

Pittsfield Economic Development Authority

Meeting Minutes

September 12, 2012

In attendance were Chairman Gary Grunin, Mike Matthews, Christina Barrett, George Whaling, Mick Callahan, Dan Bianchi, Mike Filpi, Pam Green, Paul Dalton, Larry Tallman, Board Members.

Also in attendance was Melissa Mazzeo, City Councilor, Beth Goodman, Legal Counsel, Terry Kinnas, PCTV, Tony Dobrowolski, Berkshire Eagle, Cory Thurston, Executive Director, and Colleen Hunter-Mullett, Clerk.

I. Administration

a. Call to Order

Chairman Grunin called the meeting to order at 8:00 AM.

b. Welcome New Board Members

Mayor Bianchi introduced the new Board Members giving a brief bio of each one, stating that Patrick Reuss, was traveling and unable to attend this meeting.

c. Approval of August 8, 2012 Meeting Minutes

Chairman Grunin highlighted some minor changes to the minutes from the draft copy that had previously been emailed to the board.

There was a motion to approve the meeting minutes as amended, seconded and carried.

II. Finance Committee Report

Environmental Insurance – Mr. Matthews gave Board Members a brief summary of events leading up to the decision that PEDDA made for the renewal of the policy. He stated that the committee (Mr. Matthews, Mr. Grunin and Mr. Bianchi) had requested quotes from 12 companies; eight participated in the initial review 5 ultimately withdrew with 3 submitting formal proposals. After careful review of the three, XL was ultimately chosen as the carrier for its better coverage options and lower price. PEDDA's premium cost was \$131,000 for this \$10,000,000 policy with a \$25,000 deductible, for a 5 year term.

Mr. Matthews reviewed a summary table that compared the original Chartis policy with the new policy from XL. Mr. Matthews pointed out the major difference was the policy limits that had originally been 50 million in accordance with the DEDA but that the committee had determined that circumstances had changed, the risk was lower than it was ten years ago and the committee felt that 10 million was a sufficient amount and the only amount that was commercially feasible.

Chairman Grunin informed the Board that the original 50 million dollar figure was arrived at prior to any shovel had been put in the ground or any building had been demolished. There was some discussion regarding who might file a claim and the reasons for such a claim.

Mr. Matthews stated that he felt the DEDA language was in PEDAs favor for determining new limits although GE may challenge that interpretation. GE was made aware of the changes but have remained officially silent to date.

III. Executive Director's Report

Silver Lake Shoreline – Mr. Thurston gave a brief summary of the project for the benefit of the new Board Members, including the land takings that were necessary. He informed the new members that the two land takings were both friendly. One was a parcel owned by the Chamber of Commerce and the other is an estate parcel with no real value.

Mr. Thurston informed the Board that the appraisal of these two parcels is incomplete at this time but a vote will need to be taken in the near future. Mr. Thurston asked Board Members to review the details in preparation for next month's meeting.

Ms. Goodman informed the Board that the cost of remediation can be included in the valuation to reduce the value and that the state has agreed to hold the money for the unknown estate parcel so PEDAs does not have to set up a separate account.

Ms. Green asked if there was any kind of affidavit required of PEDAs that notification of owners was attempted. Ms. Goodman informed here that there PEDAs will give 30 days' notice to who PEDAs believes the owners are. Ms. Goodman informed the Board that these are remnant pieces of a sub-division from the 1800's and owners may never be found.

Mr. Whaling asked Mr. Thurston when the project would be complete. Mr. Thurston informed him that the project is estimated to be complete at the end of 2014, but reiterated that this is not a PEDAs project, but a GE project.

Mr. Filpi stated that it was his understanding that there may be a slight delay because there are a couple of parcels that they can't gain access to and there have not been as many laborers on site.

MassDOT/CSX Bridge – Mr. Thurston informed the Board that the bridge is down and that MassDOT continues to work aggressively. Completion of bridge construction is still estimated to be completed by the end of 2013. He also informed the Board that they are at the 25% design stage and drawings were mailed out on Monday. He should have them today for review.

NPDES Permit Water Quality Basin – Mr. Thurston informed the Board that PEDAs is being required to comply with higher standards in regards to the storm water discharge permit. He informed the Board that PEDAs has been operating without a permit since the installation of the water quality basin, but the permit was applied for in 2005. Mr. Thurston stated that he believes PEDAs should be granted a municipal permit because the City's storm water co-mingles with PEDAs's storm water.

Mr. Matthews stated that PEDAs should work cooperatively with the City. Chairman Grunin stated that the City would not be required to get a permit if they owned the property. Ms. Goodman corrected Mr. Grunin, stating that if the City owned the property they would still have to get a permit, but it would be a different kind of permit. She stated that PEDAs needs to get the agencies to see this issue in a different light and she and Barbara Landau are working on that.

Mr. Whaling asked who PEDAs environmental person is on this issue. Mr. Thurston informed him that Gradient Corporation has been PEDAs environmental consultant from the beginning of this process and that they are the lead people on the permit, with some assistance from others. Mr. Whaling expressed concerned about how much money PEDAs is spending on this and whos watching the hen house. Chairman Grunin asked Mr. Thurston how much money has been spent on this issue to date. Mr. Thurston stated that he did not know off the top of his head, but he could get that information.

Mr. Callahan suggested that PEDAs form a sub-committee to manage expenditures and deploy resources. Mr. Whaling stated that he would be happy to be on this sub-committee. Ms. Green and Mr. Tallman also volunteered.

Mayor Bianchi stated that PEDAs needs to determine if this can become a City entity. Mr. Callahan stated that the majority of the storm water going into the basin is the Citys.

Mr. Matthews stated that PEDAs needs to develop a plan, which includes a budget that reflects what its trying to accomplish.

Project Matrix – Mr. Thurston informed the new Board Members that this matrix will give them an idea of some of the activities that PEDAs is working on.

Mr. Thurston informed the Board that there was some push back from the agency, attempting to raise the acceptable dioxin level. PEDAs position is that they cant change the game in mid-stream.

Life Sciences Project – For the benefit of new Board Members, Mr. Thurston gave a brief summary on the status of this project, stating that PEDAs received an ear mark in the original bond bill and that PEDAs is aggressively working towards partnerships with Nuclea and local colleges to come up with a business model that will allow PEDAs to obtain funding for a Life Science building. Mr. Thurston informed the Board that they had met with Congressman Neal to get his support of the project.

Mayor Bianchi stated that the project will have a combination of state and private investment and that Congressman Neal has been very supportive.

Mr. Thurston informed the Board that there is a new prospect because Nuclea has a new partner they are working on and would like to lease some of PEDAs office space to begin the process.

There was a unanimous roll call vote to enter into executive session for negotiations regarding acquisition lease and value of real property.

Executive Session Minutes

There was a unanimous roll call vote to exit executive session.

There were no votes were taken during executive session.

Mr. Thurston informed the Board, for the purposes of full disclosure that his son works for Nuclea.

There was a motion to authorize the Executive Committee to negotiate on behalf of the Board a sub-lease for PEDDA offices, located in Building 45, seconded and carried.

Chairman Grunin announced that he will be retiring from the Board to spend more time with his family. He will immediately be stepping down as Chairman and he'll stay on the Board until the end of the year or until the Mayor finds a replacement for him. Mayor Bianchi thanked Mr. Grunin for his service. Chairman Grunin announced that the next meeting date is October 10, 2012. It was determined that Mr. Matthews would be added as a member of the Executive Committee.

Mr. Thurston informed the new Board Members that he would be available to answer any of their questions after the meeting.

There was a motion to adjourn at 9:40 AM, seconded and carried.

Respectfully submitted,



Colleen Hunter-Mullett
Clerk