

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

## MEETING MINUTES

December 21, 2010

The meeting convened at 12:32p 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

Review of the October and December minutes was tabled.

## PUBLIC SPEAKING

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

## URBAN RENEWAL – Chelsea Gateway

Chrm Pantano welcomed Mr Saba and Ms Thomas. Ms Thomas informed the Board that the hotel flag will be a Marriott, Residence Inn. The Residence Inn is the strongest flag within the Marriott brand. Chrm Pantano asked if that could still happen even though Charlestown is a Residence Inn. Ms Thomas said yes, it is okay, as the Marriott folks say the Charlestown hotel draws from Boston, while this one will be focused to the airport. It will have the only Residence Inn shuttle to and from Logan, for example. It is going from 100 rooms to 128 rooms, regardless of the FBI situation. Mr Coates asked if that would cause another floor, to which Ms Thomas said no.

Mgr Ash reviewed the proposed Amendment 3 in order to provide Ms Thomas with the time extension necessary to get the Marriott deal completed. The recommendation extends the time deadline to 7/1/11, from 2/1/11 and requires a filing by January 31<sup>st</sup> to the ZBA in order to be in conformance with the LDA. The latter responds to concerns that a filing has not happened yet, although all parties see no fault for any filing delays.

Ms Thomas addressed financing by noting that financing is strong, new market tax credits are still in place and that the plan supports construction right away with a 2012 opening. Mr Saba noted that the FBI opening validates the decisions that have been made about the project to do. Mr Coates asked if the new room rates would do so as well. Mr Saba noted that they are hitting a double or single, but not a homerun here, as it is a tough project to get done and will make money, just not a lot.

Mgr Ash asked if the project would be going forward if not for the tax credits, tax relief and reductions in the purchase price that is taking place. Ms Thomas agreed and noted that better markets for investment existed in the South and on existing products everywhere that can be purchased for below value properties. So, if not for the combination of all these factors, investor money would be going elsewhere.

**MOTION:**

**Amendment 3  
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 groundbreaking for a Marriott Hotel or similar hotel during the first half of 2011, and**

**Whereas, the LDA between the parties in Section 103 (a) required a closing on the property by October 1, 2009, which was amended twice by Amendment 1 to require a July 1, 2010 closing and Amendment 2 to require a February 1, 2011 closing date, 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 3 to the The Development and Marketing Group, LLC LDA to read as follows:**

**1. Delete Section 103 (a) and replace it with a new section that reads:**

**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 July 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."

**2. Delete Section 108 and replace it with a new section that reads:**

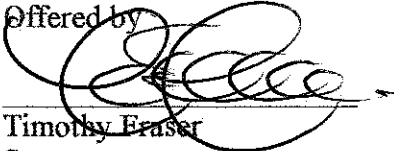
**Permitting Period.** The Redeveloper shall submit an application to the Zoning Board of Appeals for all necessary zoning and site plan approvals by January 31, 2011 for Phase I of the Project, and shall obtain all necessary permits for Phase I of the Project by June 1, 2011. In the event any permit appeals are filed, the July 1, 2011 outside date of Closing set forth in Section 103(a) shall be extended by the earlier of thirty (30) days after such time as the permit appeals are finally resolved or December 1, 2011.

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

**MOTION: To adjourn**

Offered by Mr. Fraser and seconded by Mr. Coates. On the motion, the Board voted 3-0 in favor, adjourning at 12:53p.

Offered by

  
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Timothy Fraser  
Secretary