



Committee on Finance

September 16, 2015 – 7:32 PM - **Minutes**
Chambers of the City Council, Room 214

MEETING: COMMITTEE ON FINANCE
DATE: SEPTEMBER 16, 2015
TIME: 7:32 P.M.
PLACE: CITY COUNCIL CHAMBER, ROOM 214, MUNICIPAL BUILDING

PRESENT: COUNCILLORS JOSEPH LOPES, CHAIRMAN; JAMES OLIVEIRA, VICE-CHAIRMAN; HENRY BOUSQUET; NAOMI CARNEY; DEBORA COELHO; BRIAN GOMES; STEVEN MARTINS; LINDA MORAD; DANA REBEIRO(7:38); KERRY WINTERSON

ABSENT: COUNCILLOR DAVID ALVES

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Councillor Lopes called the Finance Committee Meeting to order and took attendance. The Clerk read a Communication from Councillor Alves explain his absence and this Communication was received and placed on file by Councillor Morad and seconded by Councillor Winterson.

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Notice, City Clerk of reference of a Communication, Ronald H. Labelle, DPI Commissioner to City Council, requesting the approval of a sewer betterment extension project on Bristol Street, consisting of approximately 400 feet of 8” diameter sewer with one manhole structure and five 6” diameter sewer service extensions to the property line (Ref’d 03/26/15, 5/20/15-tabled); AN ORDER, that a Betterment Sewer Extension Project will begin at an existing sewer manhole which is located 190’ west of the west line of Bartlett Street and extend 400’ westerly, a new 8” PVC sewer main will extend approximately 373’ to a new dead end manhole to which point, two service lines will connect, a total of five (5) new sewer connections have been estimated to connect to the new sewer main; further that the five (5) property owners that will benefit from this project are: Sheila E. Morris, Roland & Gertrude Robidoux, George & Robyn Santos, Kim Lavelle and Diane Doyle (Ref’d 3/26/15); and a Communication, Mayor Mitchell, to City Council, submitting a petition, budget and plan relative to a proposed sewer betterment project on Bristol Street in Ward One (Ref’d 8/19/15) were removed from the table and received and placed on file by Councillor Morad and seconded by Councillor Winterson. (1, 1a, 1b)

DPI Commissioner Ron Labelle gave an overview of the project. The project will improve water and sewage service in the area. Currently there is one home that will not pass Title V. The city will be doing the job saving approximately 25% of the cost. The betterment

will be charged to the homeowners as a betterment charge over the next 20 years. It is cheaper for the city to do the work for their rates are lower than a normal contractor.

Councillor Morad asked Commissioner Labelle if he calculated the charge by footage and he explained they are not assessing the betterment charge that way. They will take the total amount of the project and divide it up amongst the homeowners equally. The homeowners will be assessed 75% of the main sewer line and 100% of the lateral line, (the tie into the service) it will be an amortized payment meaning over 20 years.

Commissioner Labelle explained that right now the cost for the project is \$40,000. It equates to approximately \$6,100.00 per home. The road will not be entirely paved, the road will be patched.

Councillor Bousquet asked if everyone is on board with the betterment. He was told originally all but one; but they really gave no particular reason why they were against it. If the Council approves it, it will include all the homeowners.

Councillor Gomes asked Commissioner Labelle clarify that those who do not want to participate will have to participate if the Council approves it. The answer was yes.

Councillor Morad asked about resident frontage on Elliot Street. The insured has a lot that runs along Bristol Street but it is a non confirming lot. Would they have to pay for the betterment? She was told they should not have been included and he will check into it.

Commissioner Labelle explained that anyone who feels they have a reason all they would have to do is petition for an abatement stating they will not benefit from the work.

On motion by Councillor Bousquet and seconded by Councillor Oliveira, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER, that a Betterment Sewer Extension Project will begin at an existing sewer manhole which is located 190' west of the west line of Bartlett Street and extend 400' westerly, a new 8" PVC sewer main will extend approximately 373' to a new dead end manhole to which point, two service lines will connect, a total of five (5) new sewer connections have been estimated to connect to the new sewer main; further that the five (5) property owners that will benefit from this project are: Sheila E. Morris, Roland & Gertrude Robidoux, George & Robyn Santos, Kim Lavelle and Diane Doyle. This motion passed on a Roll Call Vote of Yeas 10, Nays 0.

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Notice, City Clerk of reference of a Communication, Derek Santos, New Bedford Economic Development Council Executive Director, to City Council, submitting STA and TIF Applications and Resolutions for the following companies: DARN IT! INC.; PARALLEL PRODUCTS, INC.; RAW SEA FOODS; SHUSTER CORP and SID WAINER & SON (Ref'd 9/10/15) were received and placed on file by Councillor Morad and seconded by Councillor Carney., (2, 2a, 2b, 2c, 2d, 2e, 2f, 2g)

Derek Santos, Executive Director of Economic Development was present to answer questions from the Committee. He gave an overview of the project, good for the city, growth for

Sid Wainer, 370 jobs currently at the New Bedford facility, will lead to the creation of additional jobs. The TIF agreement is for five (5) years. (2a, 2b)

On motion by Councillor Martins and seconded by Councillor Bousquet, the Committee VOTED: To recommend to the City Council ADOPTION of the Resolution, Approving Certified Project Application and Special Tax Assessment Agreement with FRIENDLY FRUIT, INC, and FRIENDS REALTY INC. and the Resolution, Approving Certified Local Incentive Project Application and Authoring the Tax Increment Financing Agreement with FRIENDLY FRUIT INC., and FRIENDS REALTY, INC. This motion passed on a Roll Call Vote of Yeas 10, Nays 0.

Derek Santos, Executive Director of New Bedford Economic Development Council gave an overview of the STA proposal for Parallel Products and SM Real Estate, LLC. A six million dollar investment at the old Polaroid plant, 82 jobs retained 50 new jobs to be created at an average wage of \$60,000 yearly. This is the second expansion for this company since they have come to New Bedford. (2c)

On motion by Councillor Gomes and seconded by Councillor Winterson, the Committee VOTED: To recommend to the City Council ADOPTION of the Resolution, Approving Certified Project Application and Special Tax Assessment Agreement with PARALLEL PRODUCTS OF NEW ENGLAND, INC., and SM REAL ESTATE LLC. This motion passed on a Roll Call Vote of Yeas 10, Nays 0.

Mr. Santos gave an overview of the TIF proposal with Raw Sea Foods, Inc. or its nominees and Hutchens Holding II, LLC. This proposal is a sample of regionalism at its best. The business has a plant in Fall River and New Bedford, but they are looking to expand in New Bedford. Average wage is \$16.00 per hour. This is a 10 year agreement. (2d)

Councillor Winterson spoke on behalf of the TIF and he said it was a credit to the company. This is good news and he appreciates the jobs that will be created.

Derek Santos explained that 20 permanent new jobs would be created and this company looks to employ 100% of New Bedford people.

Mr. Scott Hutchens, 211 Middleboro Road, East Freetown, Partner, Raw Sea Foods was present to answer questions from the Committee.

Councillor Oliveira asked him about odors from the plant, will there be scrubbers in place. He was told that this is not a processing plant, no residual smell will emanate from the facility.

On motion by Councillor Gomes and seconded by Councillor Coelho, the Committee VOTED: To recommend to the City Council ADOPTION of the Resolution, Approving Certified Local Incentive Project Application and Authorizing the Tax Increment Financing Agreement with RAW SEA FOODS, INC. or its nominees and HUTCHENS HOLDING II LLC. This motion passed on a Roll Call Vote of yeas 10, Nays 0.

Mr. Santos gave an overview of STA for Shuster Corp. Building on the waterfront, the company reached out to the city for a site to stay in New Bedford. This building is the old Vertex space at the Business Park. This company is staying in New Bedford. 37 employees will be staying; they will be creating 4 additional jobs and plans to expand in the future, which will lead to the creation of additional jobs. Average wage if \$16.00 per hour the going rate. (2e)

Councillor Morad expressed her concern that the investment by the company is \$134,000 and the STA with the city is for \$171,000. She was told it does appear backwards, but that they are required to use the States model while calculating an STA, this is how the figure was arrived at.

Councillor Lopes echoed the same concerns that the greater benefit is to the business owner and not the city. He understands the State has tide our hands, but what if they were to have done a TIF instead of STA.

Derek Santos explained that the STA was the way to go. They worked with the Assessor's Office and in this case there are no real improvements to the building. In this case the STA formula has to be used. He was asked if there was a claw back provision by Councillor Lopes, the answer was yes. He was asked how long the building has been empty. He was told it has been vacant for three to four years. It does qualify for an STA.

On motion by Councillor Winterson and seconded by Councillor Gomes, the Committee VOTED: To recommend to the City Council ADOPTION of the Resolution, Approving Certified Project Application and Special Tax Assessment Agreement with SHUSTER CORP. and HIGHLAND SAMUEL BARNET ASSOC. LIMITED. This motion passed on a Roll Call Vote of Yeas 8, Nays 2 with Councillor Lopes and Morad opposed.

Derek Santos explained that the petitioner of the Darn It! TIF as it related to 67-75 David Street, has sent a Communication asking that the item be tabled. There was a last minute shift in a transaction. Mr. Santos presented the letter from the principal. (2f)

Councillor Gomes made a motion to receive and place on file the Communication from Darn It! Inc. and Darn It! Properties LLC, which was seconded by Councillor Carney.

On motion by Councillor Gomes and seconded by Councillor Carney, the Committee VOTED: To table this matter at this time. This motion passed on a voice vote.

Derek Santos gave an overview of the STA for Darn It! as it relates to their 90 Hatch Street location. This proposal will keep the artist lofts in place. The new area the owner will build it out and create an area for new tenants. The developer did a similar type of project in the old Fiber Leather building across the street from the 90 Hatch Street location. The same STA formula was applied to this property as well. (2g)

Councillor Oliveira asked what improvements would be done to the building. He was told, utility upgrades, build out for new suites, additional storage space, flooring, partitions and building out interim spaces. It will also include some minor external improvements.

Councillor Lopes asked how many ancillary jobs this project would create. He was told they estimated 2.6 people for each unit, for a creation of 35 to 40 jobs. A conservative figure would be 25-30.

Councillor Martins spoke in favor of the STA. They are a good company, it is a good proposal and it is a project that should move forward.

On motion by Councillor Martins and seconded by Councillor Bousquet, the Committee VOTED: To recommend to the City Council ADOPTION of the Resolution, Approving Certified Project Application and Special Tax Assessment Agreement with DARN IT! INC. and DARN IT! LANDING LLC. (90 Hatch Street). This motion passed on a Roll Call Vote of Yeas 10, Nays 0.

Councillor Oliveira made a motion to adjourn, which was seconded by Councillor Bousquet.

This meeting adjourned @ 8:27 p.m.

ATTEST:

Clerk of Committees