



EDIC Board Meeting
Tuesday, October 10, 2023 at 4:30pm
Harbor Master's Conference Room/Hybrid Meeting
19 Harbor Loop #2
Gloucester, Ma 01930

- Call to order of the Board
- Meeting began at 4:32 pm
- Roll call attendance was taken.
- In attendance: Patty Knaggs, Treasurer Taylor Hedges, Chair Tom Balf, Jerrold Oppenheim, Gretel Seeley, and Rob Gordon. Also, in attendance was Attorney Adria Pratt, legal counsel to the board. Not present: Mike DiLascio.
- Meeting minutes from the September 12, 2023 meeting were approved. Roll call vote was taken. All were in favor.
- Chair Balf conducted this meeting as a recap for the Board to review the findings of the two studies that were conducted by Weston & Sampson and Daymark. He noted that these two reports are very strategic in terms of economic development in the city. As a board, we want to be rigorous in our analysis and identify and talk about what the next steps should or could be taken. Additionally, he remarked on two issues in Blackburn Industrial Park.
- **Available Industrial Park Space:** The presentation identified two properties in Blackburn Industrial Park with leasing or development signs: 15 Great Republic Drive (10-12,000 sq. feet) is the old Ryan & Woods site. The other property is located at 58 Great Republic Drive (almost 11 acres) which is flat and ready for development. This site is at the end of Great Republic Drive, adjacent to the NOAA facility.
- **Signage Project:** After the installation of the new signs at Blackburn, other businesses have expressed an interest of now participating. Chair Balf thanked Treasurer Hedges for his lead on this project and getting this initiative completed. Balf commented that there is lot of brush that needs to be trimmed down on both sides of the street. Chair Balf will be contacting DPW about trying to take care of this situation.
- **Weston and Sampson Feasibility Study:** The last study of Kondelin Road that was performed was back in 2010 and the plan identified 36 parcels that could potentially be developed. This time, Weston and Sampson is taking a master plan approach of the entire site with the goal to maximize development potential and minimize certain infrastructure costs. The key feasibility facts that were recommended are as follows:
 - A master plan for storm water with four locations identified for detention basins. The EDIC or the city would take a lead on this rather than each parcel taking on storm water individually.

- A 300,000 gallon above ground water tank was recommended at the highest location in the area.
- The recommendation for wastewater was a high pressure line serving only the industrial waste for Kondelin Rd. It would go out to Magnolia Ave and then to the wastewater treatment plant a mile away. This would not be able to serve residential customers, unless the City wanted to pursue a separate residential line as a separate expense.
- The roadway on developed site would be for entering and exiting and would be less than a mile.
- Electrical recommendations were made in kilowatt hours that could be used for a 400,000 sq. ft. development, but was not translated into megawatts or some other more useful estimate of energy demand.
- The ownership of the site includes private, EDIC, parcels owned by the City, and a few unknowns. Vice-Chair Hedges pulled up the City's online assessment tool and noted that some of these unknowns come up on the assessor's database as 9 Dale Ave, so the assumption is that these parcels are city owned. Chair Balf stated that we need to verify ownership of these parcels.
- One of the key things to this master approach that differed from the previous is that much of the total acreage -- 60 acres -- would not be used for the development. We are talking about using less than 10 acres. Much of this land is very difficult to utilize so the focus of the master plan/feasibility assessment was to prioritize land use and minimize blasting.
- The costs of the project are projected by Weston & Sampson as: roadway construction (\$4,000,000), wastewater infrastructure (\$7,300,000), water infrastructure (\$9,000,000) and electrical. Total estimated cost is roughly \$20 million which does not include acquisition costs for the privately owned land. The conversation that the EDIC and the City needs to have is how to go forward with the study and whether there is an appetite for development. Also, what portion would the EDIC be interested in spending as a City to develop this area and have it be ready for development. Other revenue opportunities were identified by Weston and Sampson that included solar and opportunities for the City or EDIC to take on the responsibility of storm water management which could be something that could then be charged backed to tenants for ongoing maintenance and would provide the EDIC with a revenue stream. Finally, the other option would be to have some hybrid development which would include residential and industrial use of the space. Much of the land is currently zoned residential. Weston and Sampson also did an analysis of market conditions and a ProForma which suggested that the economy in Massachusetts is strong with a number of high tech and life science opportunities. Nonetheless, Gloucester is at the end of the road and cannot be looked at in the same way as Metro Boston communities. The ProForma analysis showed that it has potential financial viability for a 400,000 sq. ft. development, assuming a number of reasonable, but untested, assumptions are true.
- Balf re-stated that the reason this assessment should be analyzed fully is there is no other opportunities in Gloucester right now that provides for something that could be 200-400 jobs or bringing in some strong manufacturing or industrial activity to the region. R. Gordon added that beyond the jobs and the economic impact is the opportunity for the City to play an ongoing

economic role beyond just jobs and tax revenue but actually continue to have a role with this development and generate revenue along with the EDIC. Board member Knaggs expressed the opinion that the infrastructure is a concern. If they are already digging the street on Magnolia Ave what would be the additional cost of adding another line to service homeowner's? The elevation changes on Magnolia Ave would prevent a gravity sewer and would end up being a challenging sewer project, according to the report. The question was asked of who might oppose the project? How hard would it be to get the zoning changed? In order to do so, according to Board member Knaggs, the project would need to go before the Planning and Zoning Boards with a final vote from City Council. Attorney Pratt added that the public also has the opportunity to oppose any project. It would be the abutters only getting the notification. However, a project of this scale would include more than just the abutters. Seeley expressed the concerns of a safe traffic path to and from the development for 500+ employees. She stated that there are a lot more reasons not to try to attempt this than to try. Would we recommend this if we had the ability to pull the trigger? Treasurer Hedges expressed that the EDIC would need to have an Executive Director managing projects and pushing these ideas uphill on a daily basis. He expressed that the EDIC has gotten this far with the project at least it needs to be taken to the next level to discuss the findings.

- The Board identified these next steps:
 - Finalize the Report
 - Identify unknown land owners
 - Review feasibility assessment with the City, DPW, Community Development, the Mayor, and key private landowners
 - Share findings with Senator Tarr and State Representative Ferrante
 - Clarify/refine the business development model, as appropriate
 - Approach local companies to better understand expansion needs and potential

- **Regional Electrical System Advocacy: Daymark findings:** Challenges in the distribution system and a lack of current transmission redundancy. National Grid submitted their Electrical Modernization Plan (EMP) as of 9/1/2023. The plan included the following:
 - Current state of the distribution system
 - Divided their service area into different sub-regions. Gloucester is in the north sub-region.
 - 5 and 10-year electrical demand forecast
 - 5 and 10 year planning solutions including major substation projects: W. Gloucester would have a feed Expansion by 2032 (based on a projected first year of overload by 2033).
 - Five or six projects have been identify happening in the next 5 to 10 years.
 - These are based on the projections of increased electric demand.
 - Transmission is not included and transmission for this area will be discussed – next decade! According to National Grid, this project will be in the plans with ISO New England to happen in the next 20 years.
 - There is also group study looking at distributed energy projects (i.e. solar, battery storage) in this area

The EDIC Energy Committee met with Daymark on October 5, 2023 meeting to review next steps. Board member Oppenheim pointed out that the forecast in Grid's plan is primarily driven by the anticipated electricity demand from electric vehicles and residential and commercial upgrades (e.g, heat pumps). The potential expansion of economic development issues are not currently in their plan. According to Daymark's report, for the North Shore sub-region, Grid estimates that economic development (e.g., increased demand) accounts for less than 1% of this estimates.

The other electric system issue raised is about the "First Mover" or CAIC (Contribution in Aid of Construction), a policy which was talked about but is not specifically addressed in this plan. Board member Oppenheim explains that this is not going to happen without a very substantial political effort or regulatory effort. With effort, we have a shot at changing what is now a very anti-economic development policy. Utilities are risk adverse. They are going to take the most conservative economic stance that they can. The plan is likely insufficient to meet the electrification needs let alone the economic development needs, according to Oppenheim. He stated that Grid's projections for our area are pretty modest and probably would not meet the state's climate neutral goals. We should ask Daymark to provide a more careful set of projections of what is likely on the big sources of electrification demand and heating for our area. According to National Grid, projections on the seasonality of electrification suggest that around 2033/2034 there is going to be a switch in seasonal energy usage. Electrification that was once high in the summer with air conditioning will ultimately switch over to heating and ultimately shift that peak over to the highest consumption of electric usage in the winter. We will reach a point where both cars and heating are demanding a lot of the juice in the winter. This could be problematic given winter storms and our inadequate backup electrical grid system in the area.

Chair Balf spoke about next steps. Daymark will be getting back to the EDIC with a proposal scope including the following:

- Plausible survey of demand needs including a counter analysis of electrification demand in the sub-region and economic development.
- Make the case that National grid is under planning
- Utilize this information to argue for policy changes
- The ongoing support for the EDIC

There is a need to build and manage a consortium of regionally engaged stakeholders in the sub-region. Identify stakeholders and start scheduling meetings to brief the City and Senator Tarr on our findings and actions. Also, the EDIC needs to reach out with key economic development agencies like MassEcon, State Economic Development, MA DOL, EOHLC to determine how economic projections were factored in to Grid's projections. Ideally, we need to regionally engage with people and present findings to National Grid. The EDIC needs to do it right and do it with small groups of other key energy users and learn the economic development landscape for this area. Seeley proposed developing a survey and start collecting information from employers in the area and work with the Chamber. Daymark will be able to help us with selling this to the legislature and other stakeholders. What would be the economic result from this and the economic multiplier? Seeley added that we can come up with key questions to ask stakeholders. It was agreed that simple and quick surveys would be beneficial.

Eastern Waste: Next on the agenda was a discussion concerning 24 Kondelin Road and a waste transfer station for Eastern Waste which would be a 6 day operation open for 12 hours a day. Eastern Waste submitted a site suitability application to the EPA. The site is for construction and demolition waste with a maximum daily capacity of 350 tons of waste per day. This would equate to 140 additional vehicles (construction and demolition trucks and transfer trailers) trips per day, based on their application to DEP. Eastern Waste is requesting several variances from various setbacks for a 15,000 sq. ft. facility. The City has engaged with Weston & Sampson to prepare technical and regulatory response concerning a traffic study, variance, and storm water issues. Chair Balf explained that the EDIC can submit their own comment letter or simply incorporate our concerns within the City's letter. Oppenheim stated that there is not a net public benefit from this project and inquired about how many jobs will this project create. The Committee had voted at the previous meeting to approve the drafting and submittal of a letter from the EDIC opposing this site. Balf to draft and submit.

Financials Report: Treasurer Hedges provided an overview of the financials. We have one certificate of deposit that is maturing for \$181,000. The plan is to reinvest but not lock in for a long period of time. Our accountant advised that we should not be investing funds for longer than 18 months. We have \$23,000 in checking with another \$30,000 in a money market account. All reimbursements should have come through from the state. We have an outstanding balance with Weston & Sampson on the finalization of their report and that will need to be paid. Otherwise, there are not otherwise anticipated expenses for the year.

Motion to Adjourn: A motion was made to adjourn. All were in favor. Meeting ended at 5:57pm.