

ECONOMIC DEVELOPMENT COMMITTEE – MEETING MINUTES
Tuesday, February 11, 2020

MEMBERS PRESENT: Councilor Andrew Van Hazinga, Chair
Councilor Marcus DiNatale
Councilor Marisa Fleming
Councilor Samantha Squailia

MEMBERS ABSENT: Councilor Bernard Schultz

CITY STAFF: Thomas Skwierawski
Mary Jo Bohart

OTHERS PRESENT: Mayor Stephen DiNatale
Aldo Mazzaferro, Jr. (*project developer*)
Daniel Monahan (*of Sentinel-Enterprise*)

MATERIALS DISCUSSED:

HDIP District Application

HDIP District Map, with Extension

Letter from Tom Skwierawski to Councilor Kushmerek explaining the need for a revision of the HDIP District.

CALL TO ORDER:

Meeting called to order at 5:04 P.M. by Chairman Van Hazinga in the Community Room, Fitchburg Fire Dept. Headquarters, 33 North Street.

Chairman Van Hazinga stated that Petition #047-20 (Extension of HDIP Zone) is the only agenda item for the meeting. He then asked if any members of the public that wished to speak on that item.

Aldo Mazzaferro, Jr. introduced himself as part of the ownership/development team planning to redevelop the former *Iver Johnson* historic mill buildings located at 87, 89 & 91 River Street. He acknowledged that extension of Fitchburg's HDIP zone as proposed by the petition will be important for his successful redevelopment of the property for residential and commercial use.

Mr. Mazzaferro summarized his family's ownership of the property, his recent purchase of the property along with two business partners, and their active work to address environmental contamination conditions that were present at the site. He estimated spending between \$600K-\$700K to fully address environmental issues, and now the property has achieved a permanent solution in accordance with Mass DEP requirements and without the need for an Activity & Use Limitation (AUL). He said this was key in order to maximize the site's reuse potential. Mr. Mazzaferro stated that the development concept involves 70 residential units and approximately 3,000-5,000 s.f. of commercial space. He explained that the *Iver Mills* project was successful at being awarded the first stage of state historic tax credits, and he is now pursuing Part 2 of that multi-stage process. He added that the total gross square footage of the *Iver Mills* project is 82,000 s.f. (with all 3 bldgs.), but the usable space will be closer to 70,000 in total.

Councilor Fleming asked about synthetic slate roof tiles that have solar capabilities and whether Mr. Mazzaferro has considered that material.

Mr. Mazzaferro explained that historic requirements would preclude use of solar tiles as slates.

Councilor DiNatale asked about the Housing Development Incentive Program (HDIP) itself and whether it is a state program.

Mr. Skwierawski explained that HDIP is a state housing program targeted specifically for Gateway Cities (such as Fitchburg) where the aim is to incent market rate housing. He added that HDIP is a tax credit of up to \$2 million or 20% of rehab costs, plus an associated local Tax Increment Finance (TIF) agreement that would phase-in the “increment” or increased taxes associated with the property’s increased value once improved. He noted that TIF agreements can range in time from 5-20 years and the exemption percentage can range from 10%-100% based upon local negotiations with the applicant.

Mayor Stephen DiNatale stated that the proposed extension to the HDIP represents an area poised for development.

Chairman Van Hazinga asked if the city would be required by the Commonwealth to approve a local TIF in order for a project to be eligible for HDIP.

Mr. Skwierawski said yes, that is a requirement.

Councilor DiNatale asked for clarification on what constitutes ‘market rate housing’ for HDIP.

Mr. Skwierawski explained that any housing that is not deed-restricted affordable would represent market-rate housing.

Councilor DiNatale asked about the *Iver Mills* project’s time frame.

Mr. Mazzaferro stated that MassDevelopment is in the process of providing bridge financing, after which the project’s architect will need approximately 6 months to finalize design plans, and then a Planning Board special permit would be sought, likely in autumn 2020.

Chairman Van Hazinga asked if Mr. Mazzaferro considered trying to expand the project area.

Mr. Mazzaferro stated that he and his partners explored that idea based upon each of the abutting properties, but those owners were not interested so the project area is established as it currently is.

Councilor Squailia asked about the quantity of parking spaces for the project.

Mr. Mazzaferro stated that presently, the site can accommodate approximately 80 spaces, but 110 spaces would be needed to satisfy a 1.25 spaces/unit ratio, so the project team is exploring additional shared parking options with surrounding owners.

Chairman Van Hazinga asked if there have been any other Fitchburg projects seeking to pursue HDIP.

Mr. Skwierawski said yes, but those other housing developments are already located within the existing HDIP zone.

VOTE:

Councilor DiNatale moved for the Economic Development Committee to recommend acceptance of Petition #047-20.

Councilor Fleming seconded that motion, and the vote passed unanimously (4:0).

Chairman Van Hazing adjourned the meeting at 5:32 P.M.