

Minutes of the Mystic Valley Development Commission

A meeting of the Mystic Valley Development Commission (MVDC) was held December 18, 2019, 8:30 A.M. at 200 River's Edge Drive, Medford, Massachusetts.

1. Roll Call

The Chair called the roll:

Present: Stephanie Burke, Medford Mayor; Gary Christenson, Malden Mayor; Mark Rumley, Medford representative; John Savino, Malden representative; and Tony Sousa, Everett Representative.

Also Present: Tony Roselli, Roselli & Clark; Allan Foster, Foster Consulting; John Preotle, Preotle Lane Associates; Ellen Brideau, City of Medford; Deborah Burke, MRA Executive Director; and Evan Spetrini, MRA Senior Planner and MVDC Project Manager.

Absent: Carlo DeMaria, Everett Mayor

2. Approval of Minutes

- a. On a motion by Mr. Savino and seconded by Mayor Christenson, the minutes from the July 17, 2019 meeting were approved on a 4-0 vote – 8:32 AM.

3. New Business

a. Update on FY18 and FY19 Audit

- Mr. Roselli presented the preliminary findings of the FY18 and FY19 audits. Financial management is performed by the MRA. After reviewing the financials of the three MVDC bank accounts, Mr. Roselli explained that there were no discrepancies between the bank statements and the MVDC accountings. Mr. Roselli suggested that the MRA work with banks to renegotiate interest rates.
- Mr. Roselli stated that the MVDC owns two properties: 359 Commercial Street, Malden, which houses the ABCD Headstart program, and 370 Commercial Street, Malden, which is a leftover parcel from the realignment of Commercial Street, adjacent to Malden's Department of Public Works. These properties are worth a combined \$640,000. 370 Commercial Street is currently undeveloped and could be sold off. Ms. Burke explained that the site may not be suitable for development because of its size and awkward shape but

more analysis could be done to determine the feasibility of development.

- Mr. Roselli explained the status of the Section 108 loans. The three cities each borrowed \$1,000,000 for the development of River's Edge. The MVDC is responsible for paying the principal and interest on the loans from each of the three cities. As of now there is \$2,187,000 remaining on the loan. The debt service on the loan was about \$336,000 each year. The loans have a variable interest rate between 4.48% and 5.52%. For FY19 the rate was 4.87%. Mr. Roselli suggested using the cash in the Infrastructure Fund to pay off the loans. This would require permission from the State, potentially with the agreement to refund that account. The alternative would be to refinance the loans.
- Mayor Burke explained that the MVDC had recently looked into refinancing the loans but determined that the benefit at that time was negligible.
- **The Commission directed the MRA to start the conversation with the State about using the infrastructure fund to pay off the Section 108 loans.**
- Mr. Roselli explained that the tax rates have decreased in all three cities, reducing the PILOT revenue. The imposed rate is equal to a simple average of the related rates in each of the three cities. The legislation states that the imposed rate shall be calculated as of January 1 prior to the fiscal year in which it is applied. However, for FY18 and FY19 the MVDC had been using the imposed rate calculated as of January 1 of the current fiscal year, which is the assessing practice of the three municipalities. This resulted in decreased PILOT payments.
- Mr. Roselli explained the process by which the PILOT revenue is distributed. Operating expenses are paid first, then debt service. Following debt service is a baseline tax payment to Malden and Medford, which is based on the square footage of the affected properties in each of the cities. The Master Plan indicated that 89.xx% of affected property is located in Medford and 10.xx% is in Malden. The remaining surplus is then divided between Medford and Malden using that same ratio.
- From 2003 to 2011, the MVDC was unable to make the baseline tax payments to Malden and Medford. A repayment plan was established in 2011 to catch up on those baseline taxes, which was fully paid in FY19, including the baseline taxes from 2011 to 2019.
- Mr. Roselli suggested that the Commission approve the imposed rate before the start of the fiscal year for which it is applied.
- Mr. Roselli suggested examining the enabling legislation to address ambiguities, including PILOT application and appraisals.
- **The Commission directed the MRA to budget for an annual audit.**

b. Executive Session to consider Appraisals

On a motion by Mr. Savino and seconded by Mr. Rumley, the Commission voted to take the meeting out of order and enter into Executive Session to consider Appraisals on a 5-0 roll call vote, one absent – 9:25 AM

On a motion by Mayor Christenson and seconded by Mr. Rumley, the Commission voted to adjourn Executive Session on a 5-0 roll call vote, one absent – 9:40 AM

c. Preotle Lane Environmental Cost Reimbursement

- Mr. Preotle submitted an invoice in the amount of \$13,178.37 for environmental work subject to reimbursement by the MVDC.
- Mr. Spetrini explained that due to the Developer's Agreement with Preotle Lane, the MVDC is responsible for reimbursing the developer for all environmental costs beyond \$800,000.
- Mr. Preotle explained that these costs are related to the development of 400 River's Edge. Because the building is complete, the only costs moving forward will be for annual monitoring, which the MVDC will be responsible for.
- The Commission directed the MRA to confer with Jeff Nangle, the MVDC's LSP, on future monitoring costs.

On a motion by Mayor Christenson and seconded by Mr. Rumley, the Commission approved the request on a 5-0 vote, one absent – 9:45 AM.

d. Update on 400 River's Edge Opening

- Mr. Preotle explained that Argero, the major tenant of 400 River's Edge, started moving into the building in September. There are still a few punchlist items to address but the building is essentially complete.
- The other tenant is Financial Recovery Technologies and the building includes a café and fitness center.
- Mayor Burke asked if the tenants are using public transportation and the River's Edge shuttle from Wellington Station. Mr. Preotle stated that not as many are utilizing that service as they thought but suspected many of the newer tenants would begin using that service.

e. Update on Army Corps Wetland Restoration

- Mr. Spetrini explained that the project is still on hold as the Army Corps has requested an amended Project Partnership Agreement that includes the three individual cities as well as the MVDC.

f. Update on Malden River Works Project

- Mr. Spetrini presented the Malden River Works project. Malden River Works is a partnership between MIT, Friends of the Malden River, Mystic River Watershed Association, MRA, and the City of Malden to redesign Malden's DPW yard to improve operations of the site and create a park along the Malden River. The team won a \$100,000 prize from MIT's Leventhal Center for Advanced Urbanism to develop a concept plan for the project.
- The project is largely driven by a community focused steering committee that is made up of community leaders reflecting the diversity of Malden, public officials, and environmental advocates.
- The first public meeting was held in October with over 100 attendees to introduce the project and collect feedback from attendees on what they would like to see on the river. The next meeting will be held on January 30, 2020 to discuss preliminary concept design alternatives.

4. Adjournment

There being no further business, on a motion by Mayor Christenson, seconded by Mr. Rumley, the MVDC meeting adjourned at 10:05 AM

AYES: Mayor Burke, Mayor Christenson Mr. Rumley, Mr. Savino, and Mr. Sousa

NAYS: None.

Roll Call Vote was unanimous.

Secretary