

Councillor Anderson recognized Mr. Hogan.

Mr. Hogan distributed a document entitled City Hall/Police Station Update - November 18, 2014 (copy attached). He said that, when they had last met, the Council had authorized them to negotiate regarding the purchase of a condo in one of Jefferson's proposed buildings. He said that he believed that they had arrived at the broad outlines of a deal. He said that the deal was as follows: the city would enter into a 20 year tax deal worth about \$6.8 million dollars. He said that the city would make an additional payment of \$4 million to Jefferson for about 42,000 square feet of floor space as an empty shell. He said that they were working on a letter of intent with Jefferson that would contain additional details. He said that one of the advantages was that Jefferson would assume all liability for environmental issues. He reminded the Council that Jefferson had discovered environmental issues and was looking for a price reduction to compensate for those costs. He said that this would resolve that issue. He said that they were also working on acquiring the church and, if that happened, it would be available to us as temporary city hall space.

Councillor Spadafora asked if it were no longer a church and was being used by the city, would it be taxable.

Mr. Hogan said that was a good question. He said that what the city would end up with was a rough shell. He said that the church acquisition was on the works but hadn't been finalized yet. He said that they were hoping for an early decision and that they thought that Jefferson was the better choice.

He said that, with respect to Eastern Ave., they had hit a stalemate. He said that their last offer was \$3.65 million and the city's was \$2.5 million. He said that they had told them that they were willing to go the eminent domain route if need be and they believed that they had sufficient information to back up their price proposal. He said that he was hoping that might get them back to the table. But, he said, he and Debbie Burke had taken the initial steps that would enable them to go down the eminent domain path, if necessary.

He said that the document he had distributed also contained a preliminary budget. He said that he did not want to go through it line by line but would answer specific questions. He said that when all sources of revenue were taken into account, it left bonding of about \$11 million. He said that the numbers were based on the OPMs estimates and that, obviously, they would try to keep costs in the lower range. He said that the bond would be paid back over a 20 year period. He said that the church was not part of the tax deal and that a good portion of the costs were incurred when we finished out the city hall space. So, he said that it was 2019 or 2020 where we incurred significant costs. He said that, looking at the far right hand column, it appeared doable for the city. He said that, in the worst year, it added about \$300,000 to the budget. He said that about 70% of the bonding was in the later phases, and that lines up with where the city would be retiring about \$1.9 million in debt.

He said that the final portion of the packet provided a timeline for construction. He said that this was rough and subject to change.

He said that, generally, the Council was looking for next steps and he would say that they were as follows:

1. They were working on a letter of intent for JAG to sign and would like authority for the Mayor to execute it;
2. At one of the next meetings, they would like a bonding authorization. He said that, although it was not needed at present, he thought that it would send a message to the major players - JAG, the state and the church - that the city meant business;
3. They were working on drafting a 16E notice and meeting with the architects on design of the police station and city hall;
4. Finally, he said, they were looking for more detail on the HDIP program.

Councillor Spadafora said that, with respect to relocation of the police station, there were only two businesses

that were permitted. But, he said, the owner said that he had five tenants. He asked if they would have to pay relocation on all five tenants.

Mr. Hogan said that they were required to pay for all lawful tenants. He said that he was not sure at this point who fit that definition.

Councillor Kinnon said that, if the businesses did not have an occupancy permit, the Building Inspector should go down and put them out.

Mr. Hogan said that it was his guess that the tenants with occupancy permits had side agreements with other people.

Councillor Kinnon said that the body shop was probably the only legitimate occupant. He said that they should be put out if they had no occupancy.

Mr. Hogan said that they hoped to avoid the whole issue of relocation by purchasing the building.

Councillor Spadafora noted that City Hall was 42,000 square feet and that the build out was estimated at \$6 million. He asked if there would be condo fees.

Mr. Hogan said that there would be a trust and that the city would have a seat at the table.

Councillor Kinnon asked if the cash flow was in there.

Mr. Hogan said it was not but it was what the city should be spending on maintenance anyway. He said that they were trying to get the core of the deal in place and then, would figure out some of the details and add them to the costs.

Councillor Spadafora asked if anything would be taken from reserves.

Mr. Hogan said that was not being shown now but that it gave the city some flexibility and put them in a better position if cost did escalate.

Councillor Spadafora said that this would only work if the cost of the police station were contained. He said that Revere had spent \$14 million on their police station and that he knew that it was the Chief's job to advocate for everything his department needed. But, he said that was the variable right now and it was important to stay on budget for that piece.

Councillor Matheson asked how big the church was.

Mr. Hogan said that it was 28,000 square feet.

Councillor Matheson said that the estimated size for city hall was 42,000 square feet. He asked how it would fit.

Councillor Kinnon said that the School Department would go and that Council Chamber would temporarily be at the Senior Center. He said that was about 8,000 square feet.

Mr. Hogan said that they might need to supplement that space with space in Jackson Suite.

Ms. Burke said that she had also touched base with Bank of America.

Mr. Hogan said that the church was an option, so he wanted to keep it in there. He said that the city could turn it down if they chose to.

Councillor Matheson said that it did not look like they had other options.

Councillor D'Arcangelo said that of course they did - they could decide not to do it. He said that if we were offering a tax exemption and \$10.8 million dollars, we could have gotten a lot of people interested in the property. He said that he did not see who wanted market rate housing anyhow.

Mr. Hogan said that the exemption was part of the cost of city hall and we were paying another \$4 million - we were not paying Jefferson to come here; we were paying them for a city hall.

Councillor Kinnon said that there was no chance for us to get a better deal. He said that the cost per square foot was \$100.00 and that there was not a city anywhere that could build for that. He said that we could not do it any other way.

Councillor D'Arcangelo said that we could do it if we waited.

Councillor Kinnon said that, if we could do the plan without taking reserves and we didn't take that opportunity, everyone should be voted out of office. He said that he had been here 8 years and in all that time, the city had never taken care of its buildings. We always said that we would to a maintenance plan the next year. He said that this forces us into a maintenance plan and we would be locked into that plan. He said that it would be foolhardy not to do it.

Councillor Spadafora said that interest rates would go up and that Jefferson was rolling the dice a bit on this because the housing market was getting frothy. He said that the intent was to bring upscale shops that would change the face of downtown. He said that office buildings were not going to be built here. He said that this was a game changer for the community and needed to be done now. He said that he was ready to vote.

Councillor D'Arcangelo said that he understood that he was in the minority and that this was going to be voted on favorably. He said that he would ask that they make sure that a tripartite agreement is in place. He said that he did not think that Jefferson was as robust as everyone thought it was.

Councillor Kinnon said that was reasonable - that would have to be done with any construction firm.

Mr. Hogan said that Jefferson probably only put 5% into any of its projects and the rest was owned by investors. But, he said, they had built some high quality stuff.

Councillor Matheson asked if the state had confirmed their \$8 million.

Ms. Burke said that they had. She said that the state wanted to make that announcement before the end of the year and that the city expected to have contractual documents before the end of the year.

Mr. Hogan said that he also thought that there was more money to be had from the state - possibly for something like temporary relocation of offices.

Ms. Burke said that this was MassWorks money and the state was redoing the program to allow use to use it to build the police station. She said that they also planned to meet with Jay Ash soon.

Mr. Hogan said that the city had asked to be left out of the last round of announcements, as they feared that it might impact negotiations with Jefferson.

Councillor Kinnon said that the city had just gotten \$1 million from the Casino and that they had \$1.5 million in Free Cash. He said that they could take action to set that aside for this project. He said that he thought that the Council needed to vote tonight to have the Mayor come down with a bonding authorization for the numbers shown in the handout.

Councillor Spadafora said that he thought that this should be the number one priority. He said that he was willing to make the motion to authorize the Mayor to sign the letter of intent.

Councillor Kinnon said that he wanted the bonding authorization based on numbers presented in the meeting. He said that the letter of intent would contain additional terms that the Council should be aware of .

Councillor Murphy said that she agreed that they should see the letter of intent before voting an authorization to sign. She said that it was part of the Council's responsibility.

Ms. Burke distributed an overview of the HDIP program (copy attached). She cautioned the Council that this was a preliminary proposal and would be subject to change as they delved more into it. She said that the HDIP district had to contain contiguous parcels, so as a preliminary proposal, she had included the MBTA lot, the City Hall parcels, the church and the Masonic building. She said that she had intentionally excluded the Super Fitness site, as this program was intended to provide an incentive to develop and that parcel was already permitted. She said that the MBTA lot was something that was difficult to develop and so had been included. She said that, in order to provide Jefferson with a tax incentive, the Council would have to create this zone. She said that, as the discussion progressed, parcels could be added or subtracted.

She said that there were a number of steps involved in creating the program, including a public hearing that would need to be advertised and state approval of the proposed zone. She said that they would like to make a public presentation of the idea to the Council next week and schedule the hearing for December 9. She said that, in order to meet that schedule, she would need authorization to advertise the hearing this evening.

Councillor Anderson said that next week was scheduled for committee meetings but, based on what he was hearing, he thought that it should be made a full Council meeting and televised. He said that would enable the Council to take up the two items and allow for a presentation of the HDIP program.

Councillor Kinnon agreed.

ON COUNCILLOR KINNON'S MOTION TO MEET IN FULL CITY COUNCIL ON NOVEMBER 25 WITH THE FOLLOWING ITEMS ON THE AGENDA:

1. A BONDING AUTHORIZATION FOR CITY HALL AND THE POLICE STATION FROM THE MAYOR BASED ON THE NUMBERS PRESENTED IN THIS MEETING; AND

2. AN AUTHORIZATION FOR THE MAYOR TO SIGN THE LETTER OF INTENT WITH JEFFERSON APARTMENT GROUP

(9)Y-(1)N, COUNCILLOR D'ARCANGELO OPPOSED (SEE ROLL CALL)

ON COUNCILLOR KINNON'S MOTION TO AUTHORIZE ADVERTISING A PUBLIC HEARING FOR DECEMBER 9TH RELATIVE TO THE CREATION OF AN HDIP PROGRAM

(9)Y-(1)N, COUNCILLOR D'ARCANGELO OPPOSED (SEE ROLL CALL)

ON COUNCILLOR SICA'S MOTION TO ADJOURN

(10)Y-(0)N (SEE ROLL CALL)

MEETING ADJOURNED

8:54 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.