

RE: Real estate negotiations for relocation of City Hall and Police Station

PRESENT: Councillors Crowe, Kinnon, Matheson, Nestor, Sica, Spadafora, Wltrino, and Anderson; Ron Hogan; Debbie Burke; Maria Luise, Tom Brennan

Councillor Anderson gave Debbie Burke the floor.

Ms. Burke said that after the June meeting, they had gotten the Council's message loud and clear - that \$50 million was out of the question in terms of the city's ability to pay. She said that they then talked with Jefferson Apartment Group about the city's budget dilemma. She said that JAG had said that they were getting that sense and had been talking internally about what they could do to assist. She said that discussions had remained theoretical and conceptual because there remained a number of legal questions around the RFPs. She said that because this was not what the original RFP had asked for, there was a question as to whether a new bid process was required. She said that what they would like to do this evening was to roll out an idea in its embryonic stage and, based on the Council's reaction, would pursue it.

She said that they had sat with Sandy Silk of JAG and their architect and they had rolled out a conceptual drawing that showed a 2 floor city hall in a curved building with ground floor retail, 2 floors for city hall and 2 floors of residential space. She said that it offered a number of advantages but there were also concerns. She said that one of the concerns was that the Council might feel that the city would lose its identity if the building were not free standing. She said that they had talked broadly about pricing for the delivery of a dark shell.

Mr. Hogan said that they had discussed a 40-42,000 square foot building. He said that the school department was moving to the High School and/or Salemwood School, resulting in a 6,000 square foot reduction in space needs. He said that the Mayor had met with Secretary Bialecki and explained that the city needs more help. He said that the Secretary had liked the concept very much and would be willing to up the state's contribution from \$3 million to \$8 million.

The team then presented artists renderings of a proposed building. Ms. Burke described the renderings, saying that it represented three buildings with Pleasant St. between a main residential building and the two smaller building that would be to the north side of Pleasant St..

Mr. Hogan said that by adding a third building and putting city hall in it, JAG was down about 9 residential units from their original plan.

Ms. Burke said that they were proposing creating a distinct presence for City Hall through a private entrance on ground level. He said that there would be other retail on the ground floor and that colors and palettes would be used to distinguish City Hall.

Councillor Matheson said that there was a relatively significant grade change over that portion of the street. He asked where that showed in the drawing.

Mr. Hogan said that you could see it a bit and pointed out the area to Councillor Matheson.

Councillor Spadafora asked if there would be parking provided for City Hall.

Mr. Hogan said that was a bit of a problem. They had looked at adding parking under the street but the cost estimate was \$30-40,000/space. He said that it appeared that there would be 60-80 spots available at Florence St. behind the Heritage.

Ms. Burke said that the new manager at the garage was keeping better statistics and it appeared that there was some play in the Jackson St. Garage. So, she said, there appeared to be options.

Councillor Ultrino asked if there was a deadline with Secretary Bialecki

Mr. Hogan said that they were asking to see if there was consensus on the plan. He said that they don't want to commit until we are fairly well along. He said that the Secretary would be leaving at the end of the year and they had money to spend now.

Councillor Spadafora asked if a Council Chamber was included.

Mr. Hogan said that it was.

Ms. Burke said that the schools were definitely moving - she said it had been announced at a department head meeting.

With respect to parking, Mr. Hogan said that JAG was building parking at a rate of 3/4/unit for residential and 4/1000 square feet for retail. He said that he suspected that would leave parking available once the dust settled. He said that they could then talk about using excess capacity for the city.

Councillor Nestor asked what JAG wanted in return.

Ms. Burke said that they wanted tax certainty. She said that she and Mr. Hogan had begun looking into HDIP, which would provide tax breaks to be approved by the City Council and sent to the state for approval. She said that they hadn't really gotten to the level of concrete discussions on that topic yet.

Mr. Hogan said that they were in the initial phases of discussion and some of the items were how you procure space that is less than 10% of the development and how we share the same and pay for it. He said that they needed to find common ground before proceeding.

Ms. Burke noted again that discussions had been in very general terms.

Councillor Spadafora said that, after their initial offer, the need for remediation of environmental hazards came up. So, he said, their offer was now down to about \$8 million. He asked what the cost for space in the building would be.

Mr. Hogan said that they were talking about 12-14 million for a lit shell. He said that he suspected that those costs were somewhat flexible but that the city did not want to get into those discussions right now.

Councillor Spadafora said that it would cost \$5 million to finish the building because the city has to pay prevailing wage.

Councillor Kinnon said that it would probably be more in the area of \$8 million but that was still ok.

Mr. Hogan said that he thought that the cost of a finished building should be \$15-15 million.

Councillor Spadafora said that, by way of comparison, Perriera had offered to deliver a finished building with parking for \$9 million.

Councillor Kinnon said that Perriera also wanted the DPW property, which had value so that needed to be added to the cost.

Councillor Spadafora said that would make it somewhere close to the cost Jefferson was proposing.

Councillor Kinnon asked what the plan was for the Police Station.

Mr. Hogan said that the need for structured parking at Dartmouth St. made that a budget buster. He said that one of the other properties they had looked at was owned by GTA on Eastern Ave. He said it was the old Noveletsky property across from Dominos. He said that it was purchased in 2013 for \$1.5 million and six months later listed for sale at \$2.5 million. He said that the site was being used for storage now, indicating that there might be a willing seller. And, if that were not the case, the use of the property might afford the city less exposure if it were taken.

Councillor Spadafora noted that GTA had just purchased property on Maplewood St. - the old McCarthy Trucking property. He asked if the Eastern Ave land was clean.

Ms. Burke said that they claimed to have a clean 21E, although she had not seen it. She said that this would be a knock down and rebuild.

Councillor Kinnon said that it was in an optimal location in terms of being able access all points in the city in a relatively quick manner. He said that was based on a Fire Department study.

Mr. Hogan said that the building was a tear down and they believed that he was going to respond to the last RFP. He said that right now it was being used as a dumping ground.

Ms. Burke said that the program would fit on the property.

Mr. Hogan said that it would accommodate a 21-27,000 square food building and parking for 91 cars.

Ms. Burke said that they had not pursued that to a great extent, as there were a number of hurdles to clear with City hall first. She said that Bialecki would be leaving at the end of the year, JAG needed another extension and they needed to get advice from the IG or AG relative to the legality of dealing with JAG. She said that this was a unique situation and they were not sure whether or not a prevailing wage contractor would be required to build.

Councillor Anderson said that the Department of Transportation was in the Park Plaza building. He said that was an example of this having been done before.

Councillor Kinnon said that he was not sure - he said that the question was whether or not it was built with that plan or if the space had been leased after the building was in place.

Ms. Burke said that, if this caused prevailing wage to be pushed on the whole project, it couldn't be built.

Mr. Hogan said that would be the next discussion if the Council thought this was worth pursuing.

Councillor Kinnon said that just our portion could be built at prevailing wage if it were put at the top of the building. He said that it would cost more but it could be done.

Mr. Hogan said that would involve a concession from JAG as well - he said that there was money in height.

Councillor Matheson asked if we could get city hall within our costs.

Mr. Hogan said that it was \$12-14 million for city hall in this plan.

Councillor Kinnon said that it would be more but that was ok. He said that, even if it were \$20 million, we had \$8 million from JAG and \$8 million from the state. So, he said, the net would be more like \$4 million. He said that at that price, we could afford to do the Police Station.

Councillor Spadafora said to keep the Police Station in budget, the land would have to be clean.

Councillor Mathson asked about Florence St. Property.

Ms. Burke said that they had done the appraisal, sent the notice, had gotten a tenant list. She said that there were 6 or 8 tenants, some of whom had a lease for a number of years.

Mr. Hogan said that the challenge was parking.

Mr. Matheson said that it would not be used for city hall not, only the police station and it is in move in condition. He said that it was Chief Molis' preferred location.

Councillor Kinnon asked if there were any new tenants.

Ms. Burke said that there were not.

Councillor Anderson asked what was needed from the Council.

Mr. Hogan said that, if the Council was OK with the concept, they wanted to be told to keep going.

Councillor Kinnon said legality was the question. He said that, if the building can't happen, the plan is no good.

Councillor Matheson said that there was also the question of whether or not they needed to reissue the RFP and what might happen when that was done.

Mr. Hogan said that both of those things were so.

Councillor Kinnon said that he thought that we would end up rebidding but they should at least ask.

ON COUNCILLOR KINNON'S MOTION TO AUTHORIZE THE TEAM TO SPEND NECESSARY COSTS
AND MEET WITH NECESSARY PARTIES TO DETERMINE THE FEASIBILITY OF IMPLEMENTING
THE PLAN AS PRESENTED IN THIS MEETING
SECOND BY COUNCILLOR MATHESON
(8)Y-(0)N

ON COUNCILLOR KINNON'S MOTION TO ADJOURN
(8)Y-(0)N

MEETING ADJOURNED

7:58 P.M.

238-24

Communication: During the meeting of April 30, 2024, the Council unanimously voted to enter into Executive Session with legal counsel for the City, in accordance with Exemption Seven Massachusetts General Laws Chapter 30A Section 21(a)(7), to comply with, or act under the authority of, any general or special law or federal grant-in-aid requirements, in order to act on the periodic review of those executive session minutes listed herein; council vote is required prior to release of the executive session minutes of the following dates:

May 20, 2014

June 17, 2014

August 19, 2014

September 30, 2014

October 14, 2014

November 18, 2014

A motion was made by Councillor Sica, seconded by Councillor Crowe, to release the aforementioned Executive Session minutes, pending appropriate redaction at the discretion of the City Solicitor. The Order was adopted by the following roll call vote:

Yea: Colon Hayes, Condon, Crowe, Linehan, McDonald, Sica, Simonelli, Taylor, Winslow

Absent: O'Malley, Spadafora

Sponsors: Stephen Winslow

Attachments: Final Paper: 238-24

Clerk Desiderio noted that after the redaction of released records by Solicitor McNeil, the Executive Session minutes would then be posted accordingly for public review.

A motion was made by Councillor McDonald, seconded by Councillor Taylor, that the Communication be placed on file. The motion carried by a unanimous vote.

8. COMMITTEE REPORTS

239-24

Committee Report: The Standing Committee on License to whom was referred Papers 192, 198, 199, 201 through 207 Series of 2024, having considered the same make the following report: Committee recommends these petitions out favorably to the Full Council.

A motion was made by Councillor Sica, seconded by Councillor Crowe, that the Committee Report be received and filed. The motion carried by a unanimous vote.

192-24

Petition: Fortune Teller: Chris Burgan Full Heart Tarot, 73 Linden Avenue #1, Malden (New)

A motion was made by Councillor Sica, seconded by Councillor O'Malley, that the Petition be granted. The motion carried by a unanimous vote.

198-24

Petition: Pool Tables: AOH Division 12, 259 Charles Street, Malden, 1 table (Renewal)

A motion was made by Councillor Sica, seconded by Councillor O'Malley, that the Petition be granted. The motion carried by a unanimous vote.