

Chelsea, Massachusetts, September 28, 2015

A Regular meeting of the Chelsea City Council was held. The meeting was held at the Chelsea City Hall located at 500 Broadway, Chelsea, Massachusetts. The following Councilors were present: Councilors Robinson, Hatleberg, Murphy, Cataldo, Cunningham, Recupero, Brown, Frank, Barton, and Cortell. Councillor Perlatonda was absent. Council President Robinson presided over the meeting. The meeting opened at 7:00 p.m.

The following Resolution was introduced by Councillor Cortell. A motion from Councillor Cortell to adopt under suspension was adopted.

Whereas, Interact Club started at Chelsea High School in 2006 to promote the engagement of Chelsea's young people in civic activities and channel ambition for positive and meaningful involvement in their community,

#### RESOLUTION

Whereas, Based on Interact Club's desire to be knowledgeable about and involved in city government, in 2007, it called upon City's leaders to re-institute Student Government Day held annually since with the participation of club members, City Hall staff, Department Heads, the City Manager and elected officials from both City Council and the State House,

Whereas, Interact Club is responsible for the recycling program that exist in Chelsea High School and work with the Rotary Club outside of it,

Whereas, Interacts 30 members have, in 2014-15 alone, volunteered out-of-school time for the Leonard Florence Center for Living's ALS Walk, participated in the Walk for Hunger, worked at the Taste of Chelsea event that raises money for the awareness of domestic violence issues, made bracelets for young patients at Boston Children's Hospital as peer mentors and served as translators for parents at the elementary, middle and high school during Open House and Crayons for Cradle,

Whereas, Interact Club's activities extend into the summer during which its members volunteered to assist at the Neighborhood Developers Block Party and to welcome new and returning students during this year's recent Back to School Celebration. To highlight just some of their efforts,

So be it Resolved that, Chelsea Interact Club and its members be recognized by Chelsea City Council for what they do doth in and outside of school to productively use their time to better our community and themselves as individuals while serving as examples to us and others of upstanding and engaged youth demonstrating the best Chelsea has to offer in, what we are confident will be, future leaders and continued sources of pride.

The following Resolution was received late and introduced by Councillor Robinson and Cortell. A motion from Councillor Cortell adopted the resolution under suspension.

#### RESOLUTION

Whereas, REACH is an innovative year round after school/out-of-school program that began in 2008 with the mission to significantly increase the number of public school students who graduate from Chelsea High School and pursue higher education,

Whereas, REACH cohorts are comprised of 120 ethnically, socioeconomically and academically diverse Chelsea students from all 3 middle schools and Chelsea High School who each voluntarily enter and continue attendance in the program aimed at providing student's academic and emotional support,

Whereas, in addition to tutoring and homework assistance, REACH students are engaged in community service learning, enrichment classes and project-based education throughout the academic year and in the summer,

Whereas, REACH is funded primarily from non-city funds and needs to raise money every year to sustain the program, in 2009 REACH created the "Ride, Run, Roll" or "Stroll for REACH" will take place on October 4, 2015 at Port Park to support REACH students through graduation,

Therefore be it resolved, that the Chelsea City Council acknowledges the efforts of REACH students and staff in creating and sustaining the "Ride for Reach" to support Chelsea students so that they graduate, go on to postsecondary education, have successful careers and give back to the community.

**The minutes of the City Council meeting dated September 14, 2015 were approved at the request of Councillor Cataldo under suspension.**

Public Speaking:

The public speaking portion of the meeting opened at 7:25 p.m. The following came forward to speak:

Harry Baiez, 150 Captains Row, spoke about the D.P.W. and the work they perform. Everyone has to pitch in to keep it clean.

M. Bitters, 100 Pearl Street, people throw cigarette butts all over the street. Business should help keep it clean.

Karen Cole, 10 Forsyth Street, Keep Chelsea Clean.

Resident of 91 Crest Avenue- study needed to curb the speeders at the Soldiers Home area.

Robert Breaner, 76 Park Street, engage with Police and Community involvement needed to curb crime.

The public speaking portion closed at 7:35 p.m.

Communications from City Manager:

A communication was received from City Manager Thomas Ambrosino regarding the appointments of the following people: Police Lieutenant Miguel Sanchez, Police Sergeant Robert Belanger, Police Sergeant William Brizuela, Deputy Fire Chief Paul Giancola, Fire Captain Rony Gobin and Fire Lieutenant Philip Rogers. A motion from Councillor Hatleberg to accept and file was adopted under suspension.

The following communication was received from City Manager Tom Ambrosino. A motion from Councillor Hatleberg to accept and file was adopted under suspension.

The Honorable Chelsea City Council

Chelsea City Hall

500 Broadway

Chelsea, Massachusetts 02150

Re: Request for TIF Agreement for Wyndham Hotel Redevelopment

Dear Councilors:

The City has received a request for a new Tax Increment Financing Agreement from the principals of XSS Hotels LLC, A copy of XSS Hotel's September 18, 2015 letter is attached. I support this request, and I ask for the Council's approval.

XSS Hotels LLC is a well-known and well-respected hotel developer in the City. It has constructed and now operates, two hotel properties in the City; the Residents Inn and the TownPlace Suites by Marriot. XSS Hotels recently broke ground on a third hotel project-the Hilton Homewood Suites and Event Center now under construction on Beech Street-and has plans for even further new hotel development in the City.

For this proposed project, XSS Hotels will be partnering in a joint venture with WEDGE Group Inc., the current owner of the Wyndham Hotel. The goal is to undertake a major renovation of the existing Wyndham hotel property and reposition it as a higher end lodging option. The reconstruction involves complete modernization of the hotel exterior, extensive interior upgrades, expanded meeting space and introduction of three separate dining options.

Despite the need to shut down hotel operations during the renovations, the proposed project will not create any job losses. XSS Hotels is committed to employing Wyndham staff during the shutdown at its operating company's other area hotels. Further, the expectation is that the new revitalized and rebranded hotel will see a gradual increase in positions.

In order to make this major investment possible, XSS Hotels is seeking a relatively modest 5 year TIF agreement that will provide real estate and personal property tax relief. The percentage exemptions will be on a declining scale from 60% in Year 1 to 30% in Year in Year 5. However, as is the case with all TIF's the percentage exemption on the real estate applies only to the incremental increase of assessed value after the improvements. The new joint venture will continue to pay full real estate taxes on the existing base assessed value. For this reason, notwithstanding this tax relief, this large investment by XSS will still result in new tax dollars to the City in every year of the TIF Agreement. The total new tax dollars to the City during the 5 year TIF are estimated at \$243,307. A detailed breakdown of the proposed TIF, showing the new tax dollar values in the last line, is attached for your convenience.

The proposed TIF terms are similar in many respects to other TIF Agreements approved by the City Council over the past decade. I am concerned that if XSS does not obtain this tax benefit and is unable to

proceed with this joint venture effort, the City might see a further decline in the Wyndham property or sale by WEDGE to another hotel developer of lesser quality. Given the critical location of this parcel and the high visibility of this structure, the City much prefers that this hotel be fully modernized and in the control of an operator such as XSS Hotels with a well-deserved reputation for positive engagement with the City.

For all of the above reasons, I respectfully ask that the City-Council approve this TIF proposal.

Sincerely,  
Thomas G. Ambrosino  
City Manager

The following communication was received from City Manager Thomas G. Ambrosino. A motion from Councillor Hatleberg to accept and file was adopted under suspension.

The Honorable Chelsea City Council  
Chelsea City Hall  
500 Broadway  
Chelsea, Massachusetts 02150

Re: Request for Adoption of M.G.L. Chapter 59, Section 5C1/2

Dear Councilors:

For the past month, I have been considering improving upon the tax and rate relief that the City of Chelsea provides to its senior citizens. Certainly, there existing state laws which, if adopted by the City Council or amended by Home Rule Petition, will provide greater financial assistance to seniors who own their homes but struggle to meet municipal expenses, both in the real estate and water rate realm. These include, among other possibilities; reducing the age for qualifying for statutory exemptions from 70 to 65; increasing the value of the residential exemption; and implementing a senior discount for water bills. Each of these alternatives requires considerable thought and analysis before implementation. All have financial impact, either to the City or to other taxpayer/ratepayers. It is my intention to consider all of these options for Fiscal Year 2017.

In the meantime, I do wish to proceed now with a vote on one option which in my opinion needs no further consideration and will provide some relief to seniors-adoption by the City Council of M.G.L. c.59, &5C1/2, a copy of which is attached. This relatively new law (which replaced old Section 4 of Chapter 73 of the Acts of 1986) allows for any City or Town to increase, by an equal percentage, the value of the statutory exemptions set forth in the following clauses of M.G.L. c. 59, &5; clauses 17 and 17C-D (exemption for seniors); clauses 22 and 22A-E (exemption for veterans); clauses 37 and 37A (exemption for the blind); clauses 41 and 41B-C (exemption for low income seniors); and clauses 42 and 43 (exemption for surviving heirs of officers killed in line of duty). I am requesting that the City Council increase the percentage of these exemptions by 100%.

There is a cost to the adoption of this provision, but it is one that I recommend that the City absorb. In the last fiscal year (FY15), the total cost to the City of Chelsea for all these statutory exemptions was \$47,727.49. Consequently, increasing the value of these exemptions by 100% will cast the City

approximately \$48,000.. The City can easily set aside the necessary funds for this increase in the Overlay Reserve which appears on its Tax Recap Sheet.

Just so that the Council understands how this works, I'll provide a simple example. A senior citizen of low income who qualifies for the current statutory exemptions of \$450.00 under Clause 41C will now be entitled to an exemption worth \$900.00, a 100% increase. Please note that the legislation prohibits anyone taking advantage of this provision from paying less in actual taxes than paid in the previous fiscal year. So, in this hypothetical, the senior might not be able to take full advantage of the \$450.00 increase in the exemption, unless her actual tax bill increased by \$450.00 or more. Regardless, I'm sure you can see how helpful these increased exemptions will be for seniors in a climate of rising real estate taxes.

Unfortunately, it is too late to implement this change for the Fiscal Year 2016 tax bills. The legislation requires that the City Council adopt this provision no later than the beginning of the fiscal year to which the tax relates. Consequently, if adopted now by the City Council, this benefit will not take effect until Fiscal Year 2017.

I realize this is an early request given that we have until June 30, 2016 to enact this local option. However, I do think it is important to signal to taxpayers at our earliest opportunity that we are cognizant of the tax burden imposed by the City and looking for ways to assist, especially in a revaluation year when taxes for some may increase significantly due to rising residential values.

Over the course of the next year, I will be making recommendations to the City Council regarding options for further reducing the burden on seniors.

Sincerely,  
Thomas G. Ambrosino  
City Manager

The following communication was received from City Manager Thomas G. Ambrosino. A motion from Councillor Hatleberg to accept and file was adopted under suspension.

The Honorable Chelsea City Council  
Chelsea City Hall  
500 Broadway  
Chelsea, Massachusetts 02150

Re: Request for Funding for New Clark Avenue Middle School

Dear Councilors:

I am writing with two requests for funding pertaining to the New Clark Avenue Middle School. I propose that both items be paid from the School Stabilization Fund.

First, I am seeking funds for an additional construction consultant to provide me and Superintendent Bourque with independent advice on the project. This additional "owners representative" will enable us to have a second opinion on all construction related issues. If the Council approves this recommendation, the consultant will be Stuart Lesser from the firm Joslin Lesser. Mr. Lesser was

selected through a competitive RFP process. The total cost of his service shall not exceed \$100,000 year, or \$300,000 for the entire project.

I am well aware that the City already has an owner's representative for this project-Pink & Co. I have no specific complaints about Pinck's work. In fact, I believe they are providing very good service to the City. However, based upon my experience in Revere building three major school projects, I firmly believe that a second set of eyes on the project from the owner's perspective is extremely beneficial. Mr. Lesser was the second set of eyes on those Revere projects, and each one of them finished on time and on budget.

I recognize that some might argue that another owner's representative is duplicative and unnecessary. However, given that the total cost of this project is in excess of \$57 million, and that the City has almost \$20 million of its own money at stake, the additional expenditure of a mere \$300,000 in an effort to minimize cost overruns and delays is, in my opinion, an extremely wise investment. Accordingly, I ask that the City Council approve this expenditure.

The second funding request is for \$2,500 to conduct an appraisal of the private parcel at 29 Tudor Street. This appraisal would be the first step toward the possible acquisition of this property by the City to create more breathing space for the New Clark Avenue Middle School.

The residential property at 29 Tudor Street is literally right next to the school property line and the construction zone. Given the house's close proximity to the construction site and construction equipment, including the temporary boiler, the owner of this property is suffering more than any other from construction noise, debris and inconvenience. Further, even when construction is complete and the project is finished, this house will be directly adjacent to the dumpster, the loading dock and the music room, almost ensuring unpleasant impacts for the owner. I have been convinced from my first days here that this house should be considered for acquisition, provided that the owner was amenable.

In recent conversations, the owner of 29 Tudor Street has indicated at least a willingness to consider a purchase by the City. But, before any serious discussions about acquisition can occur, the City needs an independent appraisal in order to evaluate the cost of such acquisition. This request will allow that appraisal to proceed.

Please be advised that there is no guarantee that the City will be able to reach agreement with the 29 Tudor Street property owner on an acquisition following the appraisal. And, I have committed to this owner that the City will not take this property by eminent domain against her wishes. If the owner and City can't agree on a mutually acceptable price, then the project will proceed without this acquisition.

I respectfully request that the City Council favorably consider these funding requests. I will be available to answer any questions which arise. The specific orders for approval of these requests are attached.

Sincerely,  
Thomas G. Ambrosino  
City Manager

The following order was introduced by Councillor Hatleberg. A motion from Councillor Hatleberg to move the order to a second reading was adopted under suspension.

WHEREAS, the City of Chelsea (hereinafter referred to as the "City") AND XSS HOTELS LLC and Wedge Group Inc. joint venture (hereinafter referred to as "XSS-WEDGE HOTELS") have been in negotiations relative to the mutual desire of each party to secure the necessary municipal assistance to make it economically feasible for XSS-WEDGE HOTELS to renovate and operate a hotel in Chelsea, and

WHEREAS, in return for participation in the State's Economic Development Incentive Program, XSS-WEDGE HOTELS will invest approximately \$9,800,000 in property renovation and equipment acquisition at 201 Everett Avenue (hereinafter referred to as the "Business Site"), and

WHEREAS, the XSS-WEDGE HOTELS will result in the retention of jobs over the next five years, with XSS-WEDGE HOTELS agreeing to conduct a local hiring search to backfill any jobs which may become available in subsequent years, and

WHEREAS, XSS-WEDGE HOTELS is seeking a Tax Increment Financing exemption from the City, in accordance with the Massachusetts Economic Development Incentive Program and Chapter 23A of the Massachusetts General Laws, and the City has agreed to provide tax relief as outlined in the Tax Increment Financing Agreement agreed to by the parties, and

WHEREAS, the XSS-WEDGE HOTELS PROJECT, AS LOCATED AT THE Business Site, is fully located within the boundaries of the Chelsea Economic Target Area (ETA) and the Everett Avenue Economic Opportunity Area (EOA) as approved by the City of Chelsea and the Massachusetts Economic Assistance Coordinating Council, and

Whereas, the XSS-WEDGE HOTELS project is consistent with the City's overall economic development strategies of focusing investment in the Airport-Related and Downtown Boston Support sectors, two of six priority areas the City has identified for intensive investment support,

NOW THEREFORE BE IT ORDERED, that the City Council approves the Certified Project Application of XSS-WEDGE HOTELS and forwards said application for certification to the Massachusetts Economic Assistance Coordinating Council for its approval and endorsement; and

BE IT FURTHER ORDERED, that the City Council authorizes the City Manager to enter into a Tax Increment Financing Agreement between the City and XSS-WEDGE HOTELS, with said agreement providing XSS-WEDGE HOTELS a five year exemption on property taxes based on the growth portion of the assessed valuation of the property at the Business Site, and a concurrent exemption based on the personal property valuation of the property at the Business Site, at a rate of 60% for Year 1, 55% for Year 2, 50% for Year 3, 40% for Year 4, and 30% for Year 5, beginning in FY 2018 according to the requirements and regulations established that govern the implementation of such Tax Increment Financing Agreement.

The following order was introduced by Councillor Hatleberg. A motion from Councillor Hatleberg to adopt by roll call passed 9-0-2-0. Voting yes were Councilors Robinson, Hatleberg, Murphy, Cataldo, Cunningham, Brown, Frank, Barton, and Cortell. Councilors Perlatonda and Recupero were absent.

BE IT HEREBY ORDERED by the City Council of the City of Chelsea adopts Chapter 59, Section 5C1/2 of the Massachusetts General Laws-Certain Property Exempt from Taxation-Additional Exemption for the FY2017 Property taxes.

The following order was introduced by Councillor Hatleberg. A motion from Councillor Hatleberg moved the order to a second reading under suspension.

ORDERED, that the Chelsea City Council authorize the appropriation of \$300,000.00 from the School Capital Stabilization Reserve Fund Account #70244 to the Clark Avenue School Project-Capital Account #5533 for Professional Services-Account 55331298-530000.

The following order was introduced by Councillor Hatleberg. A motion from Councillor Hatleberg moved the order to a second reading under suspension.

ORDERED, that the Chelsea City Council authorize the appropriation of \$2,500.00 from the School Capital Stabilization Reserve Fund Account #70244 to the Clark Avenue School Project-Capital Account Fund #5533 for Professional Services-Account 55331298-530000.

Respectfully submitted,

Paul G. Casino  
Clerk to the Chelsea City Council