



Adam Baacke
Assistant City Manager/Director

Anne Barton
Deputy Director

MEMORANDUM

TO: Bernard F. Lynch, City Manager

FROM: Adam Baacke, Assistant City Manager/DPD Director

SUBJECT: **MOTION OF 7/28/09 BY COUNCILOR KAZANJIAN**

REQUEST THAT THE NEIGHBORHOOD SUBCOMMITTEE & ECONOMIC DEVELOPMENT SUBCOMMITTEE MEET REGULARLY RE: HAMILTON CANAL DEVELOPMENT

Since our last formal update to the Council following Councilor Broderick's similar motion in March, significant progress has been made on the Hamilton Canal District project. Some highlights are outlined below:

- The City has closed on the sale of land to the Commonwealth of Massachusetts for the construction of the new Lowell Trial Court.
- The City has closed on the sale of the Appleton Mills to Trinity for the first phase of the private Hamilton Canal District Development.
- A vote being contemplated by the Lowell City Council on August 11 will enable the City to use the proceeds from these two property sales to reduce the total outstanding debt principal associated with all municipal expenses on the project to date to less than \$2 million.
- Over \$5 million in infrastructure design and construction funding has been secured through the state Executive Office of Housing and Economic Development, Executive Office of Transportation, and Department of Housing and Community Development. Applications have been submitted for over \$20 million in state and federal support for the project and we have received tentative commitments for \$12 million of this, with final commitments anticipated in the early Fall.
- The City has engaged Vannase Hangen Brustlin, Inc. for the design of on- and off-site infrastructure and mitigation for the project.
- VHB has completed designs for all of the Phase I on and off-site infrastructure and mitigation which includes improvements to Jackson Street, Revere Street, a new Revere Street bridge, and the on-site roadway, drainage, and utility infrastructure for the portion of the project site located between the Hamilton and Pawtucket Canals. They have also completed designs for mitigation improvements to more than a dozen off-site intersections. Designs have also begun for the extension of Jackson Street to meet Thorndike Street, the on-site utilities, drainage, parks, and roadways for the entire project, and designs for three additional new or expanded canal bridges.
- A temporary bridge has been installed over the Hamilton Canal to allow for construction vehicle access to the Appleton Mills and Freudenberg Buildings and permit the demolition and reconstruction of the permanent Revere Street bridge.
- Environmental remediation has been completed at 221, 291, and 351 Jackson Street using grant funds obtained from the US EPA.
- Demolition of a portion of the Freudenberg Building has been completed using state grant funds.

- The Massachusetts Division of Capital Asset Management (DCAM) has begun the demolition of the former storage warehouses and smaller buildings on the portion of the Hamilton Canal District that is located south of the Pawtucket Canal. This work is expected to be completed by the end of August.
- Trinity obtained the final MEPA certificate for the project in May and has subsequently secured a number of state permits required to proceed with the project.
- Trinity has obtained signed letter of intent from investors which will generate approximately \$40 million in private tax credit equity for the renovation of the Appleton Mills. Trinity has also obtained grants and loans from DHCD, EOHED (through the City of Lowell), and MassHousing, leveraged by a comparatively small commitment of HOME funds from the City that essentially completes the financing package for the Appleton Mills redevelopment.
- A financial closing and construction start on the Appleton Mills will be scheduled for no later than October 1 under the terms of their financing commitments.
- A private company remains in active negotiations with the City and Trinity to assume control of the Freudenberg Building and redevelop that building as 60,000 square feet of commercial office space.
- The City has prevailed in every court or agency action related to the litigation brought by the Lichoulas Family and related interests regarding the validity of the eminent domain takings for the project, including a dismissal of their latest suit by the state Land Court in June. Unfortunately, that decision was appealed and the case is currently pending.

All of this work has required the diligent efforts of Trinity, the Division of Planning and Development, and numerous other public and private partners. As with many of Lowell's successful ventures, this project truly epitomizes the concept of a public-private partnership. We look forward to gathering all of these partners in the Hamilton Canal District soon for a groundbreaking event.

We also would continue to welcome the opportunity to meet again with the Economic Development Subcommittee of the Lowell City Council or other Subcommittees that the Council may wish to include to discuss the progress of the project in greater detail. We can also arrange for representatives from Trinity to attend this meeting if desired.

8/7/2009

cc: Christine O'Connor, City Solicitor
George Proakis, Director of Planning and Permitting
James Errickson, Urban Renewal Project Manager