

**City of Salem Massachusetts  
Public Meeting Minutes**

<b>Board or Committee:</b>	<b>Redevelopment Authority, Regular Meeting</b>
<b>Date and Time:</b>	<b>Wednesday, January 13, 2016 at 6:00pm</b>
<b>Meeting Location:</b>	<b>Third Floor Conference Room, 120 Washington Street</b>
<b>Members Present:</b>	<b>Chairperson Robert Mitnik, Robert Curran, Grace Harrington, and Conrad Baldini</b>
<b>Members Absent:</b>	<b>Russell Vickers</b>
<b>Others Present:</b>	<b>Lynn Duncan, Executive Director and Andrew Shapiro, Economic Development Planner</b>
<b>Recorder:</b>	<b>Andrew Shapiro</b>

Chairperson Robert Mitnik calls the meeting to order. Roll call was taken by Lynn Duncan.

**Executive Director's Report**

Lynn Duncan noted that due diligence on the District Court project continues. She explained that she has been facilitating communication between the Commonwealth's Division of Capital Asset Management and Maintenance (DCAMM) and Diamond Sinacori. The developer has been trying to get four separate consultants on site to perform the due diligence.

Duncan then requested, through Chairman Mitnik, to allow for the discussion and votes related to the Old Salem Jail to take place before the discussion and votes related to the letter of intent for the District Court redevelopment project, because representatives of Symes and Associates, who are currently engaged in a process to purchase the Old Salem Jail buildings and property, are present.

Chairman agreed that item two could proceed first.

**Urban Renewal Area Projects**

**1. 50 St. Peter Street (Old Salem Jail):**

\*This item was taken out of order from the posted agenda.

- a. Discussion and votes on request for a Certificate of Completion per Land Disposition Agreement (LDA).

The submission before the SRA included a memo explaining requests by Symes and Associates, a draft certificate of completion, and excerpts from the 2006 land disposition agreement between the SRA and New Boston Ventures. Attorney Bradley Latham, Landers Symes, and Steve Feinstein were present on behalf of Symes and Associates.

Duncan explained that Symes and Associates is in the process of purchasing the Old Salem Jail and is wrapping up their due diligence period prior to signing a purchase and sale agreement. In 2006 the SRA executed a land disposition agreement (LDA) with the original developers of the project, New Boston Ventures. There were several subsequent amendments to that LDA, mostly extending the time period of the document. Symes and Associates is asking that a certificate of completion be issued by the SRA, as stipulated by the LDA, because it had not yet been done.

Duncan then referred to the drafted certificate of completion that was provided to the board. She noted that it essentially says that the buyer satisfied all covenants and completed all covenants stipulated in the LDA. This could have been done at the time the final certificate of occupancy was issued, but it was not. City Solicitor Beth Rennard has reviewed the document. A vote to approve the document and a separate vote to approve the Chair to execute the document is needed.

Baldini: Motion to approve issuance of the certificate of completion as presented.

Seconded by Curran. Passes 3-0.

Baldini: Motion to approve Chair to execute the certificate on behalf of the SRA.

Seconded by Curran. Passes 3-0.

b. Discussion and vote on request for clarifications and confirmations – LDA.

Duncan enumerated some clarifications that the new prospective buyer of the Old Salem Jail property requested be made by the SRA. One clarification was that it would be the sole discretion of the owner as to whether the units would be converted to condominiums or if they would remain as rental units. The deadline to have a restaurant in the ground floor unit of the building has been met by New Boston Ventures; the new property owner has the ability to convert the restaurant space to residential units at any time if so desired. The provision in the agreement that would enable the title to revert back to the seller (the SRA) is now void. After the buyer pays the seller \$100,000 as stipulated in the agreement, no further sums are owed.

With respect to payment, Duncan noted that New Boston Ventures will need to pay \$100,000 to the SRA upon sale of the property. The agreement also stipulated that 15 percent of the gross proceeds over \$375 per square foot would be paid to the SRA. We looked at this provision as relating to the sale of individual condominium units, or of the entire property, as is being done in this case. The certification of sale price that has been provided by Symes and Associates notes that the sale price is significantly less than this threshold. The City Solicitor has reviewed all of these documents and is comfortable with them.

Duncan continued with the rundown of clarifications of the LDA, noting that interest in the property could be freely transferred, and that there is no event of default. A vote will be needed to approve the amendment to the LDA, and for the Chair to sign.

Baldini: Motion to approve the amendment to the LDA.

Seconded by Harrington. Passes 3-0.

Baldini: Motion to approve Chair to execute the amendment to the LDA.

Seconded by Harrington. Passes 3-0.

**2. 65 Washington Street (Former Salem District Court Property): Discussion and votes on amended Letter of Intent between SRA and Diamond Sinacori, LLC.**

- a. Vote to approve Letter of Intent
- b. Vote to approve SRA Chair to sign Letter of Intent

The submission before the SRA included an amendment letter of intent between the SRA and Diamond Sinacori.

Duncan noted that an amended letter of intent between the parties had been agreed upon and executed the month prior in order to allow for Diamond Sinacori to have enough time to perform its due diligence of the District Court site, despite time it would take to receive licenses to do so from DCAMM, and potential delays due to weather. The Chair had raised the issue of the letter of intent not having a specific end-date, and that it could be enforced in perpetuity. The vote to approve the letter at the last meeting was subject to the City Solicitor reviewing the document and examining whether that issue could be mitigated.

The City Solicitor has since reviewed the document and provided the additional language to the second page of the letter, under number three. "...provided however that the 90 due diligence period will not be extended more than a total of 180 days by either a DCAMM license delay or winter weather delay, or any combination of the two unless the SRA and developer further amend the letter of intent to provide for such greater extensions." She noted that Diamond Sinacori was fine with these changes.

Harrington: Motion to approve the amended letter of intent between the SRA and Diamond Sinacori.

Seconded by Curran. Passes 3-0.

Harrington: Motion to approve the Chair to execute the amended letter of intent.

Seconded by Curran. Passes 3-0.

**Minutes**

**3. Approval of minutes from the December 9, 2015 regular meeting.**

Baldini: Motion to approve.  
Seconded by Harrington. Passes 3-0

4. Approval of minutes from December 9, 2015 annual meeting.

Curran: Motion to approve.  
Seconded by Harrington. Passes 3-0

***Adjournment***

Harrington: Motion to adjourn the meeting, seconded by Baldini. Passes 3-0.  
Meeting is adjourned at 6:16 pm.