

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

MEETING MINUTES

May 28, 2013

The meeting convened at 6:02p in the City Manager's Conference Room. In attendance were Chairman Richard Pantano, Members Ted Coates, Tim Fraser and Anthony Gonsalves and City Manager Jay Ash. Also attending were Geoffrey Reilinger, Mark Robinson, Mark White, Christine Thomas, Patricia Simboli and Anthony Simboli.

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

MOTION: To adopt the minutes of the January and May meetings.

Offered by Mr. Gonsalves and seconded by Mr. Fraser. On the motion, the Board voted 4-0 in the affirmative, thereby adopting the motion.

Urban Renewal – 228 Everett Avenue – SCRUBS

Mgr Ash noted that there was a business proposal that needed to be approved for 228 Everett Avenue because it was in the urban renewal district.

Mr. Geoff Reilinger told the Board that he was planning on operating a laundry at 228 Everett, with additional parking provided by Floramo's. Will make improvements to the door in the corner of the building, taking down a portion of the building to add one additional space, but the smaller building will reduce the overall need for parking. He will be doing dry cleaning and have a Laundromat. He submitted a project summary. Is going to update the exterior to be the "Apple Store" of laundries. Will have WIFI. Looked at Ippy's Gas in Prattville and may try to do something there as well. Planning board has already approved the project. It will be a destination Laundromat.

Chrm Pantano expressed a concern about the aesthetics. Mr Reilinger said he will make the place looks good and he has the incentive with a 20 year lease – it is in his interest to make the place look nice.

Mgr Ash informed the Board that it was the Board's responsibility to affirm that the use was consistent with the urban renewal plan.

MOTION: To approve the proposed Laundromat at 228 Everett Avenue as being consistent with the urban renewal plan.

Offered by Mr. Coates and seconded by Mr. Gonsalves. On the motion, the Board voted 4-0, thereby adopting the motion.

Mr Reilinger said the store would be open in September.

URBAN RENEWAL – CROP

Mr Robinson and Mr White appeared to review the status of the residential project on 6th Street. Mr White said the project was on time and a little over budget. The renderings are very accurate of the building and the lobby, which he described as majestic, with two story ceilings and special treatments, including special light fixtures. In two weeks, it is expected that the first section of the building will be topped off. By the end of July, the entire building should be topped off. Still pushing for an April 1st deadline for first leasing. Schedule is tight, though. Market looks good – Chelsea is at 93-97% occupied, with rents inching up – not like Boston and Cambridge increases, but still where they think they need to be. Up more like 1% as opposed to 7%.

They have begun looking at Phase II. They may want to be more aggressive. Maybe break ground on that in mid to late 2014. Rents need to go up because the cost of labor and supplies are going up. Hoping for better rent up numbers in Phase II. They will pre-price the Phase II in 2-4 months. East Boston Savings Bank has been a great bank partner.

Mr Coates asked if there were any amenities, like a convenience store. Mr Robinson said there will be no convenience store, as there is one or two just 5 minutes away, including to Mystic Mall or a left up Spruce Street. They have been talking to the convenience people. They are doing doggie daycare, which will be professional care. Mr Coates asked if it was only for the residents. Mr Robinson said yes. They are looking at working with Common Dog for overnight stays, it is only ¼ mile away. Mr White says the project with day care for dogs has not been done the same. Other amenities include a media room, fitness center, pool, party room and fire pit. Their partners, Damien and Kyle have been talking to community partners, like Starbucks, Fusion, Apollinaire, Mystic Brewery and the like to become familiar with what is around and connect their tenants to great local services and flavor.

Mr Gonsalves asked about the walkability around the project, and would his wife feel safe. Mr Robinson said they are working with the City now, and they need to figure out the disconnects that exist around the neighborhood. Mr White added that landscaping, lighting and being pedestrian friendly are important.

Mr Gonsalves asked if the billboards would be coming down. Mr Robinson said the plan all along had been to take down the two billboards and replace them with one.

Mgr Ash said they need to push the revitalization beyond the parcel and into the neighborhood, making the project interesting and hip.

Mr Gonsalves asked if they would be keeping the Hot Sauce Building. Will it be up in Phase II. Mr Robison said yes.

Chrm Pantano asked if they would talk more about Phase II. Mr Robinson said they have engaged architects and are getting schematics. That will lead then to getting pricing. They will look at rents and what numbers they can then back into. Hopefully, rents will allow for them to get excited and get moving. Mr White added that the Silver Line would be a great help.

URBAN RENEWAL – Chelsea Gateway (and Central Avenue Hotel)

Mgr Ash said a Supplemental Agreement was need to be adopted to allow for the EPA cleanup to move forward, and that was addressed at the last meeting. Mgr Ash and Chrm Pantano pledged at the last meeting that if the EPA didn't call and require Chrm Pantano's signature, which the Board had approved, they would come back to the Board and review the Supplemental Agreement again. In addition to doing that, Christine Thomas would review the Beech Street project in the urban renewal district and an talk about the Central Avenue hotel as an economic development project in which she would like the Board's input.

Ms Thomas described the Central Avenue project as 140 units, a Marriott extended stay product like the Residence Inn for amenities. It will be the closest hotel to the airport, will have business and government guests, but a very strong airport hotel with good food and a great lounge.

Mr Coates asked if there would be kitchenettes. Ms Thomas said yes.

Chrm Pantano asked if it would be the same exact product as the RI. Ms Thomas said no, that it will be mid scale, a Towneplace Suites, but the fit out and finish will be the same and it exceeds the standard for mid scale hotels. Residence Inn is also a step up, and it probably has more family and fun in it.

Chrm Pantano asked about the room size. Ms Thomas said it will be slightly smaller, but still larger than a standard hotel room.

Mr Gonsalves asked where the project was on the schedule. Ms Thomas said it is expected to be under construction in September and open next summer. Chrm Pantano said that was a 9 or 10 month turnaround. Ms Thomas said they were cautiously optimistic that schedule could happen.

Ms Thomas added that the lobby bar is at the corner of Central and Eastern, but there is no entrance or exit there.

Mr Coates asked if it would have a convenience store. Ms Thomas said yes, and added it would also have shuttle services to the airport and maybe Downtown Boston.

Mgr Ash said the Silver Line and Suffolk Downs were big assets – the hotel would be build anyway. Ms Thomas added that Logan and Downtown Boston were the reasons why they were here, and everything else is gravy.

Ms Thomas then discussed the urban renewal project in Chelsea Gateway. It is an Intercontinental, a Holiday Inn – a full service hotel with a function space, seated functions of north of 200 people. Chrm Pantano asked if the space could fit up to 250, to which Ms Thomas said yes. Mr Coates asked about parking. Ms Thomas said they were working on that now. The parking lot is at 35-40% capacity at the Residence Inn, so they have more capacity across the street, and they will use valet parking for big events at the Holiday Inn. They don't want to look at a sea of parking on the site. They are going to be attracting a business traveler and want to have more amenities and public transportation will be utilized.

Mr Fraser asked the brand. Ms Thomas said a Holiday Inn, an iconic brand that is under-represented in the market place, with a great reservation system and are forward thinking.

Chrm Pantano asked about price levels. Ms Thomas said on par with the Residence Inn. More amenities in the hotel as opposed to the room. Will be open for breakfast and dinner in the restaurant.

Ms Thomas said the EPA is working with the project in earnest. They will walk away with a cap on the land. Midway during the clean-up the hotel will start with putting in underground cap system for utilities and piles. They will need quick permitting to get everything lined up with the EPA on the cleanup.

Chrm Pantano asked if the hotel would be on the same development schedule. Ms Thomas said they would be right behind the EPA if the EPA stays on schedule. If they drag, it will take a couple of months longer so they aren't finished up with a new hotel opening at the wrong time.

The Board reviewed the Supplemental Agreement. Mr Coates recommended that the number of rooms be built be changed to 152.

MOTION: To adopt the Supplemental Agreement with the amendment of 152 rooms.

Offered by Mr Coates and seconded by Mr Fraser. On the motion, the Board voted 4-0 to adopt the motion with the 152 room amendment.

URBAN RENEWAL – Emerald Block

Patricia Simboli told the board that ACS had been working on the project since 2008, a submission in 2009, which was 4 years ago. The best and final offer was due in 2010. Notified of the selection in the fall of 2010. The losing team protested the award. In the fall of 2011, the defense of the decision took place. In 2111, they were told they won the award again, only to have the losing team protest again. In the fall of 2012, they were notified they won again. Since then, they have been making great progress. However, the legal fees and constructions costs are going up. They have to demonstrate how those costs of construction are going up.

A good note is that the GSA is trying to save money so the previous design is being changed. The previous design was done to accommodate the zoning, but the new design if being done to be more cost effective, but it will require some zoning relief. The government wants to save about \$10m by putting the garage under the building. One level below ground and one level above ground. Original foot print was 40,000 s.f. and a triangle; the new design is in a more conventional 30,000 s.f. rectangle. The building is 8 stories, or about 130-160 ft high. The building has not been approved yet by the feds. The changes began in earnest over 90 days ago, and the need GSA approval. They need that approval to get financed. The garage on Spruce Street is gone. There may be other opportunities for other development on the site.

Chrm Pantano said the prior design utilized the entire site; the new one won't? Ms Simboli said yes it won't. The prior design did have an opportunity for a 25% increase in space in the future, but the site felt full. Chrm Pantano asked what the area not developed could be. Ms Simboli said if the FBI was to leave, it could be developed in support of the building, in the meantime, it is parking and open space.

Chrm Pantano said it was critical that the parties continue to talk, as the Board has been losing patience, but admires all that ACS Development has had to do. Ms Simboli said the project has been a labor of love.

Mr Gonsalves asked what he most immediate next steps were. Plan approval and financing? Ms Simboli answered yes, the lending right now is important but they are still trying to figure out what the total cost will be. They are looking at a building that could be 245' x 125'. They have 24 months from this past April to build, but that could change depending on how much longer it takes to get federal approvals.

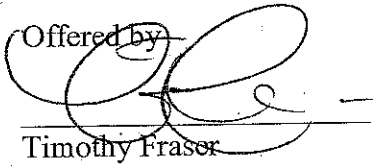
Chrm Pantano thanked both Patricia and Anthony for coming to the Board, and pledged to continue to work to make the project happen.

MOTION: To adjourn.

Offered by Mr Gonsalves and seconded by Mr Fraser. On the motion, the Board voted 4-0 in the affirmative, thereby adjourning.

The meeting adjourned at 8:30p.

Offered by



Timothy Fraser

Secretary