

City of Chelsea  
**Economic Development Board**  
City Hall – Room 101  
Chelsea, MA 02150  
(617)889-8233

## MEETING MINUTES

January 14, 2008

The meeting convened at 6:00p in the City Manager's Conference Room.

Present: Chairman Richard Pantano; Members James Bill and Timothy Fraser.

---

## MINUTES

### **MOTION: To adopt the minutes of the December meeting.**

Offered by Mr. Fraser and seconded by Mr. Bill. On the motion, the Board voted 3-0 in the affirmative to adopt the minutes.

## PUBLIC SPEAKING

With no members of the public present and no one wishing to speak, Chrm Pantano opened, asked for and closed this portion of the meeting.

## URBAN RENEWAL – 238 Spruce Street

Chrm Pantano asked Mgr Ash for an update on the acquisition of 238 Spruce Street. Mgr Ash said last minute details were being worked out. The Board should consider reaffirming the December votes to approve the acquisition and order of taking and authorize the Chairman to sign the acquisition documents.

### **MOTION: To reaffirm the votes taken on December 17, 2007 to: 1. Adopt the acquisition and settlement agreement for 238 Spruce Street, and 2. Adopt the order of taking and authorize the Chairman to sign any and all documents to complete the acquisition of 238 Spruce Street.**

Offered by Mr. Bill and seconded by Mr. Fraser. On the motion, the Board voted 3-0 to reaffirm its approval of the matters.

Chrm Pantano noted he had signed several agreements today, and that the acquisition looked like it would happen shortly. Mgr Ash agreed.

## URBAN RENEWAL – Amendment 3

Chrm Pantano asked Mgr Ash to introduce Amendment 3 to the Everett Avenue Urban Renewal Plan.

Mgr Ash said that the RFP for the disposition of CROP envisioned either a single or multiple disposition. When JPI and Chelsea North made their original proposal, the only one received by the board, the plan envisioned a single disposition. However, during negotiations, JPI, Chelsea North and the City have all agreed that it makes more sense to split up the dispositions, as JPI may or may not be a development partner in CROP Phase II. In reviewing the LDA and disposition approval with DHCD, it has requested that the Board adopt an amendment to CROP, which was created by Amendment 2, because that amendment envisioned a single disposition. Thus, Amendment 3 simply divides which parcels would be disposed of immediately to JPI for Phase I and which parcels would be later disposed of to whomever Chelsea North partnered with on Phase II.

Mr. Bill asked if the separation of the disposition parcels would jeopardize the Phase II development, to which Mgr Ash said no. Phase II is necessarily being held off until Phase I is complete, so as to not compete with Phase I and place too much of a cost burden on the developers. It is naturally to phase-in projects like this.

Mr. Fraser asked if Phase II would actually likely happen. Mgr Ash said every indication is that it will, it is just a timing issue.

Mr. Bill asked who own Chelsea North and noted that he doesn't want to see the parcel vacant forever. Mgr Ash said Chelsea North was owned by an investor group led by Mark Robinson and Mark White, who were experienced and successful developers in Chelsea, and that the vacancy of the parcel was just a necessary happening while Phase I gets off the ground. He expects that the parties will be in shortly after Phase I breaks ground to queue up Phase II.

Mgr Ash went on to say that the LDA he has been negotiating on behalf of the Board is only for Phase I, but that a separate LDA is beginning to be negotiated for Phase II. The LDA will largely look the same, although there is a big difference between the City controlling all the land in Phase I and a minority share in Phase II.

Mgr Ash reviewed the language of the proposed Amendment and noted the Board's action in the affirmative would prompt the Amendment to be forwarded to DHCD, where is would be treated as a minor plan change because it does not have a material impact requiring major review..

**MOTION: To adopt Amendment 3, dated January 14, 2007, which reads:**

City of Chelsea - Economic Development Board  
Everett Avenue Urban Revitalization and Development Project

Dated: January 14, 2008

Amendment No. 3

WHEREAS, the Chelsea Economic Development Board (the "Board") has approved an urban renewal plan entitled the "Everett Avenue Revitalization and Development Project" (the "Urban Renewal Plan"), which provides for the acquisition, clearance, rezoning, redevelopment and/or rehabilitation of decadent areas in the City of Chelsea (the "City"), and

- WHEREAS, the Massachusetts Department of Housing and Community Development approved the Urban Renewal Plan in accordance with the requirements of Mass. Gen. L. c. 121B on July 6, 1998, and subsequently amended by Amendment No. 1, dated September 25, 2001, and Amendment No. 2, dated December 13, 2005, and
- WHEREAS, in order to fully accomplish the objectives of the Urban Renewal Plan, the Board wishes to amend the Urban Renewal Plan to enable the Board to dispose of parcels acquired in the Chelsea Residential Overlook Project ("CROP") Area in two phases, rather than the one phase approved in Amendment No. 2, as envisioned as Disposition 5 in Amended Map No. 9A and as referenced in Section 10 as "the Board wishes to generally assemble all the parcels and designate a single redeveloper for a master-planned redevelopment of the entire assembled parcel. That redevelopment could be phased or could be accomplished as one large project", and
- WHEREAS, the issuance of a RFP for the redevelopment of CROP resulted in a single response which was found satisfactory by the Board, and during subsequent negotiations and planning, the two parties which submitted the joint development, JPI and Chelsea North, have determined that the separation of the project into two phases with separate LDAs is the best way to accomplish the goals set forth by the Board for the CROP redevelopment, and
- WHEREAS, the Board wishes to enter into a LDA agreement for the Phase I redevelopment with JPI while the Board continues to negotiate a separate LDA for the Phase II redevelopment with Chelsea North, and finds the separate negotiations provide for the most expedient way to ensure the goals for CROP and the Urban Renewal Plan are accomplished.

NOW, THEREFORE, the Urban Renewal Plan is hereby amended as follows:

3. The CROP disposition areas shall include CROP Phase I, known as Disposition 5, as amended, and CROP Phase II, known as Disposition 6, with the two disposition areas depicted in Amended Map No. 9C and
4. The amended Disposition 5 shall include eight (8) parcels: 56-17, 56-19, 56-21, 56-22, 56-23, 56-4, 56-5A and 56-5B, and Disposition 6 shall include eight (8) parcels: 55-18, 55-18A, 56-6, 56-7, 63-12, 63-13, 63-16 and 64-4, with all reference to CROP disposition from and after the date hereof referring to two disposition areas.

Adopted by the Economic Development Board by a vote of 3 in favor and 0 opposed on January 14, 2008.

---

Timothy Fraser  
Secretary, Chelsea Economic Development Board

Offered by Mr. Bill and Seconded by Mr. Fraser. On the motion, the Board voted 3-0 in the affirmative, thereby adopting Amendment 3.

#### Urban Renewal - Amendment 4

Chrm Pantano asked Mgr Ash for an update on the potential need to adopted Amendment 4. Mgr Ash explained that the lines of the original urban renewal district in 1997 were drawn in such a way as to not impact any residential properties along Heard Street. The JPI project anticipates redeveloping those residential properties, including City owned property, on Heard, between Maple and Spruce. From a local permitting perspective, and to make sure there was no confusion as to which portions of JPI property were in or out of the urban renewal district, the parties have been discussing including several properties in the urban renewal district. If the properties, which are under negotiation for acquisition by JPI, do get acquired by JPI, it looks like Amendment 4 would be another plan change.

Mr. Fraser asked for a further explanation as to why the lines were original drawn to include the parcels in the first place. Mgr Ash stated that the Board wanted to avoid any suggestion that it was going to acquire homes and displace local residents, as that was not its intention. However, the JPI project would be better designed and operated if it control the entire block on Heard. The Board is not being asked to acquire the properties; JPI will do that. The Board is simply being asked to include the properties in the urban renewal district for permitting convenience and clarity.

Chrm Pantano asked if the properties to be included would be part of Phase I or Phase II. Mgr Ash said Phase I.

Mr. Bill asked if it impacted the LDA. Mgr Ash said the disposition of the City property on the corner of Heard and Spruce, which the City will be transferring to the Board, will require an amendment to the LDA. The parties were still looking at whether the acquisition and redevelopment of the private properties would require any LDA consideration, but probably not.

Chrm Pantano asked if it would impact value. Mgr Ash says the LDA requires a payment of \$27,000 per unit developed, so the more units developed, the more revenue that should be generated.

Mr. Bill asked to how many units could be developed as a result of the various supplemental acquisitions. Mgr Ash said the unit count could go from 238 to 250 or more.

Chrm Pantano asked what JPI's acquisition cost would be for the private properties. Mgr Ash said he did not know.

Mgr Ash said the Board need not take action tonight, as the acquisitions are not sign-off on yet. If JPI was not able to get an agreement on all the properties, DHCD would probably look at the Amendment as a major plan change and require a public hearing. It didn't look like that would be necessary if the acquisitions are agreed upon.

#### URBAN RENEWAL – CROP Other

Mgr Ash informed the Board that the Fire and ISD were ordering the building at 155 down. That could accelerate the work NSTAR needs to do there to pave the way to its demolition. NSTAR was really delaying the matter. It is impossible to schedule them.

#### URBAN RENEWAL – Chelsea Gateway

Chrm Pantano asked for an update on Chelsea Gateway. Mgr Ash said the hotel is readying to go forward and should be into the Board at its next meeting. In the meantime, he has put Kevin Saba of DMG together with the Simboli's to see if there is a mutual interest in development, perhaps helping to get the Emerald Block going. Because the environmental situation was what it was, he had also suggested to Saba that he get an environmental rep like John DeVillars to provide some guidance.

#### URBAN RENEWAL – Other

Mgr Ash noted there was some discussion with Mr. Thibeault of Woodwaste about bringing in a temporary user, Schnizer, to do metal recovery, like a scrap yard. While the use wasn't great for the long term, it would generate some impact fees to help for planning of public infrastructure, and the company would do landscaping along Everett Avenue. It was possible that junk licenses

that currently exist, could be negotiated to expire. He would inform the Board more if that was to happen.

At Alkermes, Mgr Ash said the City continues to direct much energy at the expansion project. He is waiting for Alkermes to finalize what its program would be before making any final commitments.

Mgr Ash went on to note that there was an opportunity to lease property on the short term to the Wyndham for a "park, stay and fly" operation. Mgr Ash read the following email sent to Board members into the record:

*Attached is a copy of a lease agreement to be discussed under Other Business at our meeting Monday night.*

*The agreement is for the Wyndham Hotel to operate a temporary parking lot in the vacant parking lot of the former temporary fire station. Temporary is up to a year. The parking is for people who would park, stay over the hotel, fly somewhere and then come back and get their cars. Because of the temporary nature and lack of investment being made, and because it is a new operation for the Wyndham, there is a nominal charge of \$5 per rented night. We stand to benefit from additional rooms being rented through the hotel/motel excise tax we would derive as well. We foresee no immediate use for the property, and have the ability to end the contract should such a need come up. We can discuss this further at the meeting.*

*Regards,*

*Jay Ash*

Chrm Pantano asked if this was for customer who would stay and rent a room and then fly out the next day. Mgr Ash said that is the likely scenario, although it would be possible that they could stay longer, but would still be flying out.

Chrm Pantano asked Mgr Ash to describe the parcels to be used a bit more. Mgr Ash said that it has been the excess Palmer property that the Wyndham didn't buy originally, along with the sideyard of the former Prattville Machine property, to the left of the Prattville building if you were looking at it from Beech Street.

Mr. Bill said it seemed strange that we would lease the property for such a use. Mgr Ash said the agreement provided the safeguards so that the pending Saba hotel project could get done. This was just a temporary situation to allow the Wyndham to rent a few more rooms, and for the City to pick up more hotel/motel excise tax as a result. In terms of the small proceed of \$5 per rented hotel room, the Wyndham would probably only be upcharging by \$25 dollars. The cost of gas to plow and maintain the facility, and other overhead would eat up the extra Wyndham dollars, including lighting and resurfacing the lot. It wasn't going to be a great money maker for anyone. The idea was to give it a try to see if it created a need that we didn't realize existed in the marketplace.

Chrm Pantano asked if someone stayed one night they would be allowed to leave there car for multiple days. Mgr Ash said yes.

Chrm Pantano said it may seem strange, but it made some sense because we partner with the hotel and get actual room excise increases as will, is that the deal? Yes, said Mgr Ash, along with a \$5 a room rented additional fee.

Mr. Bill asked if it would lead to the need to build an additional parking structure. Mgr Ash said that was unlikely as the cost of a structure for such a use would be prohibitive.

Chrm Pantano asked how this compared to the Hampton Inn in Revere. Mgr Ash said it was a similar operation, except that the Hampton was designed to do this but including excess parking in its original design.

Mgr Ash reviewed provision two of the lease agreement further, which gives the Wyndham one year to operate, but not less than 180 days. Mgr Ash said after the 180 days, the Wyndham could be given a thirty day notice to vacate.

**MOTION: To authorize the Chairman to enter into the lease dated January 14, 2008 with the Wyndham Hotel .**


Offered by Mr. Fraser and seconded by Mr. Bill. On the motion, the Board voted 3-0 to authorize the Chairman to enter into the lease.

**MOTION: To adjourn**

Offered by Mr. Fraser and seconded by Mr. Bill. On the motion, the Board voted 3-0 to adjourn.

The meeting adjourned at 7:00p.

Offered by



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