

City of Salem, Massachusetts



"Know Your Rights Under the Open Meeting Law, M.G.L. c. 30A ss. 18-25 and
City Ordinance Sections 2-2028 through 2-2033."

The City Council Committee on Administration and Finance co-posted Committee of the Whole
met in the Council Chamber on Monday February 26, 2024 at 6:30 P.M.
for the purpose of discussing ~~the matter(s) listed below~~ ^{state matters}. Notice of this meeting was posted on
February 16, 2024 at 3:27 P.M.

(This meeting is being recorded)

ATTENDANCE

ABSENT WERE: from A & F Committee: Cindy Jerzylo & Andy Varela
from COW: Jeff Cohen

SUBJECT(S)

#61 Resolution for a Tax Increment Financing (TIF) for Chambers Property Holdings, LLC for a restaurant at 65 Washington St.,

#62 Tax Increment Financing (TIF) agreement with Chambers Property Holdings, LLC and Chambers Restaurant Group, LLC for a restaurant at 65 Washington St

Also in attendance were Mayor Pangallo, Kate Newhall-Smith our Principal Planner, Aaron & Shana Chambers.

C Merkl: We have in front of us tonight a resolution and TIF agreement for a proposed tax increment finance agreement for the Chambers Property Holdings & Restaurant Group for the commercial space at 65 Washington Street. They currently operate Settlers Restaurant. It is for a 5-year TIF, and the TIF is not for the base assessed value of the property, that we continue to collect.

Mayor Pangallo: This TIF is for the difference between the base value and end value of the project. This is a tool that is at our disposal and is available to any commercial development. I feel strongly this is a benefit for economic development and activity for Salem, and will create jobs & generate taxes. I am proud to support it.

Kate Newhall-Smith: Presented a slide show with all the details and answered questions. Gave comparisons to previous TIFs here in Salem. It is a 5-year incremental TIF with a total exemption of \$31,234.08. (Refer to Presentation).

C. Stott: How many TIFs are requested?

KNS: about 1-2 per year.

C. Marsillo: When is the project considered complete?

KNS: When people can be in the space utilizing it, which is expected to be open July/August of this year.

TIF would start July 1, 2025. TIF is not transferable. It is a local only TIF. If restaurant is no longer in operation, we can terminate the TIF. Meals tax credits also discussed.

Shana Chambers discussed benefits for workers.

C. Davis: asked re: benefits to community? KNS: Jobs & tax base.

C. Watson Felt: asked about locals being hired & local vendors

KNS: They have to send reports to the state and she follows up.

C. Hapworth: Why has it been vacant for so long?

KNS: It wasn't built as a usable space, no infrastructure.

C. Prosniewski: Who qualifies for a TIF?

KNS: For new, mixed use commercial space, not for rental space. Anyone can ask for one; the mayor reviews & evaluates requests.

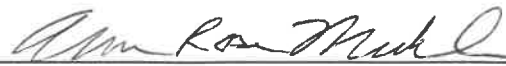
Public Comment

(3)

- Polly Wilbert: Expressed concern that this is a high end restaurant which doesn't match the average income for Salem residents. Parking concerns. We shouldn't engage in benefits for one restaurant over another, especially for upscale.
- Renee Olson - Condo owner at 65 Washington St, represents Trustees: Spoke in favor of this TIF. It will help with a robust buildout and meet the challenges. We want to help them be successful.
- Rinus Oosthoek, Salem Chamber: thank you for a great presentation. I hope we will allow the TIF, it supports many benefits for Salem. It's very helpful for difficult properties and I hope you support it. (given over zoom).
- Allison Caffrey - Ex Dir of ROOT Culinary Training Program: Settlers has been a critical partner to us and has provided incredible training opportunities for ROOT.
- Gary Gill: Expressed concerns regarding trash, deliveries, and sanitary conditions. Also stated the space was intended for retail.

On the motion of C. Stott:

meeting adjourned at 7:35 P.M.



(Chairperson)

- Councillor Stott motioned to return item #61 Resolution for TIF back to the full council for a vote with a recommendation for adoption. Councillor Prosniewski seconded. Councillors Stott and Prosniewski voted in favor, C. Merkl voted no. Motion approved 2-1
- Councillor Stott motioned item #62 TIF Agreement be returned to the full council for a vote with a positive recommendation. C. Prosniewski seconded, C's Stott & Prosniewski voted in favor, C. Merkl voted no. Motion approved 2-1