

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

MEETING MINUTES

September 17, 2013

The meeting convened at 6:03p in the City Manager's Conference Room. In attendance were Chairman Richard Pantano, Members Ted Coates and Tim Fraser and City Manager Jay Ash. Also attending were Mark Robinson and Mark White.

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CHELSEA, MA
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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 May meeting.

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

URBAN RENEWAL – CROP

Chrm Pantano asked City Manger Ash to review the motions the Board would be reviewing at the meeting. Ash noted the first motion would reaffirm the LDA under which the Board and Chelsea North had been operating for Phase II, which was approved in November of 2009 but not submitted to the State for approval. The second was approval of a letter of agreement which supplemented what was in the LDA regarding the assignment of rights for the properties to be acquired and approval of Chelsea North's actions with respect to the former Marino property for sub-tenants. Also to be updated in the LDA would be the extension of the time for closing to 270 days, instead of 180 days. The third, which was mislabeled as also being #2 on the list of motions sent to the Board, pertained to the closing and authorizing the Chairman to move to closing.

For the record, the Board was emailed the following motions for consideration:

In connection with that certain Land Disposition Agreement for the Sale of Land for Private Development dated as of November 24, 2009 (the "LDA") between the Chelsea Economic Development Board (the "Board") and Chelsea North, LLC (the "Redeveloper") with respect to so-called "Disposition Parcel 5" (Map/Lot nos. 63-13 and 63-16) within the Everett Avenue Urban Renewal Area (the "Board's Phase II

Property”), which LDA’s approval is pending before the Department of Housing and Community Development, the Board hereby adopts the following motions:

1. To reaffirm its support and approval for the LDA as dated November 24, 2009.
2. To authorize the Chairman of the Board to enter into an agreement with Redeveloper (the “Letter Agreement”), which Letter Agreement supplements certain terms and conditions of the LDA, including
 - (a) the assignment of the Redeveloper’s rights under the LDA with respect to Map/Lot no. 63-16 to its affiliate, Bryson Road LLC (the “Assignee”) and the approval of the Assignee’s right to lease the existing billboard located on Map/Lot no. 63-16 to Lamar Advertising Company, or other comparable billboard operator;
 - (b) the confirmation of the continuation on a portion of Map/Lot no. 63-16 of all uses presently conducted, or like uses as consistent with local zoning or approved, if necessary, by the Chelsea Zoning Board of Appeals, with any new use also requiring approval by the Board;
 - (c) the confirmation of certain other minor modifications made to implement the intent of the LDA concerning the closing date, including the extension of the time for the closing to take place, as cited in Section 101(c)(i), by striking “one hundred eighty (180) days” and replacing it with “two hundred seventy (270) days”, and the allocation of the purchase price between Map/Lot nos. 63-13 and 63-16; and
 - (d) the acceptance of a first mortgage on Map/Lot no. 63-13 in favor of the Board, all as more particularly set forth in the Letter Agreement reviewed by the Board, with such changes as the Chairman of the Board may approve in his sole discretion.
3. To authorize the Chairman of the Board to execute a deed to convey to the Assignee Map/Lot no. 63-16 and to convey to the Redeveloper Map/Lot no. 63-13, to accept a first mortgage on Map/Lot no. 63-13 and to execute all other documents and take all such other actions as may be necessary or desirable to convey the Board’s Phase II Property and consummate the transactions contemplated by the LDA.

Chrm Pantano asked if the developers wished to update the Board. Mark Robinson said the building will be topped off and watertight by October. The interior work is far along. They are on time and on budget. They are coordinating with the contractors of the City on utility work being done there. Their construction trailer will move soon to allow the parking lot to be constructed and pre-marketing will have its own trailer in January. They are looking at what could be a late April opening. Dolbin is on the marketing, and they are looking at cross marketing with other Chelsea businesses.

Mr Coates asked if the business would be a member of the Chelsea Chamber or Commerce. Mr Robinson responded yes. Mr Coates noted that the Chamber would

probably welcome having a reception there. Mr Robinson said he thought there was an open house being scheduled.

Mr Robinson went on to note that more than 150 leads had been generated from the sign they have placed on the old billboard. His team is excited. The utility companies have been challenging to work with. Joe Foti has been a tremendous help. They are concerned about infrastructure being complete. It is important because that stuff ends up on YELP and the early reviews are important. The entire city staff has been great; Foti and Andy DeSantis particularly. From the top of the building there are good sight lines of the Pru and Downtown Boston.

Mr Fraser asked when the model unit would be available. Mr Robinson said January, they hope to have a unit on the 2nd floor, although they won't be able to bring anyone through the lobby until later.

Mr White said the parapet will be illuminated in the middle of the development.

Mr Pantano congratulated the developers on being on schedule. He had thought it was behind.

CM Ash asked the developers to comment on Phase II

Mr Robinson said that at the City's request they were looking to see if they could go vertical, so they are looking at the most economical and viable way with a block and plank construction. Steel is too expensive. They don't think the block and plank will work. It limits options 1. because they aren't as flexible as steel, 2. ceilings end up looking like hotel ceilings with the seams exposed, 3. they are generally more expensive to maintain. They need a parking structure of some sort. The pro-forma is looking like it won't work. It is too expensive for the rents that would come in. Probably looking at 220 units or so, of a similar construction to what we see now in Phase I. They want to stay focused on what can be done. Banks are likely to react favorably to the 220 units. Doubtful, if not impossible, to get the extra consideration for 340 units.

Chrm Pantano asked how tall the vertical look was. Mr Robinson said 10 stories including parking. Mr White said about 3 stories of that would be for parking.

CM Ash said the developers did the City a favor by investigating the possibility of going vertical and showing us that the costs still haven't caught up with the revenues to be generated through rents. It probably isn't practical to think about mid to high rises for the next several years.

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(the "Board's Phase II Property"), which LDA's approval is pending before the Department of Housing and Community Development, the Board hereby adopts the following motion:

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Offered by Mr. Coates and seconded by Mr. Fraser. On the motion, the Board voted 3-0, thereby adopting the motion.

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(c) the confirmation of certain other minor modifications made to implement the intent of the LDA concerning the closing date, including the extension of the time for the closing to take place, as cited in Section 101(c)(i), by striking "one hundred eighty (180) days" and replacing it with "two hundred seventy (270) days", and the allocation of the purchase price between Map/Lot nos. 63-13 and 63-16; and

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Offered by Mr. Coates and seconded by Mr. Fraser. On the motion, the Board voted 3-0, thereby adopting the motion.

URBAN RENEWAL – CHELSEA GATEWAY

Chrm Pantano requested an update on the pending FBI project. CM Ash noted that ACS Development continues to say the parties are working on final design issues and the project is tracking for an early spring groundbreaking. A provision of the LDA allows for the Board to take action to reacquire the property this upcoming November. In order to provide the developer with the continued assurance that the project is a go, the Board might consider extending that date beyond November.

Chrm Pantano said he was happy with the project, but continued to be concerned with the delays. The City has sacrificed quite a bit to wait for the project to happen, and while the developer has done much to see it happen, there comes a point where a shovel had to get in the ground or another project needs to be considered. However, the Board isn't at that point yet, so he would be supportive of an extension.

MOTION: To provide the developer with another year to secure the FBI property, Section 702 of the LDA should be amended by striking out any and all references to "tenth" and replacing it with "eleventh", thus extending out by one year the Board's ability to reacquire the property.

Offered by Mr. Fraser and seconded by Mr. Coates. On the motion, the Board voted 3-0, thereby adopting the motion.

URBAN RENEWAL – VALE STREET

Chrm Pantano asked for an update on any activity on Vale Street and the Thibeault property. CM Ash said that there is much discussion, but a general concern that too

many small parcels with marginal uses exist around the main development site. There may be a need to do an additional round of acquisitions to remove the barriers that are seemingly causing developers to by-pass the opportunity. Given that all of Chelsea seems to be seeing tremendous developer interest, the lack of a real development plan for Vale Street could directly be related to the very problems the Board was able to remove through property acquisitions in the other portions of the urban renewal district.

Chrm Pantano said the issue should be discussed at the next meeting.

OTHER

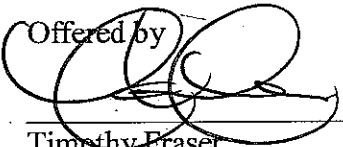
CM Ash noted that both the Holiday Inn and TownePlace Suites projects were looking good. EPA is doing cleanup of the Holiday Inn site, and the City is trying to get the NSTAR to get work done at the TownePlace project. There is some significant developer interest in Forbes.

MOTION: To adjourn.

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

The meeting adjourned at 7:50p.

Offered by



Timothy Fraser
Secretary