



CITY OF NEW BEDFORD, MASSACHUSETTS

MEETING: COMMITTEE ON CITY PROPERTY
DATE: JULY 30, 2025
TIME: 7:00 P.M.
PLACE: CITY COUNCIL CHAMBER, ROOM 214

PRESENT: COUNCILLORS MARIA Giesta, CHAIR; DEREK BAPTISTE (7:03); SHANE BURGO; NAOMI CARNEY; BRIAN GOMES; JOSEPH LOPES; LINDA MORAD; SHAWN OLIVER; RYAN PEREIRA

ABSENT: COUNCILLORS IAN ABREU; LEO CHOQUETTE

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Councillor Giesta called the Committee on City Property meeting to order, took attendance, and explained that the meeting was being recorded and live-streamed. The Clerk read a Communication into the record from Councillor Choquette explaining his absence. The Communication was received and placed on file by Councillor Pereira and seconded by Councillor Carney. The Clerk also informed the Committee that the Chair had received a Communication from Councillor Abreu informing her that he would not be in attendance.

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WRITTEN MOTION, Councillors Carney, Abreu and Giesta, requesting that City Solicitor Eric Jaikes appear before the Committee on City Property to explain the delay with the Purchase and Sale Agreement, which was awarded to Gwozdz Development, Inc., South Coast Investments, Inc., and Historic Built, for Fire Station #3, located at 834 Kempton Street, Fire Station #11, located at 754 Brock Avenue and Police Station #2, located at 170 Cove Street. (Matter ID #1258) (Referred – July 17, 2025.)

The Chair recognized Councillor Carney, who asked City Solicitor Eric Jaikes to provide a status update on the items before the Committee and to explain what could be done to move these projects forward. Councillor Carney also requested that the Committee first discuss Fire Stations #3 and #11 before moving on to Police Station #2.

The Chair recognized Atty. Jaikes, who explained that the clawback language found on pages 9 and 10 of the Request For Proposals (RFP) has become an issue for the developers who are attempting to obtain project funding. The RFP states that the clawback language also needs to appear on the deeds issued and because of this language, they are unable to move the projects forward and are not in a position to sign the proposed Purchase and Sale Agreements.

Atty. Jaikes shared that he had had conversations with Atty. Sarah O'Leary, who represents the Fire Station properties. Atty. O'Leary explained that the banks looking to finance the projects found the clawback language to be insurmountable. Atty. Jaikes gave the example of a developer receiving \$750,000 for a project. That developer walks away from the project before completion, but after spending \$500,000. The City Council then has the ability to exercise the clawback provision and take back the property, with \$500,000 worth of improvements paid for by the bank. The only option for recourse for a bank at that point would be against the developer and they have said that because of a scenario like this, they cannot agree to finance the projects.

As a result, it was suggested that perhaps the language could be removed from the RFPs. It was determined that the language could not be removed, because it would make the RFP significantly different; instead, the City would be required to reissue the RFPs. Atty. Jaikes stated there were other vendors that had submitted proposals and if the clawback language is removed, it may attract other developers.

Councillor Pereira asked Atty. Jaikes what the process would be to rescind the awarding of the bid in order to allow for the removal of the clawback language. Atty. Jaikes answered that it would be helpful if Atty. O'Leary sent his Department an email stating that her clients are unable to obtain financing because of the clawback language and that they do not wish to proceed with the RFP. The Solicitor's Office would, in turn, recommend that the City Council reissue the RFP. Atty. Jaikes added that he believed Atty. O'Leary and her clients would be amenable to that course of action. Councillor Pereira stated that based on this information, he would be inclined to make a Motion saying that contingent upon receipt of a Communication from Atty. O' Leary, the City Council should move forward with issuing a new RFP.

Councillor Lopes asked if the Council could simply remove the clawback language from the current RFP. Atty. Jaikes replied that the City would not be able to do this, because there had been more than one applicant who offered the same amount for the property. Councillor Gomes asked if the contractors withdrew this bid, would it affect their ability to submit a new bid once the RFP is reissued. Atty. Jaikes replied that it would not.

Councillor Pereira asked Atty. David Gerwatowski, Legal Counsel, if the Committee was able to instruct the Purchasing Department to make changes to the RFP, and if the clawback language was removed, could Purchasing release the new RFP without Committee approval.

Atty. Gerwatowski replied that the Committee could do it either way; if they trusted the Purchasing Department to change the language and issue the RFP, then it would have to come before the Committee for approval. He stated that the Committee could instruct the Purchasing Department to move the process forward because the City Council sent this item to Committee for this purpose. The Committee would have to send the actual bid back to the full City Council for approval, as usual.

Councillor Pereira asked if they made a Motion to reissue the RFP contingent upon receiving a Communication from the developers withdrawing their bid, would that be enough to move the RFP process forward. He was told that it would be.

Councillor Morad stated that in her banking profession, she was aware of a clawback provision (although not in New Bedford) in which a Memorandum of Understanding between the municipality and the bank that did not touch the clawback, but gave the bank some rights with regard to the property should the developer default. She asked Atty. Gerwatowski if that would work in this situation. Atty. Gerwatowski stated it may be possible, but he would not know what rights the City would be giving the bank.

The Chair recognized Atty. Sarah O'Leary, of Williams, Quintin & O'Leary, 651 Orchard Street, New Bedford, MA, representing the developers for the two Fire Station properties. Atty. O'Leary stated that she has been working with Atty. Jaikes on this issue, trying to find a way to make the clawback reverter language work. After discussions with several lenders and title insurance companies, it was determined that none were willing to take a risk with that clawback language in the deed or the Purchase and Sale Agreement. She went on to say that her clients instructed her to verbally indicate that they would be willing to release their rights under the bid that they received on the two projects in order to keep the process moving forward.

Councillor Pereira stated if there were no further questions, he would like to make a Motion. Councillor Morad asked if the Motion would be applicable to all three properties, Fire Station #3, Fire Station #11 and Police Station #2. Councillor Carney stated that as the maker of the original Motion, she would like to keep the Fire Stations and Police Station separate.

On a RELATED MOTION by Councillor Pereira and seconded by Councillor Gomes, the Committee VOTED: To request the issuance of a new RFP for Fire Station #3 and Fire Station #11 with the reverter clause removed, except for a Purchase and Sale Agreement regarding the securing of financing, contingent upon the withdrawal of the bids by the awardees; and further, that the Purchasing Department expedite said process as quickly as lawfully allowed.

Atty Jaikes was recognized to speak on Police Station #2. He explained that based on his discussions with Atty. O’Leary, it became clear that financing for the Fire Stations was not going to be possible, so he stopped drafting the Purchase and Sale Agreement for the Police Station at that time. He stated that the Police Station is going to require considerably greater renovations, calling for the construction of a second floor and the use of historic tax credits for a portion of the project. He stated that the Police Station project is at a standstill and his recommendation is to do something similar with the Police Station RFP that has been proposed with the Fire Stations RFPs.

Councillor Pereira was recognized and informed the Committee that he had spoken to the developer for the Police Station, who was present at the meeting, and that he is comfortable with the reverter language in that RFP. Councillor Morad stated that based on this information, the Committee should take no steps to change the RFP as it relates to the one awarded to the Police Station developer.

On a RELATED MOTION by Councillor Morad and seconded by Councillor Lopes, the Committee VOTED: That the Committee on City Property instruct Atty. Jaikes to immediately issue the Purchase and Sale Agreement to award the bid winner (Ravi Parmar, Historic Built) of Police Station #2, located at 170 Cove Road, per the conditions of the original RFP.

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Councillor Gomes made a motion to adjourn, which was seconded by Councillor Pereira.

This meeting adjourned at 7:33 p.m.

ATTEST:

Denis Lawrence Jr.
Clerk of Committees