

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

MEETING MINUTES

May 13, 2013

The meeting convened at 6:00p in the City Manager's Conference Room. In attendance were Chairman Richard Pantano, Members Ted Coates and Anthony Gonsalves and City Manager Jay Ash.

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

Review of the minutes from the January meeting we postponed.

MOTION: In the absence of the Board Secretary, Timothy A.M. Fraser, the Board hereby appoints Ted Coates to serve in the role of Acting Secretary solely for the meeting of May 13, 2013.

URBAN RENEWAL – Chelsea Gateway

Chrm Pantano asked for an update on the efforts to get a hotel built on the former Lawrence Metals site.

Mgr Ash told the Board that a final agreement was ready for the Board's review and approval. EPA, DEP, the City, the developer and MassDevelopment were all contributing to a \$3,150,000 clean-up of Lawrence. EPA wants the Board, as the property owner, to agree to a Release and Waiver of Lien Agreement, which needs to be authorized and signed by Chrm Pantano in order for the work to go forward. The Board had been provided with a copy of the agreement prior to the meeting.

Mr Gonsalves asked Mgr Ash to again review the \$1.4m that the City and the developer are putting up. Mgr Ash said the first \$1m is from the sale of the land to the developer. Under the current LDA, the redeveloper has put that money into escrow and when the City did the cleanup, the City could then draw upon the escrow based on the LDA. The second \$400k is additional money the developer will put up. The developer would put that funding up so as to get a cleaner site with less follow-up monitoring to do. The overall deal is better for the City and the Board in that EPA will take over the project,

spend more money on the clean-up and work with everyone to ensure that a project gets done.

In terms of the clean-up, Mgr Ash explained that the LDA had envisioned a more contaminated site being left behind with a bigger cap over it. The EPA has pushed for a reduction of pcbs to 50 parts per million, and, while the cost has gone up, the EPA is bringing \$1.5 m to the table to get it done. This is a really good partnership and will result in a guarantee that a hotel gets done.

MOTION: To adopt the following:

CERTIFICATE

I, Edward Coates, Acting Secretary of Chelsea Economic Development Board (the "Board"), do hereby certify that at a meeting of the Board, duly called and held on May 13, 2013 in Chelsea, Massachusetts, at which a quorum was present and acting throughout, the Board voted unanimously to authorize the Chairman of the Board, Richard Pantano, to enter into an agreement on behalf of the Board and pursuant to the Everett Avenue Urban Revitalization and Development Plan, as amended, and in order to facilitate the transactions described in that certain Land Disposition Agreement for the Sale of Land for Private Development dated as of December 21, 2011 (the "LDA") between the Board and Chelsea Gateway Property, LLC as assigned to Lawrenceville, LLC (the "Redeveloper") with respect to the so-called "Phase II Property" under the LDA the following agreement: a Release and Waiver of Lien Agreement, by and between the United States Environmental Protection Agency ("EPA"), the Board and the Redeveloper pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (the "EPA Agreement").

I do further certify that on the date hereof, the duly appointed, qualified and acting Chairman of the Board is Richard Pantano.

WITNESS my hand and seal of Board this 13th of May, 2013.

Offered by Mr Coates and seconded by Mr Gonsalves. On the motion, the Board voted 3-0 to adopt the certificate.

Mgr Ash then explained that the second item needing the Board's attention was the agreement between the developer and the Board for the \$1.4m. It is being treated as a loan, as the developer is providing the money ahead of taking possession of the property. The developer does not want to take possession until the clean-up has been performed. Once that happens, the loan would be settled by granting the developer the property.

Mr Coates asked what the terms of the loan would be. Mgr Ash said that was still being worked out, but his position was that there shouldn't be any interest charged, unless there was either a law requiring such or some negligence on the part of the City.

Chrm Pantano asked why the agreement needed to be signed now and what the overall timing of the clean-up would be. Mgr Ash noted that the agreement would make it possible for the loan to be made, and that EPA could call for it all to happen prior to starting any work and prior to the next Board meeting. So, the authorization for the Chrm to sign would be in case something needed to happen ASAP, otherwise, the full

agreement would be available for further review at the next meeting. In terms of timing, the EPA seems to be ready to go, but there are still a number of approvals needed on the federal level, so it is possible that the final agreement isn't in place prior to the next ED Board meeting.

MOTION: To adopt the following:

CERTIFICATE

I, Edward Coates, Acting Secretary of Chelsea Economic Development Board (the "Board"), do hereby certify that at a meeting of the Board, duly called and held on May 13, 2013 in Chelsea, Massachusetts, at which a quorum was present and acting throughout, the Board voted to authorize the Chairman of the Board, Richard Pantano, to enter into an agreement on behalf of the Board and pursuant to the Everett Avenue Urban Revitalization and Development Plan, as amended, and in order to facilitate the transactions described in that certain Land Disposition Agreement for the Sale of Land for Private Development dated as of December 21, 2011 (the "LDA") between the Board and Chelsea Gateway Property, LLC as assigned to Lawrenceville, LLC (the "Redeveloper") with respect to the so-called "Phase II Property" under the LDA the following agreement: an agreement (the "Supplemental Agreement") with the Redeveloper, which Supplemental Agreement supplements the conditions of the LDA by allowing the release and discharge of the Phase II Surety Bond upon the Redeveloper and loaning the Board the sum of \$1,400,000, which sums shall be combined and delivered to the EPA pursuant to the terms and conditions of the EPA Release and Waiver of Lien Agreement for the cleanup of the Phase II Property referenced in the LDA.

In authorizing the Chairman of the Board to enter into the Supplemental Agreement, the Board does so acknowledging and approving the Redeveloper's intention of redeveloping on the Phase II Property a hotel and parking lot (the "Project"), which Project shall require all approvals as laid out in the LDA to be modified and subject to confirmation or approval by the Board and the Massachusetts Department of Housing and Community Development.

I do further certify that on the date hereof, the duly appointed, qualified and acting Chairman of the Board is Richard Pantano.

WITNESS my hand and seal of Board this 13th of May, 2013.

Offered by Mr Coates and seconded by Mr Gonsalves. On the motion, the Board voted 3-0 to adopt the certificate.

MOTION: To adjourn.

Offered by Mr Gonsalves and seconded by Mr Coates. On the motion, the Board voted 3-0 in the affirmative, thereby adjourning.

The meeting adjourned at 6:20p.

Offered by



Edward Coates
Acting Secretary