

Minutes of the Mystic Valley Development Commission

A meeting of the Mystic Valley Development Commission (MVDC) was held remotely on March 16, 2021, 2:00 P.M.

1. Roll Call

The Chair called the roll at 2:10 PM:

Present: Gary Christenson, Malden Mayor; Breanna Lungo-Koehn, Medford Mayor; Justin Quinn, Malden representative; Colleen Mejia, acting Everett representative; and Ellen Brideau, Medford representative.

Also Present: Deborah Burke, MRA Executive Director; Evan Spetrini, MRA Senior Planner and MVDC Project Manager; John Preotle, Preotle Lane & Associates; and Marie Law Adams, Landing Studio.

Absent: Charlie Baker, Governor

2. Approval of Minutes

- a. On a motion by Mr. Quinn and seconded by Ms. Mejia, the minutes from the December 21, 2020 meeting were approved:

Mayor Lungo-Koehn:	AYE
Mayor DeMaria:	ABSENT
Mayor Christenson:	AYE
Ms. Brideau:	AYE
Ms. Mejia:	AYE
Mr. Quinn:	AYE
Governor Baker	ABSENT

3. New Business

- a. *Vote to approve Amendment to PILOT Agreement*
Mr. Spetrini gave a brief overview of the proposed amendment. Under the current agreement, PILOTs for commercial space are determined on a square foot basis and the starting rate for each property is determined by a tiered system: the first 110,400 sf of commercial space are taxed at \$1.00/sf, the second 110,400 sf are taxed at \$1.50/sf, and the third 110,400 sf are taxed at \$2.00/sf. Commercial properties are placed within the tier structure based on the date of final completion, which is when the final occupancy permits are issued. Under the proposed amendment, properties would be placed within the tier system based on the date that construction commences, instead of the date of final completion.

Mr. Spetrini stated that at the last MVDC meeting, there was a concern among the commissioners that this change may result in a loss in PILOT revenue for the MVDC. Mr. Spetrini shared an updated spreadsheet detailing the impact of the

proposed amendment on PILOTs for each of the commercial properties. The spreadsheet showed the tier system under the existing agreement and the amended agreement. Mr. Spetrini explained that the amendment would shift some of the PILOT burden from 400 River's Edge to 175 River's Edge and 325A River's Edge but the total PILOT revenue over the lifetime of the agreement would stay the same.

Mayor Christenson asked if the change would provide certainty of what the PILOT rate will be once the building is complete. Mr. Spetrini confirmed that once construction of a building commences, the PILOT rate would be set, as opposed to setting the rate upon completion of the building, which can be delayed. Ms. Brideau asked if the PILOTs would still begin when the certificate of occupancy is issued. Mr. Spetrini confirmed that the rate would be set when construction begins but payments would not be collected until the building is completed.

On a motion by Ms. Brideau and seconded by Mr. Quinn, the Commission voted to approve the proposed amendment to the PILOT Agreement as written:

Mayor Lungo-Koehn:	AYE
Mayor DeMaria:	ABSENT
Mayor Christenson:	AYE
Ms. Brideau:	AYE
Ms. Mejia:	AYE
Mr. Quinn:	AYE
Governor Baker	ABSENT

b. Vote to Approve Preliminary Subdivision Plan

John Preotle of Preotle Lane & Associates presented the Preliminary Subdivision Plan for 400 and 500 River's Edge Drive. He explained that the subdivision would take a portion of 400 River's Edge Drive and a portion of 500 River's Edge Drive to create a new parcel between the two that would connect the ring road to the park to guarantee that space remain open to the public. He explained that the tenant of 400 River's Edge Drive, Agero, has an option to purchase the property in their lease agreement and will likely exercise that right. The lease agreement includes a provision that allows for this subdivision as well.

Mr. Spetrini shared his screen showing the subdivision plan and indicated where the new parcel would be. Mayor Lungo-Koehn asked if Mr. Preotle intended to develop the new parcel. Mr. Preotle explained that the intent is to keep that area as publicly accessible green space. Mr. Quinn asked what would be the worst outcome if the parcel is not subdivided. Mr. Preotle said that technically, the new owner of the property could refuse to allow public

access to the space, though that outcome is unlikely. If it is approved, the new owner has agreed to transfer the property to Preotle Lane & Associates.

Ms. Brideau asked about who would maintain the property. Mr. Preotle explained that it would be incorporated into the rest of the park, which is maintained by an association that includes all of the buildings in River's Edge. Each property owner pays a percentage fee based on the square footage of their building for park maintenance. That space is already being maintained through this system.

Mayor Lungo-Koehn asked how public access will be guaranteed. Mr. Preotle stated that it would become part of the park. He said that he believes the current documentation addresses that concern but could add additional documentation if that is what the Commission wants. Mayor Lungo-Koehn asked if the Commission could approve the plan with the condition that public access be guaranteed. Mr. Preotle explained that after today's vote, they will need to hold a public hearing and could add that language in the interim. Mr. Spetrini added that they also need comments from the Medford Board of Health to proceed with the final plan.

On a motion by Mr. Quinn and seconded by Ms. Brideau, the Commission voted to approve the Preliminary Subdivision Plan with an amendment that language be added to guarantee public access from the ring road to the park:

Mayor Lungo-Koehn:	AYE
Mayor DeMaria:	ABSENT
Mayor Christenson:	AYE
Ms. Brideau:	AYE
Ms. Mejia:	AYE
Mr. Quinn:	AYE
Governor Baker	ABSENT

c. Update on MVDC banking

Mr. Spetrini briefly recapped previous conversations regarding interest rates on the MVDC bank accounts. An audit of FY18 and FY19 financials was completed in the fall of 2019. One of the auditor's recommendations was to secure higher interest rates on the MVDC's bank accounts. The Commission directed the project managers to look into other investment options following the audit. Mr. Spetrini stated that he and Ms. Burke had conversations with the MRA finance team and with the CFOs of each of the three cities to discuss possible options. The MRA finance did some research into possible options and presented those ideas to the three CFOs at a meeting in February. The CFOs agreed that the best option would be to move the funds into a Massachusetts Municipal Depository Trust (MMDT) account. Ms. Burke added that the CFOs were unanimous in their

recommendation to move the funds into an MMDT account. The CFOs of each city relayed their conversations to each of the three mayors respectively.

Ms. Brideau asked if MMDT is insured and if it is commonly used by other cities and towns. Ms. Burke explained that MMDT has FDIC and DIF insurance and is used by many other cities and towns. She added that Malden's CFO in an email stated that MMDT has the best interest rates right now while remaining flexible in terms of paying bills. Ms. Burke stated that the MRA has an account with MMDT as well.

Mr. Spetrini explained that there are not a lot of long-term investment opportunities due to the fact that the budget surplus is distributed between Malden and Medford at the end of each fiscal year. The accounts must remain fairly liquid to make those surplus payments.

On a motion by Mayor Christenson and seconded by Ms. Mejia, the Commission voted to move MVDC funds into a Massachusetts Municipal Depository Trust account:

Mayor Lungo-Koehn:	AYE
Mayor DeMaria:	ABSENT
Mayor Christenson:	AYE
Ms. Brideau:	AYE
Ms. Mejia:	AYE
Mr. Quinn:	AYE
Governor Baker	ABSENT

d. Update on Infrastructure Fund

Mr. Spetrini presented a brief recap of previous discussions regarding the Infrastructure Trust. He stated that the MRA has discussed two questions with the Executive Office of Housing and Economic Development (EOHED): whether or not the MVDC can use the Infrastructure Trust to pay off existing Section 108 loans; and how to interpret the "preference for Everett" language in the Growth Districts Initiative (GDI) MOU. He explained that EOHED would not support using the Trust to pay of the Section 108 loans – they felt that would require an amendment to the agreement. They said the Trust should be used for its intended purpose: to invest in infrastructure improvements within the Growth District with a preference for projects in Everett.

Mr. Spetrini explained that the Growth District encompasses the entire area of land that was originally envisioned for the TeleCom City project, which became River's Edge. This includes properties in all three cities, even though the project, as it exists now, is mostly confined to Medford. Mr. Spetrini explained that the "affected properties" include only those that were acquired and redeveloped by the MVDC, while the "project area" includes the entire Growth District.

Ms. Burke added that the EOHED representatives stated that the MVDC should come up with some projects and submit them for approval. Mr. Spetrini stated that they have no specific projects at this time to move forward but ultimately they must be approved by the MVDC before requesting State approval.

e. Update on Malden River Works

Mr. Spetrini Gave a brief overview of the project. Malden River Works is the City of Malden’s effort to reimagine and redesign the Department of Public Works (DPW) yard to incorporate resilient stormwater infrastructure and create a new public park along the Malden River. Mr. Spetrini invited Marie Law Adams of Landing Studio to give a presentation on the progress so far.

Mr. Spetrini explained that the project intends to utilize a parcel between the DPW and Commercial Street that is owned by the MVDC. This is a remnant parcel created after Commercial Street was straightened and is currently unbuildable but could be utilized as a part of the Malden River Works parcel. The MVDC does not need to take any action to transfer that parcel at this time but may need to at some time in the future if the MVDC elects to do so.

4. Adjournment

There being no further business, on a motion by Mr. Quinn, seconded by Ms. Brideau, the MVDC meeting adjourned at 3:06 PM

Mayor Lungo-Koehn: **AYE**
Mayor DeMaria: **ABSENT**
Mayor Christenson: **AYE**
Ms. Brideau: **AYE**
Ms. Mejia: **AYE**
Mr. Quinn: **AYE**
Governor Baker **ABSENT**

Secretary