

EXECUTIVE SESSION

JUNE 17, 2014

7:43 P.M.

PRESENT: All Councillors Except Spadafora, Debbie Burke, Ron Hogan, Maria Luise, Tom Brennan, Kevin Molis and Joe Naughton, Owner's Project Manager.

RE: Negotiations relative to relocation of City Hall and the Police Station

Councillor ANDERSON noted that the purpose of this meeting was to receive an update from the internal team on progress made since the last meeting. He recognized Debbie Burke.

Ms. Burke said that she had with her Joe Naughton, from Hill Associates, the owner's project manager, who did the feasibility study on use of the garages as a police station. She also distributed a power point presentation, outlining the steps that had been taken since the last meeting. She said that when they had last spoken, they were in the midst of discussions with Jefferson Apartment Group. She said that those discussions continue. She said that the extension that was granted in May would expire June 20<sup>th</sup>. She said that, based on the outcome of this discussion, the Council might want to consider an additional extension of 30 days on the same terms as the initial one. She said that Hill had looked at both garages to attempt to fit Police functions in there. She said that the city had begun eminent domain proceedings on 110 Florence St. She said that the owners had signed for the certified letter relative to the city's interest in acquiring the property. She said that, four days later, she had occasion to meet with the owner on a different matter and that he had brought along his attorney, Chris Fallon. She said that he said that, since the deed had been recorded, he had invested in renovations to the building. She said that he is also the owner of the hair academy on Main St. and had obtained a state license to operate the hair academy at the Florence St. location. She said he had supplied a tenant's role. She said that the city would need to do a relocation plan for tenants and it was recommended that they hire a relocation consultant, at a cost of \$15,000.00. She said that there was also the potential for litigation on damages. She said that Jefferson was proposing an increase from 245 to 248 units, adding \$120,000 to the purchase price. She said that, with respect to parking, they had heard the Council loud and clear and would reduce parking only for the residential component.

Councillor Anderson asked if they were now asking only for the addition of three units.

Ms. Burke said that she believed that was because they understood the Council's opposition to a third building. She said that there had been a number of discussions on the environmental issues. She said that their consultant indicates that the cost will be between \$800,000 and \$2,800,000. She said that they are now willing to pay the first \$800,000 of costs. She said that they had then upped it more and suggested a dollar for dollar split on the remainder. She said that she believed that they had heard loud and clear that the city wouldn't bend on the issue. She said that they were interested in another 30 day extension. She said that, if the Council still had an appetite for the project, she would recommend that they consider another extension.

Mr. Hogan said that he would like to clarify: they would kick in \$800,000 toward remediation for the additional three units and the additional offer for a dollar for dollar match would be contingent upon a third building.

Ms. Burke said that they had also indicated a willingness to work with the city collaboratively for Brownfields grants and other state sponsored grants for environmental clean ups.

Councillor Matheson asked if the Council hadn't voted to authorize up to 280 units.

Mr. Hogan said that they could not get to that number of units without a third building or added height.

Ms. Burke said that added height changed the type of construction required and increased the costs.

Councillor Matheson asked if they were asking for another 30 days.

Ms. Burke said that the team was asking as well.

Mr. Hogan said that he thought they might be holding on their due diligence pending feedback from the Council.

Councillor Matheson asked if it was possible to narrow the environmental range.

Mr. Hogan said that would require additional testing which they would not do until it could be cost justified.

Councillor Matheson said that we needed our own independent expert to evaluate and average the costs.

Mr. Hogan said that our expert said that the tests would cost \$10,000 to \$15,000. He said that theirs had quoted a significantly higher figure.

Ms. Burke described the extent of the potential environmental issues and noted that, now that we were aware of them, we could be on the hook for cleanup. She said that we would probably be able to do a phased plan.

Mr. Brennan said that he believed that as long as the caulking was intact, it was not harmful.

Councillor Kinnon said that he believed that, if the building stayed, it could be encapsulated, which was far cheaper.

Ms. Burke said that she just wanted the Council to be aware of that aspect. She said that she would like to have Joe Naughton from Hill discuss the police program.

Mr. Naughton said that they had taken the program developed by DeMarise & Wolf as the basis for this report. He said that the interior area of the police station was about 19,000 square feet. He said that the total of 29,000 included exterior walls, elevators, etc. He said that their charge was to fit as much as possible in Jackson St. garage and put the remainder in the CBDG garage. He said that right now, there are three components on the first floor of Jackson St. He said that the daycare center is composed of about 4,000 square feet; Emergency Center and the function all comprise about 9,000 square feet. He said that 19,000 is needed. He said that the floor plate is about 31,000 square feet but is bifurcated by the ticket spitter and ramps. He said that, to the left, as you enter the garage, there are 28 parking spaces in 9,000 square feet but it slopes down. He said that it would need to be excavated to make it level.

Councillor Kinnon asked how much space there was at the CBD garage.

Mr. Naughton said 6,000 square feet.

Councillor Kinnon asked if it was office space.

Mr. Naughton said that he believed that it was currently an engineering office.

Councillor Kinnon said that this would be enough space except for the firing range.

Mr. Naughton said that it was about 23,400 with the 9,000 from the 28 parking spaces and about 13,000 without that space.

Councillor Kinnon noted that the total building was 23,900. He said that if you subtract out the 9,000, that is expensive space, especially since you were talking about temporary space. He said that the 6,000 down the street was usable and that would put us back at 20,000. He asked if they had done an analysis on that cost.

Mr. Naughton said they had not; he said that they still needed to create a police station that is able to function.

Councillor Kinnon said that, as he recalled, the cost was about \$750/square foot and that was too expensive. He asked what the cost was if you did not add the 28 parking spaces.

Mr. Naughton said that it was cheaper, if you broke it into chicklets. He said that there was about \$400,000 of work on the existing building for seismic reasons. He said that this was a specialized building – plumbing was required everywhere. He said that they would be jacking out the floor slab and driving pile to reach a stable subsurface. He said that it was cheaper to take out the slab and put in a new one than to try to rejoin them.

Councillor Kinnon asked the cost of a new building.

Mr. Naughton said \$400/square foot.

Councillor Kinnon asked if that was the lowest possible price for a police station.

Mr. Naughton said that he could find that information in a variety of places. He said that, in Boston, construction costs were higher. He said that he had likened it to Revere, which was similar.

Councillor Kinnon asked if the current building was seismically hardened.

Mr. Naughton said that it was not but was grandfathered.

Councillor Kinnon said that he loved what they had done here but that the city couldn't afford it. He said it was a waste of time to continue discussing it. He said that he did not see why we would renovate when we could build more cheaply.

Councillor Anderson asked what he was suggesting.

Councillor Kinnon said that he would like to go for the 30 day extension and regroup on a plan. He said that the city could not afford this.

Councillor Anderson asked what the cost was.

Mr. Naughton said it was \$15-19 million.

Councillor Anderson asked the cost of new construction.

Mr. Hogan said \$12-14 million plus soft costs.

Councillor Murphy said that she agreed that the discussion needed to stop. She said that the two locations were not optimal. She said that she could not rationalize spending that kind of money on what was not the best plan. She said that she agreed that the garages were not the plan. She said that the question now is what was?

Councillor Kinnon said that the Hostess site would still be at \$18,000. He said that they would not have to build deck parking and it was a better place. He said that he was sure that there were more options.

Councillor Anderson said that we now knew that the temporary plan doesn't work. He said that we needed to go back to the drawing board.

Councillor Murphy noted that Hostess had pulled its renovation plan from the Planning Board agenda. She asked if that would bring the location back into play.

Ms. Burke said that she thought that the Council had taken it off the table.

Councillor Matheson said that we were saying that new construction would cost \$480-600/square foot and renovations would cost \$600-800/square foot. He said that, if there was any consolation about Hostess, it was that the Chief had not liked the location. He said that the \$1.5 million auction price was provable and that he had thought that was the answer. He said that at Dartmouth St., the parking deck was several million dollars; the \$12-15 million price was just for a building and did not include parking.

Councillor D'Arcangelo said that almost two years ago, he had presented a plan. He said that this was political. He said that this parcel should be put out to RFP again for office space and that the city should go to the open market to find property. He said that we needed to put all the balls in the air at one time, including a city yard and a fire station, if necessary. He said that he thought we should save our pennies for 2019 when debt went down.

Councillor Matheson said that he would like to look at Mals or Ruderman's. He said that those were two pieces of urban blight that could be put to better use. He asked if someone could just ask Combined Properties about their availability.

Ms. Burke said that Combined had pulled a footing and foundation permit this week for Mals and had recently met with the Planner relative to a drive-through CVS at the Ruderman's site.

Mr. Hogan said that they could talk to Jefferson and see if there was an opportunity to get Jefferson to build a police station and save costs by tying the projects together.

Councillor Ultrino asked what about a city hall.

Councillor Matheson said that we had the money from this building.

Councillor Ultrino said we would not if we used the money to build a Police station.

Councillor Matheson said that 110 Florence had a \$3.5 million acquisition cost.

Councillor DeMaria said that she would like to raise the church issue again. She said that she had heard that the price was \$1.2 million and it could be retrofit for one purpose of the other.

Councillor Ultrino asked if the church was on the historic register.

Ms. Burk said that she did not know.

Councillor Ultrino said that he thought it was.

Ms. Burke asked if the fire station at Overlook Ridge had been built at prevailing wage.

Councillor Kinnon said that it had not. He said that the city had a 50 year lease on the property but that it could not be turned over to the city because it was not at prevailing wage.

Ms. Burke said that, if Jefferson could build it and we could lease, that might be a way out of it.

Councillor Nestor said that he thought that they should also ask about Chevrus.

Ms. Luise said that she had been told that they were rehabbing it. She said that they were taking registrations and planning to keep the school open.

Councillor Nestor said that he thought that they were taking registrations without money and would take what

they could get for the property.

Councillor Ultrino said that, as he understood it, they would be merging with Immaculate and a new pastor would be appointed. He said that everything was on hold until that happened and the new pastor decided what he wanted to do.

Councillor Nestor said that he still thought that they would entertain an offer.

Councillor DeMaria asked if, while they were still negotiating with Jefferson, was it possible to pull the Police Station out of the deal and separate the utilities. She said that they could throw in the green space as a trump card. She said that, since the roof to the Senior Center needed to be replaced anyhow, could they add floors to it for city hall. She said that would solve everything but the parking, which she said she admitted was a big problem. She said that she did not think that the Police Station was that bad. Chief Molis agreed, saying that they would be staying there if it weren't for this.

Ms. Luise said that she thought that would have to be put out again to RFP, as it was a whole new plan.

Ms. Burke said that the RFP had given the option of either or both and all submitters had wanted both. She said that the cost to isolate the utilities was about \$2.5 million.

Councillor Anderson asked Mr. Burke what she would recommend.

She said that she would like to get the Chevrus question answered and extend the opt out period for 30 days, preferably on the same terms as the last extension. And, she said, she would like to explore what happened at Overlook with Jefferson.

Councillor Matheson said that the DPW was situated on a beautiful piece of land. He asked if they could look at that as well.

Councillor Kinnon said that the land was very contaminated.

Councillor Murphy asked if we would be asking for the extension this time.

Ms. Burke said that Jefferson wanted it as well but she was not sure that they would go for another 6 month extension on the end. She asked the Council to name a budget for the project.

Councillor Kinnon said that the budget should be \$30 million if we were getting \$10 for this building. He said that they were counting on \$10 million from Jefferson, \$3 million from the state and \$5 million from Reserve, with the rest to be bonded.

**ON COUNCILLOR KINNON'S MOTION TO CAP THE BUDGET AT \$30 MILLION FOR BOTH BUILDINGS**

(9)Y-(1)N, Councillor D'Arcangelo opposed (SEE ROLL CALL)

**ON COUNCILLOR MURPHY'S MOTION TO GIVE THE INTERNAL TEAM THE ABILITY TO NEGOTIATE ANOTHER 30 DAY EXTENSION WITH OPT OUT PROVISIONS AND AN EXTENSION OF BETWEEN ONE AND SIX MONTHS ON THE DATE FOR VACATING THE PROPERTY.**

(9)Y-(1)N, Councillor D'Arcangelo opposed (SEE ROLL CALL)

**ON COUNCILLOR KINNON'S MOTION TO ALLOW THE TEAM TO EXPLORE A PUBLIC/PRIVATE PARTNERSHIP WITH JEFFERSON ON CITY HALL OR THE POLICE STATION**

(8)Y-(2)N, Councillors D'Arcangelo and Ultrino opposed (SEE ROLL CALL)

ON COUNCILLOR ULTRINO'S MOTION TO ADJOURN  
(10\_Y-(0)N (SEE ROLL CALL)

MEETING ADJOURNED

8:42 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.**