

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

MEETING MINUTES

August 4, 2009

The meeting convened at 6:05p in the City Manager's Conference Room. In attendance were Chairman Richard Pantano, Members Timothy Fraser and Jackie Ruiz, and City Manager Jay Ash. Also in attendance was Mr. Anthony Pellegrino.

MINUTES

Chrm. Pantano noted that the review of the minutes would be postponed

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. Mgr. Ash noted that Mr. Pellegrino was in attendance on his own and had a general interest in the JPI project.

URBAN RENEWAL – CHELSEA GATEWAY

Chrm Pantano asked for an update on the hotel project. Mgr Ash said that he had a meeting with the principals the following day in Foxboro. He was bringing Roca to that meeting to discuss job training matters. The parties seem committed and are spending money, so he remains optimistic that something will happen in November. Meanwhile, the City is working to take down the Prattville building, which is scheduled now for September.

URBAN RENEWAL – CROP

Chrm Pantano asked for an update on the JPI project. Mgr. Ash reviewed the Board's previous action, which was to direct a letter to Tom O'Brien at JPI notifying him that JPI was in default, and, absence the clearing of the default, the Board would take action to de-designate JPI. He did send that communication on May 12th and subsequently had a conversation with Mr. O'Brien. O'Brien was remorseful but said there was nothing he or JPI could now do. He fully understood the Board's position. Ash asked him to send a communication acknowledging that, which O'Brien said he would but never did. The Board has given JPI time to act, they didn't act. Now, according to the LDA, the Board should de-designate, and, under the agreement with Chelsea North, CN would become the designated developer.

Mr. Fraser asked if JPI realized that they were in default. Mgr Ash said yes they were.

Mr. Fraser asked if Chelsea North was prepared to step in. Mgr Ash said they were and would have 9 months to demonstrate to the Board some positive action.

MOTION:

**CITY OF CHELSEA
ECONOMIC DEVELOPMENT BOARD**

RESOLUTION AND VOTE

WHEREAS: The City of Chelsea Economic Development Board entered into a Land Disposition Agreement with JPI Development Services to designate JPI as the redeveloper of the Phase I portion of the CROP area of the Everett Avenue Urban Renewal District, with said LDA being dated June 27, 2007; and

WHEREAS: The Board determined at a public meeting held on May 11, 2009 that JPI was in default of Section 203 of LDA, having not remitted the Holding Fee required since September , 2008, and pursuant to Sections 1002 and 1101 of the LDA, the Board issued a letter on May 12, 2009 notifying JPI of the default,

WHEREAS JPI has failed in the time prescribed to remedy the default, now be it therefore

RESOLVED That the Chelsea Economic Development Board, having determined that a default exists and having sought the remedy of the default, now finds that JPI has breached the LDA by violating Section 203 of the Agreement, and, as a result of that breach, now votes to de-designate JPI as the redeveloper of the Phase I portion of the CROP area, thereby ending any development rights the Board may have extended to JPI for redevelopment in said area.

Offered by Mr. Fraser and seconded by Ms. Ruiz. On the motion, the Board voted 3-0 to adopt the resolution and vote.

On the matter of Chelsea North, Ash noted that CN would now have a tentative designation while the City waits for State approval of the LDA. CN already has control of Phase II, and would probably place that on the back-burner while turning its full attention to Phase I. Among the issues that need to be worked out, though, would be purchase price, affordable housing contributions and infrastructure assessments. They were looking at potential development projects and financing based upon all of that.

Chrm Pantano inquired if they were looking at specific programs that would fund affordable housing. Mgr Ash said yes, that they were examining what financing options might exist depending upon the presence and mix of affordability. They were working with MassHousing.

In terms of timing, If the project got a go ahead in May of 10, it would be under construction in March of 11 and be completed around August of 12. They would then be looking at Phase II.

Mgr Ash added that the Affordable Housing Trust Fund payment might allow CN to leverage private investment and provide the development with some flexibility. In terms of infrastructure, if CN couldn't be expected to make payments on it in this economic climate, there might be federal money available.

Chrm. Pantano asked when Spruce Street might be finished. Mgr Ash said the motorcycle building was ready to come down and that they were continuing to wait on the utility company to take down the telephone pole.

Mgr Ash also noted that the City was completing a planning study of the Addison/Orange area, that study talking about the transitional areas between the urban renewal project and the rest of the neighborhood, how pedestrians would get around and how open space might be impacted or constructed.

Chrm Pantano noted that he believed the urban renewal plan addressed the interface of the neighborhood with the urban renewal district, to which Mgr Ash agreed.

URBAN RENEWAL – VALE STREET

Chrm Pantano asked for an update on Vale Street. Mgr Ash noted that Alkermes is continuing to market the property and may have some bio relocating there. Woodwaste is before the Atty General, and it is expect that the AGs involvement will end up with Woodwaste being forced to change its operations. He is engaging Everett and eventually Woodwaste in discussion for a combined planning study to coordinate development activities. He needs to convince Woodwaste of what the possibilities are there. Like, the 1,000 unit plan he has referenced before. Woodwaste once wanted to put a Lowe's there, but that likelihood is probably remote given the market conditions. Woodwaste may want a quick hit, but he knows the Board wants something more lasting and productive.

Mgr Ash noted that Restaurant Depot had a deal with Woodwaste for another site in Everett.

Ms. Ruiz asked where in Everett, to which Mgr Ash said the old Everett City Yard. He noted that was another example of haphazard development in Everett which could be something else if some joint planning happened.

Chrm Pantano said he heard that Chelsea Clock was considering leaving. Mgr Ash said it was a possibility, but he had been trying to convince CC otherwise.

Chrm Pantano said he thought it would make sense to bring Everett to the table for a development discussion.

OTHER

Mgra Ash said that Simboli's were still pursuing the FBI building, and had another meeting on Monday about it. One of the outstanding needs was to locate an annex for the building somewhere. It was probably to big for the Emerald Block.

Ms Ruiz asked if the Alkermes building was too big for the annex. Mgr Ash said it wasn't.

Chrm Pantano asked if it was the FBI or the GSA that was making the decision. Ash said he thought it was the latter. Ash noted that the Simboli's had already spent a tremendous amount of money of the project and could lose it all.

On Mystic Mall, Mgr Ash noted the Market Basket was still doing great. They were working with the City on infrastructure for the next phase of development and committing \$100k up front to work on as much as \$10m in infrastructure work. The same program for Phase II existed, which was the Wellington Circle format.

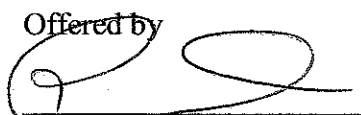
Mgr Ash noted that the Board should expect to see the hotel folks in September and maybe Chelsea North in October.

MOTION: To adjourn.

Offered by Mr. Fraser and Seconded by Ms. Ruiz. On the motion, the Board voted 3-0 to adjourn.

The meeting adjourned at 6:45.

Offered by


Timothy Fraser
Secretary

RICHARD
CHAIRMAN