 to require a July 1, 2010 closing, and

Whereas, it is the desire of the parties to extend that date to facilitate the development of the hotel, now be it therefore

Resolved, that the Economic Development Board does hereby adopt Amendment 1 to the The Development and Marketing Group, LLC LDA to read as follows:

Section 103: Closing. The Board shall deliver the Deed to the Redeveloper and the Redeveloper, or its permitted nominee or assignee, shall acquire the Property within thirty (30) days after all preconditions to closing set forth in Article II hereof have been satisfied, but, except as provided below, in no event later than February 1, 2011 (the "Closing Date"). The conveyance shall be made at the office of the Board or such other place as the Parties may agree, and the Redeveloper shall accept such conveyance and pay the full Purchase Price to the Board at such time and place. Time is of the essence with respect to this Agreement. Notwithstanding the preceding sentence, there shall be no conveyance of the Property to the Redeveloper until the Redeveloper and the Board have satisfied the preconditions to closing set forth in Article II of this Agreement. The consummation of the sale at the time specified is called the "Closing."

Adopted on this 8<sup>th</sup> day of June, 2010 by the Chelsea Economic Development Board on a vote of yeas and nays, with absent and abstaining.

The above vote is hereby CERTIFIED by:

\_\_\_\_\_  
Timothy Fraser  
Board Member and Secretary

\_\_\_\_\_  
Date

Offered by Mr Coates and seconded by Mr Fraser. On the motion, the Board voted 3-0 in favor, thereby adopting the amendment.

Mgr Ash suggested that the ED Board consider a joint meeting with the Planning and Zoning Board to address the ED Board functions and inform the other boards of the work the Board had done, confirming points 1 and 2 above and dealing with items 3 and 4 thereafter.

#### CHELSEA NORTH

Mgr Ash said there was no change on the LDA. He hoped to have something in place for the next meeting.

#### **MOTION To adjourn**

Offered by Mr. Fraser and seconded by Mr Coates. On the motion, the Board voted 3-0 in favor, adjourning at 7p.

Offered by

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Timothy Fraser  
Secretary