

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

MEETING MINUTES

March 10, 2009

The meeting convened at 7:15p in the City Council Conference Room. In attendance were Chairman Richard Pantano, Members Timothy Fraser, Jackie Ruiz and Ben Faust, and City Manager Jay Ash. Also in attendance were Mark Robinson and Mark White of Chelsea North and City Councillor Matt Frank.

MINUTES

MOTION: To adopt the minutes of the February 2nd meeting.

Offered by Mr. Fraser and seconded by Ms. Ruiz. On the motion, the Board voted 4-0 to adopt the minutes.

PUBLIC SPEAKING

Chrm Pantano opened the public speaking portion of the meeting. Hearing no one wishing to address the Board, Chrm Pantano closed that portion of the meeting.

URBAN RENEWAL – CHELSEA NORTH

Chrm Pantano welcomed Mr. Robinson and Mr. White and asked for a presentation on their potential development. Mgr Ash introduced Mr. Robinson and Mr. White as successful developers in Chelsea, who had developed the Massport Garage and Park and Fly lot, and were part of the team that developed the Wynhdam Hotel. Both have been very active in local philanthropy, most notably the Boys and Girls Club. Their development arm, Chelsea North, has purchase much of the land in the Phase II portion of CROP. They originally submitted a development plan with JPI for the entire CROP area, and then it was agreed to bifurcate the development into two phases for LDA purposes.

Mr. White thanked the Board for the opportunity to appear. CN has spent 3 years on the project, using its own money to take down the property and level the buildings, which was done for fire safety reasons, to get rid of abandoned buildings and to just get rid of blight. They introduced and brought JPI to the project, and then worked closely with them on the two phases, on matters involving planning, infrastructure, traffic, and MEPA. CN has been monitoring financial considerations and under agreement with JPI will commence Phase II 18 months after Phase I has a shovel in the ground.

CN is looking for approval for 185-250 units to be built on their property and a couple of small city-owned parcels. The buildings would be four stories, most likely over a floor of parking. They are looking for the flexibility to determine how many units exactly as they do more work on design and market conditions. They are not talking or showing the alternative plan that was included in the original submission; that for 350 units in a high rise building. They would only do that project if there was a radical change in the markets. They are tracking the capital markets and talking with people like Mass Housing, which could be a good alternative as would the HUD 221d4 or private financing through places like MetLife or Danvers Savings. They are talking with contractors like Plumb House, development partners like Northland, architects like Finegold Alexander and continuing the process of planning, including looking at density and designs.

The current design that was original submitted with the RFP response was for 221 units. That could change if the Board provides the flexibility up to 250. They are watching multi-family markets - there is some life and money out there presently. They are tracking rental pricing in neighboring projects, like the \$1.50 a s.f. for rent they are getting at Overlook Ridge, \$1.90 at Parkside, and who knows how much Admirals Hill will be renting for in May. That number will be interesting. They have a market study being done with Pam McKinney and will be meeting with JPI tomorrow.

As the road goes up at our site, we want to push the building back and have a garage structure near the highway that lifts most if not all of the 4 story stick built above the highway.

Chrm Pantano asked about elevations and will there be parking under the building that brings the building over the highway. Mr. White said the first floor may be level or could be above the highway.

Chrm Pantano asked how many stories will be over the highway. Mr. Robinson said the water table is too high to build underground, so everything will be above ground. Mr. White added that at 3 stories, you can see the Boston skyline.

Chrm Pantano stated the Board doesn't know where JPI is on the development and questioned whether CN knew. Mr. White said he was seeing them tomorrow, but that they had been doing much planning over many months.

Chrm Pantano said he understands that construction costs are down – maybe as much as 10-15% and wanted to know if that's what CN had been hearing. Mr. White said yes.

Mr. Faust asked if the 221 units was scaled down from the original proposal. Mr. White said it may have been 225, but then number will change again as the plans are developed.

Mr. Faust asked if they thought there would be more than 221 units. Mr. White said they were looking to get the flexibility to develop the best product. They could do so both ways, building more or less.

Mr. Faust asked about the impact of changes on parking. Mr. White said they would strive to keep the parking the same as has been presented, but that during the Planning Board process, he

expected to fine tune whatever needed to be adjusted. Mgr Ash interjected that the Board could certainly look at such issues, but the main role was to ensure that the development was consistent with the urban renewal plan.

Mr. Fraser asked if the flexibility was needed for financing or what was happening with Phase I. Mr. White said both, but also because they may have a unit count that changes as they bore down on the actual design.

Mgr Ash noted that the original JPI proposal was for 238 and they ended up at 277. The LDA language should probably reference 250 units in four stories as the maximum. If there is any need for a high rise, then CN would have to reappear before the Board.

Chrm. Pantano asked what the impact might be from all the activity at Rowe's Quarry. Mr. White said he didn't see a big impact. Additionally Parkside had few occupancies and a higher rental rate. The sites and the markets are different.

Mgr Ash noted that the Board could act as soon as the next meeting on the CN LDA, and that the entire LDA would be reviewed once again at that meeting. Chrm Pantano thanked Mr. White and Mr. Robinson for their appearance.

URBAN RENEWAL – CHELSEA GATEWAY

Chrm. Pantano asked for an update on Chelsea Gateway. Mgr Ash said that the TIF for tax relief for the project had been adopted by the City Council and would be submitted to the State for approval later in the month. Lawyers are working out some title defects. There is no new news on the environmental situations. They are still talking about a fall project start.

URBAN RENEWAL – JPI

Chrm. Pantano asked Mgr Ash if there was any sense of what was happening with JPI. Mgr Ash said that the last meeting took place 4 weeks ago, and JPI promised to have something back to him by now. Understanding that the Board is anxious, the Board would be within its rights to ask for an update and ask for a payment of default fees or look to dedesignate. Mgr Ash asked if it was the sense of the Board that he should request JPI to make its intentions known by the next Board meeting or else the Board would begin the dedesignation route. There was a general agreement to do so with no objection expressed.

Mgr Ash noted that the LDA with CN did provide for a 9 month "look" at the property by CN if the Board dedesignated JPI. This was negotiated and discussed with the Board because CN has as much in the process now as anyone and as much to lose if nothing goes forward.

Regarding JPI, it sound from the last meeting to Mgr Ash that JPI was reorganizing and checking out credit leads to secure financing. The overall project would have a lower value, and it is almost assuredly that the Board would need to renegotiate the terms with whomever builds there.

Chrm Pantano asked if the LDA could be dissolved and could the Board recover what was owed. Mgr Ash said he believed so but that the LDA would need to be reviewed for specifics as to how that would happen.

Mr. Faust asked what CN would do with Phase I. Mgr Ash said it was his impression that Phase I would be their first priority and that the same discussions they are having on Phase II would just be shifted to Phase I.

URBAN RENEWAL – EMERALD BLOCK

Mgr Ash said ACS is a finalist for a major project and has recently met with a biotech architect who might also have an interest in doing something. Mgr Ash will be meeting with the architect next month.

Ms. Ruiz asked if the FBI was still interested in the Emerald Block. Mgr Ash said that was the rumor.

Chrm Pantano said he had heard that Alkermes was expanding in Cambridge. Mgr Ash said he hadn't heard that but would check it out. The City still has infrastructure money related to Alkermes and would like to use it. Additionally, Mgr Ash is meeting in April with Secretary of Economic Development Bialecki to talk about \$10m in other infrastructure needed to support CROP, Chelsea Gateway and the Mystic Mall.

OTHER

Mgr Ash said he recently toured the new Market Basket and was very impressed. It is huge. It looks like it will open around Memorial Day. Phase II of the development, which could resemble Wellington Circle is now under discussion.

Mr. Faust asked further about Phase II. Mgr Ash said retail on the ground floor with residential above, and maybe the moving of the train station.


Mgr Ash reported that JPI on Admirals Hill was going well and should be ready in May. The nursing home was also under construction there.

MOTION: To adjourn.

Offered by Mr. Fraser and seconded by Ms. Ruiz. On the motion, the Board voted to adjourn.

The meeting adjourned at 8:07p

Offered by



Timothy Fraser
Secretary