

Pittsfield Economic Development Authority
September 11, 2013

Meeting Minutes

In attendance were the following Board Members, Chairman Mick Callahan, Patrick Reuss, Christina Barrett, Pam Green, Dan Bianchi, Larry Tallman, Mike Matthews, and George Whaling.

Also in attendance was Beth Goodman, legal counsel, Doug Clark, Director of Community Development, Diana Marcella, Tyler Street Business Group, Christine Yon, City Councilor, Tony Dobrowolski, Berkshire Eagle, Cory Thurston, Executive Director, and Colleen Hunter-Mullett, clerk.

I. Administration

Call to Order – Chairman Callahan called the meeting to order at 8:00 AM, reminding those present that they are being both audio and video recorded. Chairman Callahan informed the Board that both Paul Dalton and Doug Crane were traveling and Mike Filpi had a death in his family.

Approval of July 25, 2013 Minutes – There was a motion to approve the minutes of July 25, 2013 as presented, seconded and carried.

II. Committee Reports

Finance – Mr. Matthews informed the Board that the second quarter was uneventful and on target budget wise. He stated that the budget had been cut by 30% from last year and the goal was to have a tight operating budget to predict the life span of PEDDA and he stated that he believes they've been successful in doing that.

Mr. Thurston briefly reviewed the balance sheet and profit & loss statements for the Board's benefit. Ms. Barrett asked where the line item for marketing was located. Mr. Thurston informed her that it was included in the Administrative line item. Mr. Whaling informed the Board that he expects some ramped up spending in this line item for the life science push. Mr. Thurston stated that other such costs would include attendance at trade shows and company visits.

After a brief discussion, it was determined that the Finance sub-committee would review the monthly vendor payments to ensure proper oversight of operating expenses

There was a motion to approve the finance report, seconded and carried.

Special Projects – NPDES Permit – Ms. Green informed the Board that they had met to review the best management practices with the ongoing issues with EPA, and stated that steps are still being taken to transfer the basin to the City.

Mr. Thurston explained the source identification that is being done, which included a map. He stated that PEDDA is beginning talks with the City to transfer the permit due to the City's expertise in this area and that a formal letter had been sent to GE notifying them of PEDDA's efforts. Ms. Green stated that GE will not be surprised and believes they are expecting this. Mayor Bianchi agreed that the transfer of the permit makes sense.

Ms. Green stated that PEDA is still following the existing permit and testing is still be performed as required by the permit while discussion are ongoing.

Mr. Thurston stated that soils have been removed from the basin and that all dredging is complete, which is one step of the process. Mr. Thurston informed the Board that the basin will have rip rap installed to eliminate the possibility of any future washouts and that the material being used will allow grass to grow through it, giving it a greener appearance.

Pittsfield Life Sciences Initiative – Mayor Bianchi informed the Board that Rod Jané, the City’s consultant, has made contact with 50 entities so far. He’s meeting with five plastics firms, met with UMass representatives and reached out to RPI and other nano technologies in New York, as well as MCLA and BCC. He informed the Board that Mr. Jané will finish up his work in early November.

Mr. Thurston informed the Board that Mr. Jané is making the right connections. He stated that they had met with the Life Science board and they’re happy with the City’s progress, which will set the stage for the next financial asking. Both Mayor Bianchi and Mr. Thurston are optimistic that PEDA will be successful, with Mr. Thurston reviewing a list of upcoming meetings that will be occurring in the next few days.

Mayor Bianchi informed the Board that the Life Sciences meet in December and the City will be asking for additional funding to develop a more detailed business plan.

III. Executive Director’s Report

Woodlawn Avenue Bridge – Mr. Thurston informed the Board that this project is moving along, stating that everyone is waiting for the conditional exception from DEP and EPA. He stated that they are on track and anticipates full construction in 2014, with bid advertising to occur in September.

ERE’s – Mr. Thurston informed the Board that the 30’s ERE has been recorded and the 20’s ERE is in the hands of the commissioner. He stated that now PEDA will begin negotiations on the teens ERE.

Directed Out Reach Program – Mr. Thurston informed the Board that he had met with eight companies since the last Board meeting, five of which were related to the life sciences field. He informed the Board that he has met with the new CEO of Mountain One, who pledged his support in marketing the WSBP.

Portable Classrooms – Mr. Thurston informed the Board that he’s looking into the possibility of portable clean room training facilities that could start on site now and discussions are being held.

Silver Lake – Mr. Thurston stated that the project is estimated to be complete by the end of October and that pretty soon everyone will see new plantings along the shoreline. He informed the Board that there will be some kind of ribbon cutting before the end of the year.

Other - Chairman Callahan informed the Board that he and Mr. Thurston had met with Doug Clark, CJ Hoss and Nate Joyner from the City’s office of Community Development. Chairman Callahan informed the Board that these people had shared information freely and that this level of cooperation is critical to PEDA’s success. He stated that PEDA and the City of Pittsfield need to let

people know that this it's a business friendly community. He thanked Mr. Clark for his and his department's cooperation. Mr. Clark briefly explained his goals.

IV. Planning for the Teens

Chairman Callahan informed the Board that it had been fourteen or fifteen years since the original charet was held and he gave a brief review of that charet, stating that things have changed a lot since then.

Mayor Bianchi stated that PEDDA certainly has some challenges, but he's optimistic that PEDDA will be successful in making Massachusetts the life science capital of the world. He stated that he believes that successful developments like to cluster together and that he thought the Waterstone proposal was interesting, but it did not fit in with his view of what the site should look like. Mayor Bianchi agreed with Chairman Callahan, but stated that no real marketing efforts had taken place in the last 14-15 years. He informed the Board that he is meeting with government officials to see if PEDDA can get some additional funding to assist us with the challenging teens site.

Mr. Whaling wondered why the 52 acre parcel couldn't be a mixed use, which would include retail, banking, industrial and residential. He stated that Waterstone was interested in making a 30 million dollar investment in the City, which would mean \$300,000 in tax revenue annually. He stated that he is in full support of the Waterstone proposal. He stated that he thought it would be two to three years before federal funding comes to fruition. Mr. Whaling also stated that he felt the anchor would be one that relocates from another site in Pittsfield but he believes the vacated property would be back filled quickly.

Ms. Green stated that she is not completely sold in either direction, but she felt the development of the teens will eliminate the outfall issues that she's working with right now. She informed the Board that Waterstone had identified a number of commercial sites in Pittsfield that are available and ready to be developed right now. She expressed concern trying to get smaller industry to locate in the teens won't work because it would be cost prohibitive.

Mr. Matthews stated that manufacturing has been on the decline for many years and that there are huge challenges for the teens. He stated that he felt PEDDA needed to stay with its long term goals and 30 million is a huge shot in the arm for this neighborhood. He also stated that a mixed use facility would also be best for the next generation.

Mr. Tallman stated that he felt PEDDA needed to get input from the community as well as the Tyler Street Business Group because we need to know what the impact to existing businesses would be. He suggested that PEDDA do a study to determine the answer.

Mr. Reuss informed the Board that he was on the fence. He stated that he could not ignore the 30 million dollar investment. He encouraged everyone to take a trip to Malta to see the mixed used there, which is extremely successful. He stated that PEDDA can make it happen here and that all options should be explored because Berkshire County has a lot of benefits.

Chairman Callahan stated that he would like to have Mike Supranowitz come to a Board meeting to give his presentation on the declining population, stating that the population is declining at

approximately 3% annually. He stated that he appreciated the Mayor's outreach efforts because PEDDA is going to need the infusion of cash in order to sustain itself.

Chairman Callahan informed the Board that the City is the final decision maker in this process, not PEDDA. He stated that his responsibility as a citizen is to see that all potential developers are treated fairly.

Chairman Callahan stated that a responsible timeline for this Board to discuss Waterstone's proposal and respond to them needs to be determined. He stated that there needs to be a balance in our economy and PEDDA nor the City wants to be labeled as not being business friendly.

Chairman Callahan stated that PEDDA's resources will eventually be drained and the only money will be grant resources, interest on accounts and land lease payments. He wondered if PEDDA should put itself out of business and have its responsibilities turned over to the Community Development Board.

Ms. Barrett stated that there were a lot of "ifs" in the equation. She stated that there isn't an influx of manufacturer's coming to Pittsfield. Waterstone is really the first company that has asked us to dance and she wondered if we should go with them. She recommended letting people know that there is a healthy debate going on and ask for their input.

Mr. Whaling stated that he felt PEDDA needed to be fair to Waterstone. If the Board is not moving forward then he felt Waterstone needed to be informed of that. He questioned what the next step would be.

Chairman Callahan stated that three Board members were not present and he felt that they should be briefed and consolidate their thinking. Mr. Thurston should keep in contact with Waterstone, stating the he believes Waterstone has an alternative site. Chairman Callahan asked the Board members to think through this more and ask for data points if need be, and the Board will have another conversation at the October meeting.

Mayor Bianchi stated that he believes Waterstone's interest in the teens is one of many preliminary investments around the county and that this Board needs to think about community first. He stated that he did not feel that the Board should be pressured into signing a letter of intent within a certain timeframe. Mayor Bianchi also stated that he believes we are a more economical place to do business, not more expensive. He stated that he feels PEDDA should wait to see how the life sciences play out.

Mr. Whaling was adamant that he felt PEDDA needed to establish a deadline and he stated that he thought the Board should take a vote on the proposal at the October meeting.

Mr. Thurston informed the Board that Waterstone has a signed contract with a national retailer that has committed dollars for development. He stated that he felt the Board should maintain issues on parallel tracks. Mr. Thurston asked the Board members to read the memos from Waterstone and the Tyler Street Business Group.

Mr. Thurston explained to the Board how a Letter of Intent (LOI) works and detailed the steps in the time line for this process in order to get the public discussion. He informed the Board that Waterstone had proposed to pay PEDAs \$89,000 annually in rent.

Mr. Whaling asked what the time limit was. Mr. Thurston informed him that the time limit was one year. Mr. Whaling asked if the City Council could deny it. Mayor Bianchi told him that the City Council would have to have a reason to deny it. Mr. Matthews asked if we were blocking strategy because they can't get to the permitting process without a letter of intent. Mr. Thurston stated that this was correct. Chairman Callahan stated that PEDAs cannot be blocking strategy.

Ms. Green agreed, but stated that the permitting process cannot arbitrarily stop the process and that PEDAs has the only subjective decision to be made. She then stated that PEDAs has two letters of support for the Waterstone proposal from two specific groups only.

Mayor Bianchi stated that PEDAs could have a public hearing. Ms. Green stated that she would feel better if PEDAs had a public hearing. Mayor Bianchi stated that the City has a Master Plan, which focuses for the most part on downtown and doesn't capture the vision of this area.

Doug Clark, Director of Community Development, informed the Board that the 43B expedited zone permits are fairly straight forward. The only reason it will go to City Council is due to the land size. He informed the Board that this is intended to be a fast tracked process and doesn't see it as being lengthy.

Mayor Bianchi stated that a public hearing will be helpful to this Board to assist in making a decision on the Waterstone proposal.

V. Meeting Calendar

The next Board meeting is scheduled for 8:00 AM on October 23, 2013.

VI. Adjournment

There was a motion to adjourn at 9:20 AM, seconded and carried.

Respectfully submitted,



Colleen Hunter-Mullett
Clerk