

CITY CLERK
GLOUCESTER, MA
2020 JUN -1 AM 9:00

This meeting is recorded



GLOUCESTER CITY COUNCIL
Budget & Finance Committee Meeting
Thursday, June 4, 2020– 5:30 p.m.
REMOTE MEETING

Consistent with the Governor's orders suspending certain provisions of the Open Meeting Law and banning gatherings of more than 10 people, this meeting will be conducted by remote participation to the greatest extent possible. The public may not physically attend this meeting but every effort will be made to allow the public to view and listen to the meeting in real-time.

Join from Computer or Smart Device: <https://us02web.zoom.us/j/85655036586>

Join via Phone: 1 301 715 8592 or 1 312 626 6799

Meeting ID: 856 5503 6586

Please visit <http://gloucester-ma.gov/remote-public-meetings> for instructions and guidance on how to join a remote meeting.

AGENDA

Individual items from committee reports may be consolidated into a consent agenda.

1. Tax Increment Financing (TIF) Agreement between the City of Gloucester and Cometeer, Inc.
2. Memorandum from CFO re: acceptance of a \$1,000 donation to the Fire Department from Michael and Renee Minogue Family Foundation
3. Memo from City Auditor regarding accounts having expenditures which exceed their authorization & Auditor's Report and other related business

COMMITTEE

Chair, Councilor Melissa Cox
Vice Chair, Councilor Scott Memhard
Councilor John McCarthy

CC: Mayor Theken
Jim Destino
Vanessa Krawczyk
Kenny Costa
John Dunn
Jill Cahill
Sal DiStefano

The listing of matters is those reasonably anticipated by the Chair which may be discussed at the meeting. Not all items listed may be discussed & other items not listed may also be brought up for discussion to the extent permitted by law. Items may be taken out of order.

TAX INCREMENT FINANCING AGREEMENT

BY AND BETWEEN

THE CITY OF GLOUCESTER

AND

COMETEER, INC.

AGREEMENT made this 9th day of June, 2020 by and between the CITY OF GLOUCESTER, a municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, having a principal place of business at 9 Dale Avenue, Gloucester, Massachusetts 01930 (CITY) and COMETEER, INC. (COMETEER) having a principal place of business at 21 Great Republic Drive, Gloucester, Massachusetts 01930.

WITNESSETH

WHEREAS, COMETEER leases certain real property located at 21 Great Republic Drive, Gloucester, Massachusetts 01930 (FACILITY) and detailed in the attached Legal Description (Exhibit A);

WHEREAS, COMETEER intends to improve and invest in the FACILITY provided that the CITY enters into this AGREEMENT;

WHEREAS, COMETEER shall make approximately \$24,400,000 in real and personal property improvements of the FACILITY;

WHEREAS, COMETEER is seeking a Tax Increment Financing Exemption from the CITY for said improvements of the FACILITY, in accordance with the Massachusetts Economic Development Incentive Program (EDIP) and Chapters 23A, 40 and 59 of the Massachusetts General Laws;

WHEREAS, the CITY strongly supports increased economic development in order to expand commercial and industrial activity within the CITY and to develop a healthy economy and a stronger tax base;

WHEREAS, the FACILITY will further the economic development goals and the criteria established by the City Administration;

WHEREAS, by vote of the Gloucester City Council on June 9th, 2020 (City Council Vote), the City has been authorized to enter into this AGREEMENT with COMETEER in the form hereof;

WHEREAS, COMETEER intends to utilize the municipal tax benefits outlined in this Agreement only if the aforementioned real and personal property improvements are made to the FACILITY and COMETEER hereby agrees to inform the CITY that it will seek decertification of the AGREEMENT from the EACC should such real property improvements ultimately not occur;

THEREFORE, in consideration of the mutual promises of the signatories' contained herein and other good and valuable consideration each to the other paid, receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. The CITY hereby enters into this AGREEMENT with COMETEER. The real property that is the subject of this AGREEMENT shall be the FACILITY.

2. By vote of the Gloucester City Council, the Mayor of the City of Gloucester has been duly authorized to enter into this AGREEMENT.

3. The CITY hereby grants a Tax Increment Financing Exemption, the terms of which are set forth below (hereinafter referred to as the EXEMPTION), to COMETEER in accordance with Section 59 of Chapter 40 and Clause 51 of Section 5 of Chapter 59 of the Massachusetts General Laws. The EXEMPTION shall be for a period of seven (7) years (EXEMPTION PERIOD), commencing with the Fiscal Year 2022 (which begins July 1, 2021) and ending with the Fiscal Year 2028 (which ends June 30, 2028) and shall provide a percentage EXEMPTION from taxation, as described in the table below, on the increased value of the FACILITY, for which COMETEER is responsible for paying by its lease of the FACILITY. The EXEMPTION shall be calculated for each fiscal year as follows:

<u>YEAR</u>	<u>FISCAL YEAR</u>	<u>TAX EXEMPTION</u>
1	2022 (7/1/2021 – 6/30/2022)	87.5% of the increase in valuation
2	2023 (7/1/2022 – 6/30/2023)	75% of the increase in valuation
3	2024 (7/1/2023 – 6/30/2024)	62.5% of the increase in valuation
4	2025 (7/1/2024 – 6/30/2025)	50% of the increase in valuation
5	2026 (7/1/2025 – 6/30/2026)	37.5% of the increase in valuation
6	2027 (7/1/2026 – 6/30/2027)	25% of the increase in valuation
7	2028 (7/1/2027 – 6/30/2028)	12.5% of the increase in valuation

4. The Exemption formula for the FACILITY shall be calculated as prescribed by the above-referenced provisions of the Massachusetts General Laws; the Acts and Resolves of 1993, as amended; 760 CMR 22.00 et seq.; and as regulated by the Department of Revenue. The EXEMPTION formula shall apply to the incremental difference in the assessed valuation of the FACILITY in the base year (Fiscal Year 2021), and the assessed valuation of the FACILITY for the next seven (7) years. As used herein, the “base year” shall mean the Fiscal Year 2021, ending June 30, 2021. The parties hereby agree that the BASE VALUATION for the FACILITY shall be the FY 2021 assessed valuation for the FACILITY’s corresponding property tax parcel.

5. The EXEMPTION granted to COMETEER by the CITY shall be in consideration of the commitments of COMETEER which COMETEER hereby affirms and commits:

A. to invest approximately \$24,400,000 in real and personal property

improvements of the FACILITY; and

B. to create 150 permanent (regular), full-time jobs at the FACILITY between July 1, 2021 and June 30, 2028,

6. COMETEER further agrees that, during the EXEMPTION PERIOD, it will not seek or accept from the EACC any material changes to its "Certified Project" application or to this AGREEMENT without approval of the Gloucester City Council.

7. COMETEER agrees to submit annual reports on new investments at the FACILITY to the CITY on or before February 28th of each year during the EXEMPTION PERIOD, except as otherwise provided in this AGREEMENT. In accordance with the laws of the Commonwealth of Massachusetts, the annual report shall include the value of capital investments made with respect to the FACILITY annually.

8. If COMETEER fails to comply with the terms of this AGREEMENT, the CITY, acting through its City Council and with Mayoral approval, may take action to request decertification of the FACILITY by the EACC after giving written notice to COMETEER by certified mail, return receipt requested, and after providing a reasonable opportunity to cure such non-compliance. If COMETEER fails to cure such non-compliance and the FACILITY is thereafter decertified, as its sole remedy hereunder, the CITY shall discontinue the EXEMPTION benefits provided to COMETEER as set forth herein, commencing with the fiscal year immediately following such failure and COMETEER shall have no further obligations hereunder.

9. This AGREEMENT shall be binding upon all parties to it, and shall be binding upon and inure to the benefit of subsequent owners of the FACILITY, so long as the FACILITY has not been decertified by the EACC.

10. A personal property tax exemption is not part of the TIF agreement.

WITNESSETH the execution and delivery of this AGREEMENT by the undersigned as an instrument under seal as of the date first above written.

COMETEER, INC.

Date: _____ By: _____

Name: Matthew Roberts
Title: Founder & CEO

CITY OF GLOUCESTER

Date: _____ By: _____

Name: Sefatia Romeo Theken
Title: Mayor

EXHIBIT A
Legal Description

The boundaries of said properties are otherwise described in the deed attached and located at book 38456, page 368 of the Southern Essex District Registry of Deeds.



SO.ESSEX #442 Bk:38456 Pg:368
 04/27/2020 02:30 PM DEED Pg 1/3
 eRecorded

MASSACHUSETTS EXCISE TAX
 Southern Essex District ROD
 Date: 04/27/2020 02:30 PM
 ID: 1357711 Doc# 20200427004420
 Fee: \$42,408.00 Cons: \$9,300,000.00

After Recording Return to:

Gloucester Ever True LLC
 c/o The Grossman Companies, Inc.
 One Adams Place
 859 Willard Street, Suite 501
 Quincy, Massachusetts 02169
 Attn: Jacob M. Grossman

QUITCLAIM DEED

KNOW ALL MEN BY THESE PRESENTS that TWENTY-ONE GREAT REPUBLIC LLC, a Delaware limited liability company (“Grantor”), for consideration paid in the amount of Nine Million Three Hundred Thousand and No/100ths Dollars (\$9,300,000.00), does hereby grant to GLOUCESTER EVER TRUE LLC, a Massachusetts limited liability company (“Grantee”), WITH QUITCLAIM COVENANTS, the land and building located at 21-29 Great Republic Drive, Gloucester, Essex County, Massachusetts, more fully described in Exhibit A hereto.

Subject to, and with the benefit of, all matters of record insofar as the same are now in force and applicable, including, without limitation, that certain Declaration of Restrictive Covenants dated February 11, 1998 recorded with the Essex South District Registry of Deeds in Book 14600, Page 274.

For Grantor’s title, see Quitclaim Deed, dated October 1, 2014, recorded with Essex South District Registry of Deeds in Book 33584, Page 31.

This instrument is being delivered effective as of April 24, 2020 (the “Effective Date”).

Grantees' & Property Address: 21-29 Great Republic Drive, Gloucester, MA

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed under seal as of April 13, 2020 and to be delivered as of the Effective Date.

GRANTOR:

TWENTY-ONE GREAT REPUBLIC LLC,
a Delaware limited liability company

By: _____

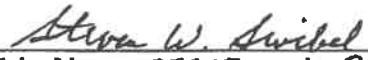


Thomas J. Mazzetta
Manager

STATE OF ILLINOIS

COUNTY OF LAKE

On this 13th day of April, 2020, before me, the undersigned notary public, personally appeared Thomas J. Mazzetta, Manager of Twenty-One Great Republic LLC, a Delaware limited liability company, proved to me through satisfactory evidence of identification, which was IL DRIVER LICENSE M230-8305-1218 (state form of identification or state that the signer is personally known to the notary), to be the person whose name is signed on the preceding or attached document, and acknowledged to me they he signed it voluntarily for its stated purpose in his capacity as Manager as aforesaid.

 _____

Print Name: STEVEN W. SWIBEL

Notary Public

My Commission Expires: 6/24/23

[AFFIX OFFICIAL NOTARIAL SEAL HERETO]



[Signature Page to Quitclaim Deed]

EXHIBIT A

LAND

21-29 Great Republic Drive
Gloucester, Massachusetts

A certain parcel of land in Gloucester, Essex County, Massachusetts, more particularly bounded and described as follows:

Northerly by Great Republic Drive on various courses, totaling one thousand four and 65/100 (1,004.65) feet;

Easterly by Lot 4A, four hundred twenty (420.00) feet;

Southeasterly by Lots 5A and 6A, three hundred sixty-three and 92/100 (363.92) feet;

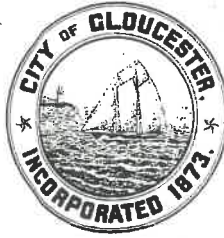
Southerly by Lot 6A, two hundred ninety-eight and 05/100 (298.05) feet, and;

Westerly by Lot 1A five hundred sixty-nine and 61/100 (569.61) feet.

Being shown as Lots 2A and 3A on a Plan entitled "Blackburn Industrial Park Expansion Modification Lot Layout Plan" prepared by Hancock Survey Associates, Inc., recorded with the Essex South District Registry of Deeds Plan Book 332 Plan 84.

Said lot containing 9.5894± acres according to said plan.

City Hall
Nine Dale Avenue
Gloucester, MA 01930



TEL 978-281-9707
FAX 978-281-8472
jdunn@gloucester-ma.gov

CITY OF GLOUCESTER
OFFICE OF THE TREASURER/COLLECTOR

To: Sefatia Romeo Theken, Mayor

From: John P. Dunn, CFO

A handwritten signature in blue ink, appearing to be "JD", is written over the name "John P. Dunn, CFO".

Date: May 20, 2020

Re: Fire Department Donation

Fire Chief Eric Smith has received a \$1,000.00 donation from the Michael and Renee Minogue Family Foundation to be allocated at his discretion. Chief Smith would like to accept the donation and credit the Department's Fire Training Revolving Fund # 3111. Attached is a copy of the donation letter and the check.

Please forward this request to the City Council in your next Mayor's Report.

Thank you

April 23, 2020

City of Gloucester Fire Department

8 School Street

Gloucester, MA 01930

Dear Gloucester Fire Department,

On behalf of the Michael and Renee Minogue Family Foundation, we would like to thank you for the service you provide to the community. In recognition of this, we hope that you will accept this gift, as a token of our appreciation, to be allocated to the areas you think will most benefit your department's ongoing efforts.

Thank you,

Mike and Renee Minogue

MERRILL PIERCE
FENNER & SMITH
A BANK OF AMERICA COMPANY

64-1278/611

Office
Disbursement Account
P O Box 43247
Jacksonville, FL 32231-3247

Merrill Lynch,
Pierce, Fenner & Smith, Inc.
Check Number 61123-08863

To The Order Of

CITY OF GLOUCESTER
8 SCHOOL STREET
GLOUCESTER, MA 01930
USA

MEMO:FFC: FIRE DEPARTMENT

Date	Amount
04/28/2020	PAY \$1000.00

Bank of America
Charlotte, NC

Security Features Included



Details on back