

NEW BEDFORD, MASSACHUSETTS

MEETING: COMMITTEE ON FINANCE
DATE: FEBRUARY 08, 2021
TIME: 7:06 P.M.
PLACE: HELD REMOTELY IN ACCORDANCE WITH THE GOVERNOR OF MASSACHUSETTS' MARCH 12, 2020 ORDER SUSPENDING CERTAIN PROVISIONS OF THE OPEN MEETING LAW G. L. C. 30A, SECTION 20 AND THE CITY COUNCIL'S VOTE TO WAIVE RULE 21A

PRESENT: COUNCILLORS LINDA MORAD, CHAIRPERSON; JOSEPH LOPES, VICE CHAIRMAN; IAN ABREU; DEREK BAPTISTE; NAOMI CARNEY; DEBORA COELHO; HUGH DUNN; MARIA GIESTA; BRIAN GOMES; SCOTT LIMA; WILLIAM BRAD MARKEY

ABSENT: NO ONE

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Councillor Morad called the Finance Committee Meeting to order and took attendance; everyone was present.

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Notice, City Clerk of reference of a COMMUNICATION, R. Renee Fernandes, Treasurer/Collector to Councillor Linda M. Morad, Chairperson, Committee on Finance, requesting a Finance Committee meeting to settle the balance of outstanding debt from the City's private sale with Webster Bank and to secure some new money to advance projects. This issue is short-term borrowing and entering the financial market again is not anticipated until spring of 2022 (Ref'd 01/19/2021) was received and placed on file by Councillor Lopes and seconded by Councillor Giesta and passed on a Roll Call Vote of Yeas 11 Nays 0. (1)

Renee Fernandes, Treasurer/Collector was present and gave an overview on the request to settle the balance of an outstanding debt from the City's private sale with Webster Bank which will allow the city to secure new money to advance projects. This is short-term borrowing and entering the financial market again is not anticipated until spring of 2022. The figure of \$18,245,364 agreed to through Bank of NY Mellon Capital Market at 2%. This rate was aided by the fact the city has received an A-rating from Standard and Poor. Ms. Fernandes explained the reason the city applies for short term borrowing instead of long term is because most projects do not go beyond two years. If it is determined that they do, the city will move to permanently finance their debt.

Councillor Morad asked if any projects were longer than 15 to 18 months and she was told no.

On motion by Councillor Lopes and seconded by Councillor Gomes, the Committee VOTED: To Approve the settling of the balance of outstanding debt from the City's private sale with Webster Bank and to secure some new money to advance projects. This motion passed on a Roll Call Vote of Yeas 11, Nays 0.

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Notice, City Clerk of reference of a COMMUNICATION, Derek Santos, Executive Director, New Bedford Economic Development Council, to Council President Lopes and Members of the City Council, submitting two proposed STA applications approved by the Tax Increment Financing Board for a five (5) year Agreement for The Atlantic Red Crab Company LLC and Eastern Fisheries, Inc. and one proposed TIE/HDIP application for 2135 and 319 Commercial Street and 10 Front Street – National Downtown Club LLC (Copies provided and distributed to all Councillors on December 02, 2020.) (Ref'd 12/09/2020) was received and placed on file by Councillor Lopes and seconded by Councillor Gomes and passed on a Roll Call Vote of Yeas 11, Nays 0. (2, 2a, 2b, 2c)

Ramon Silva, New Bedford Economic Development Council was present and gave an overview of the TIF request for Atlantic Red Crab Company. The Company was founded in 1996 with a single boat and in 2008 purchased their first facility at 132 Melville Blvd.; they deal with the processing of Jonah and Red Crab. The Company will invest \$3,000,000, which will include the purchase and renovation of their new building located at 48 Antonio L. Costa Blvd. This new location will allow the insured to create new jobs over the next five (5) years.

Jonathan Williams, owner of Atlantic Red Crab, was present and told the Committee that they have eleven (11) boats in which five (5) are used for crabbing. Mr. Williams explained that they deal with Atlantic Slime Fish which is sold to Korea. They also deal with offshore lobsters.

On motion by Councillor Lopes and seconded by Councillor Abreu, the Committee VOTED: To recommend to the City Council ADOPTION of the STA application and Resolution approved by the Tax Increment Financing Board for a five (5) year STA Agreement for The Atlantic Red Crab Company, LLC. This motion passed on a Roll Call Vote of Yeas 11, Nays 0.

Ramon Silva, NBEDC, gave an overview of Eastern Fisheries, stating that they proposed to move from their four (4) locations and relocate to a larger facility at the New Bedford Business Park. They will occupy the former NATCO and Reinhart facility. The building has been vacant for three to five years. It will be used as a processing plant. The project entails a \$12,000,000 investment and upgrade of property. They currently have 275 employees and look to create an additional 50 jobs over the next five years. The TIF incentive is \$410,000.

Benjamin Alego, CFO of Eastern Fisheries was present and explained that Eastern Fisheries has been in the city for over forty years and that at the new facility, they will process, and pack frozen and fresh seafood. They do hope to utilize the four other locations they presently occupy if they are able.

Councillor Lopes asked Ramon about the length of the agreement and he was told that the STA is five years, the tax benefits are 95% the first year and 5% the last year.

Councillor Giesta asked why this location and she was told that the building is suitable for this location, they will be able to expand their large freezer space and will keep all productions under one roof.

The Committee was concerned about odor and they were told that no gutting of the fish would take place, they will receive product, freeze it, package, and ship out. There will be no odor emitting from the facility.

Councillor Markey asked if the tax rate goes up, does this affect the TIF and he was told no if the tax rate goes up their rate goes up, the only thing that remains the same are the TIF incentives that were contracted.

On motion by Councillor Lopes and seconded by Councillor Abreu, the Committee VOTED: To recommend to the City Council ADOPTION of the STA and Resolution approved by the Tax Increment Financing Board for a five (5) year Agreement for *Eastern Fisheries, Inc.* This motion passed on a Roll Call Vote of Yeas 11, Nays 0.

Councillor Morad informed the Committee that they now have the Resolution allowing for the TIE/HDIP Agreement with the State and asked that it be received and placed on file.

On motion by Councillor Lopes and seconded by Councillor Gomes, the Committee VOTED: To receive and place on file the Resolution allowing for the TIE/HDIP Agreement with the State. This motion passed on a Roll Call Vote of Yeas 11, Nays 0.

Patrick Sullivan, Director of Housing & Community Development was present and gave an overview of the project. He told the Committee that LaFrance Hospitality will be investing in the National Downtown Club property which will be transformed into 23 Market Rate and 5 affordable housing apartments. They will consist of 1-3 bedrooms. The investment is approximately \$13,200,000.

Richard LaFrance of LaFrance Hospitality was present and addressed the Committee. He told the Committee that this is a rehab project of the area that is much needed, though they have owned the property for a while now, they have decided on how to move forward with it. The buildings will maintain their historical significance. They have worked with W.H.A.L.E and the NBEDC to get the project forward.

Councillor Lima asked about parking and he was told there was 12-18 spots available.

Councillor Baptiste asked, why is the majority market rate housing and he was told that market studies showed a need for market value homes.

The Committee's concern about housing was addressed as Mr. LaFrance explained that unlike other units in the downtown area, this property will have some but not all necessary parking spaces available.

Councillor Morad asked about the sliding scale on the TIF/HDIP and she was told 80% on years one through five and 10% on years six through ten and will plateau at 100% at year ten. This is in line with other HDIP agreements in municipalities that have them in place. The state of the tax credit includes an equity infusion into the project the

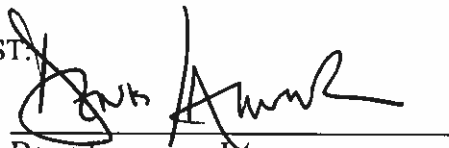
State, based on a qualified rehab at 10%. This means the developer will receive \$2,000,000 when the project is done.

On motion by Councillor Lopes and seconded by Councillor Markey, the Committee VOTED: To recommend to the City Council ACCEPTANCE of the TAX INCREMENT EXEMPTION/HOUSING DEVELOPMENT INCENTIVE PROGRAM for the National Downtown Club LLC 2135 and 319 Commercial Street and 10 Front Street. This motion passed on a Roll Call Vote of Yeas 11, Nays 0.

Councillor Giesta made a motion to adjourn, which was seconded by Councillor Lima. This motion passed on a Roll Call Vote of Yeas 11, Nays 0.

This meeting adjourned @ 8:06 p.m.

ATTEST:



Denis Lawrence, Jr.,
Clerk of Committees