



**CITY OF SALEM, MASSACHUSETTS**

Dominick Pangallo  
Office of the Mayor

February 8, 2024

Honorable Salem City Council  
Salem City Hall  
Salem, Massachusetts 01970

Dear City Councillors:

I reappoint, subject to City Council confirmation, the following Salem residents to these boards and commissions, for the terms set forth below.

<u>Name</u>	<u>Board</u>	<u>Term Length</u>	<u>Term Expiration</u>
Sam (Sara) Fiore	Beautification Committee	3 years	2/22/2027
Tina Zelano	Board of Assessors	3 Years	2/22/2027
Tom Campbell	Conservation Commission	3 Years	2/22/2027
Bart Hoskins	Conservation Commission	3 Years	2/22/2027
George Barbuzzi	Council on Aging	3 Years	2/22/2027
Dr. Jeremy Schiller	Board of Heath	3 Years	2/22/2027
Richard Lobsitz	Board of Trust Fund Commissioners	12 years	4/1/2036

I recommend confirmation of these reappointments and ask that you join me in thanking them for their continued dedicated service and commitment to our community.

Sincerely,

Dominick Pangallo  
Mayor  
City of Salem



## **CITY OF SALEM, MASSACHUSETTS**

Dominick Pangallo  
Mayor

Office of the Mayor

February 8, 2024

Honorable Salem City Council  
Salem City Hall  
Salem, Massachusetts 01970

Dear City Councillors:

I am pleased to appoint Yamilis Cruz, of 190 Bridge Street #5402, to the Scholarship and Education Committee to complete a three-year term previously vacated by Amy Stewart, to expire on April 11, 2025.

Ms. Cruz is a Literacy Coach at Collins Middle School in Salem, and worked with the Mayor's Office this past Fall to help her students prepare for the Mayor's inaugural poetry competition. She became aware of various opportunities to get involved in the Salem community throughout that process. She relatively recently became a resident of Salem, and explained that she grew up in and began her career in Florida, where there were not a lot of opportunities to get involved in civic life. When she moved to Salem two and a half years ago, she was inspired right away by the strength of the community, and began looking for ways to help. Her passion is education, and she is very enthusiastic about the chance to join this committee, and to help more students succeed and more educators create more opportunities.

I strongly recommend confirmation of Ms. Cruz's appointment to the Scholarship and Education Committee. We are fortunate that she is willing to volunteer in this critical role and lend her time, passion, and expertise to this important committee and its work.

Sincerely,

Dominick Pangallo  
Mayor  
City of Salem



**CITY OF SALEM, MASSACHUSETTS**

Dominick Pangallo  
Office of the Mayor

February 8, 2024

Honorable Salem City Council  
Salem City Hall  
Salem, Massachusetts 01970

Dear Councillors:

Enclosed is a request to accept a donation from Breanna Stead in the amount of Three Thousand Five Hundred Dollars. These funds will be deposited into the Parks and Recreation Donation Fund 24-06 (24061-4830) for a standard bench.

In order to accept the donation, approval must be given by both the Mayor and City Council. I ask that the members of the City Council join with me in accepting these funds.

Sincerely,

Dominick Pangallo  
Mayor  
City of Salem



# CITY OF SALEM

In City Council,

February 8, 2024

**Ordered:**

To accept the donation of Three Thousand Five Hundred Dollars (\$3,500.00) from Breanna Stead. The donation is to be deposited into the Parks and Recreation Donation Fund 2406 (24061-4830) in accordance with the recommendation of His Honor the Mayor.



CITY OF SALEM, MASSACHUSETTS  
PARK, RECREATION & COMMUNITY SERVICES  
401 Bridge Street, Salem MA 01970  
(978) 744-0924  
Fax (978) 219-1665

Dominick Pangallo  
MAYOR

Trish O'Brien  
SUPERINTENDENT

January 23, 2024

Dear Mayor Pangallo,

I am writing to request the acceptance of \$3,500.00 to the City of Salem for a bench donation at Salem Common from Breanna Stead for a Park and Recreation Donation. The amount to be deposited into the Park and Recreation Donation account 24061-4830.

Thank You

Sincerely,

*Trish O'Brien*

Trish O'Brien  
Superintendent, City of Salem  
Park, Recreation and Community Services  
Jean A. Levesque Community Life Center



**CITY OF SALEM, MASSACHUSETTS**

Dominick Pangallo  
Office of the Mayor

February 8, 2024

Honorable Salem City Council  
Salem City Hall  
Salem, Massachusetts 01970

Dear Councillors:

Enclosed herewith is a request for an appropriation of Seventy-Six Thousand, Four Hundred Twenty Dollars and Eighty-One Cents (\$76,420.89), be approved within the "Retirement Stabilization Fund-Vacation/Sick Leave Buyback" account (83113-5146). This appropriation is necessary to fund the retirement buybacks of the following employees:

<b>Name</b>	<b>Department</b>	<b>Amount</b>
Thomas Buckner	School Department	\$21,600
Judith Bowen	School Department	\$35,100
Patricia Mento	School Department	\$19,720.89
<b>Total</b>		<b>\$76,420.89</b>

I recommend passage of the enclosed Order and invite you to contact Human Resources Director Lisa Cammarata with any questions that you may have regarding it.

Sincerely,

Dominick Pangallo  
Mayor  
City of Salem



# CITY OF SALEM

In City Council,

February 8, 2024

**Ordered:**

That the sum of Seventy-Six Thousand, Four Hundred Twenty Dollars and Eighty-Nine Cents (\$76,420.89) be approved within the "Retirement Stabilization Fund-Vacation/Sick Leave Buyback" account (83113-5146) to be expended for the contractual buyback(s) listed below in accordance with the recommendation of His Honor the Mayor.

Name	Department	Amount
Thomas Bucher	Salem School Department	\$21,600.00
Judith Borden	Salem School Department	\$35,100.00
Patricia Mento	Salem School Department	\$19,720.89
		<b>\$76,420.89</b>



DOMINICK S. PANGALLO  
MAYOR

LISA B. CAMMARATA  
DIRECTOR OF HUMAN RESOURCES

CITY OF SALEM MASSACHUSETTS  
HUMAN RESOURCES  
98 WASHINGTON STREET, 3<sup>RD</sup> FLOOR  
SALEM, MASSACHUSETTS 01970  
TEL. 978-619-5630

**MEMORANDUM**

TO: Anna Freedman, Director of Finance  
DATE: January 22, 2024  
RE: Retirement Stabilization Fund

\*\*\*\*\*  
Attached you will find a retirement buyback for a former employee of the Salem Public Schools.

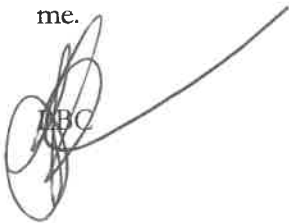
This former employee is entitled to the following amount of sick leave buyback.

Thomas Boucher

90 sick days @ \$240.00 per day	\$21,600.00
Total:	\$21,600.00

In accordance with the July 2008 Policy, I am requesting you verify the availability of the funds from the Retirement Stabilization Fund, prepare the Council Order, and continue the process in order that my staff can input the information in MUNIS and issue payments to this former employee upon Council approval.

Thank you for your cooperation, and if you should have any questions, please do not hesitate to contact me.

  
LBC

**CITY OF SALEM**  
**APPROVAL-SICK DAYS/VACATION BUY-BACK**

From: Department School Date 1/16/24

Authorized Signature: Elyse Paulk  
Department Head/City or Business Manager/School

NAME: Thomas Boucher CRSM

**CALCULATION**

VACATION DAYS # \_\_\_\_\_ @ \$ \_\_\_\_\_ = \$ \_\_\_\_\_

SICK DAYS # 90 @ \$ 240 = \$ 21,600 ✓

PRO-RATED STIPENDS # \_\_\_\_\_ @ \$ \_\_\_\_\_ = \$ \_\_\_\_\_

OTHER # \_\_\_\_\_ @ \$ \_\_\_\_\_ = \$ \_\_\_\_\_

Total Amount Due: \$ 21,600  
Please attach corresponding PAF or other backup to this sheet.

Reason: Retirement

**For Human Resources's Use Only:**

☐ VACATION DAYS

☒ SICK DAYS

☐ PER ACCRUAL REPORT

☐ OTHER

Org and Object: 83113 - 5146

**Recommendation:**

☒ Approved

[Signature]  
H R Director/City or Superintendent/Schools



DOMINICK S. PANGALLO  
MAYOR

LISA B. CAMMARATA  
DIRECTOR OF HUMAN RESOURCES

CITY OF SALEM MASSACHUSETTS  
HUMAN RESOURCES  
98 WASHINGTON STREET, 3<sup>RD</sup> FLOOR  
SALEM, MASSACHUSETTS 01970  
TEL. 978-619-5630

**MEMORANDUM**

**TO:** Anna Freedman, Director of Finance  
**DATE:** January 16, 2024  
**RE:** Retirement Stabilization Fund

\*\*\*\*\*  
Attached you will find a retirement buyback for a former employee of the Salem Public Schools.

This former employee is entitled to the following amount of sick leave buyback.

**Judith Borden**

80 sick days @ \$438.75 per day	\$35,100.00
<b>Total:</b>	<b>\$35,100.00</b>

In accordance with the July 2008 Policy, I am requesting you verify the availability of the funds from the Retirement Stabilization Fund, prepare the Council Order, and continue the process in order that my staff can input the information in MUNIS and issue payments to this former employee upon Council approval.

Thank you for your cooperation, and if you should have any questions, please do not hesitate to contact me.

LBC

**CITY OF SALEM**  
**APPROVAL-SICK DAYS/VACATION BUY-BACK**

From: Department School Date 8/2/23  
Authorized Signature: [Signature]  
Department Head/City or Business Manager/School

NAME: Judith Borden

**CALCULATION**

VACATION DAYS # \_\_\_\_\_ @ \$ \_\_\_\_\_ = \$ \_\_\_\_\_

SICK DAYS # 80 days @ \$ 438.75 = \$ 35,100.00 ✓

PRO-RATED STIPENDS # \_\_\_\_\_ @ \$ \_\_\_\_\_ = \$ \_\_\_\_\_

OTHER # \_\_\_\_\_ @ \$ \_\_\_\_\_ = \$ \_\_\_\_\_

Total Amount Due: \$ 35,100.00  
Please attach corresponding PAF or other backup to this sheet.

Reason: retirement

**For Human Resources's Use Only:**

- ☐ VACATION DAYS  
☒ SICK DAYS  
☐ PER ACCRUAL REPORT  
☐ OTHER

Org and Object: 83113 - 5146

Recommendation:

☒ Approved

[Signature]  
HR Director/City or Superintendent/Schools



DOMINICK S. PANGALLO  
MAYOR

LISA B. CAMMARATA  
DIRECTOR OF HUMAN RESOURCES

CITY OF SALEM MASSACHUSETTS  
HUMAN RESOURCES  
98 WASHINGTON STREET, 3<sup>RD</sup> FLOOR  
SALEM, MASSACHUSETTS 01970  
TEL. 978-619-5630

## MEMORANDUM

TO: Anna Freedman, Director of Finance  
DATE: January 22, 2024  
RE: Retirement Stabilization Fund

\*\*\*\*\*  
Attached you will find a retirement buyback for a former employee of the Salem Public Schools.

This former employee is entitled to the following amount of sick leave and vacation buyback.

**Patricia Mento**

30.75 sick days @ \$163.32 per day	\$5,022.09
90 sick days @ \$163.32 per day	\$14,698.80
<b>Total:</b>	<b>\$19,720.89</b>

In accordance with the July 2008 Policy, I am requesting you verify the availability of the funds from the Retirement Stabilization Fund, prepare the Council Order, and continue the process in order that my staff can input the information in MUNIS and issue payments to this former employee upon Council approval.

Thank you for your cooperation, and if you should have any questions, please do not hesitate to contact me.

LBC



**CITY OF SALEM**  
**APPROVAL-SICK DAYS/VACATION BUY-BACK**

From: Department School Date 1/16/24

Authorized Signature: Elyse Paul  
Department Head/City or Business Manager/School

NAME: Patty Mento

**CALCULATION**

VACATION DAYS # 30<sup>3/4</sup> @ \$ 163.32 = \$ 5,022.09 ✓

SICK DAYS # 90 @ \$ 163.32 = \$ 14,698.80 ✓

PRO-RATED STIPENDS # \_\_\_\_\_ @ \$ \_\_\_\_\_ = \$ \_\_\_\_\_

OTHER # \_\_\_\_\_ @ \$ \_\_\_\_\_ = \$ \_\_\_\_\_

Total Amount Due: \$ 19,720.89 ✓

Please attach corresponding PAF or other backup to this sheet.

Reason: Retirement

**For Human Resources's Use Only:**

- ☒ VACATION DAYS  
☒ SICK DAYS  
☐ PER ACCRUAL REPORT  
☐ OTHER

Org and Object: 83113 - 5146

Recommendation:

☒ Approved

[Signature]  
H R Director/City or Superintendent/Schools



**CITY OF SALEM, MASSACHUSETTS**

Dominick Pangallo  
Mayor

Office of the Mayor

February 8, 2024

Salem City Council  
93 Washington Street  
Salem, MA 01970

Dear Councillors,

Enclosed please find a resolution and agreement for a Tax Increment Finance (TIF) request received by Chambers Property Holdings (CPH), the property development company that includes Chambers Restaurant Group (CRG). CRG is a small business venture led by Chef Aaron Chambers and Shanna Chambers, who currently own and operate the restaurant Settler here in Salem. CPH has purchased the vacant first-floor commercial space at Brix (65 Washington Street) for the construction of a new French restaurant, Bernadette.

Historically, TIF agreements have been utilized by larger businesses and employers, but I believe that because the vibrancy of Salem's economy is so largely built around small businesses, we should be willing to provide them the same supports that our large businesses enjoy. In Salem, about 85% of our businesses have 19 or fewer employees and nearly 90% have fewer than 49 employees. They are as deserving as our larger employers of accessing programs intended to encourage and support economic growth and success. If we limit the City's business support programs to only our largest and most well-resourced businesses, we are doing a tremendous disadvantage to smaller employers, who comprise the vast bulk of our community's unique economy.

As detailed in the enclosed memo from our Department of Planning and Community Development, the space at 65 Washington Street is currently entirely empty, which presents a great opportunity for CRG to create a restaurant that works well for their purposes, and has been vacant since the building opened, detracting from our downtown economic activity. An entirely blank space also imposes significant cost-challenges related to build-out and equipment. A TIF can offer some financial relief in the first years of operation, to support the business' longer-term viability. Once operational, CRG expects to have 27 jobs created by the business.

TIFs are tools available to the City to temporarily reduce the property tax amount due by a

business on the value of new growth related to a project. It's important to recognize that the tax exemption offered by TIF does NOT apply to the taxes due to the base assessed value of the property prior to the project; the owner is always responsible for 100% of those taxes. In this case, the base assessed value of the property is \$623,300 and the projected post-project assessed value is \$1,000,000. This means the value subject to the tax exemption is \$376,700; this is called the incremental value.

The proposed TIF is for five years and exempts 100% of the taxes on that incremental value in the first two years, 75% in the third year, 50% in the fourth year, and 25% in the fifth and final year. In all, the exempted tax amount totals a projected \$31,234 over those five years. The total amount of taxes paid on the incremental value over those five years is an estimated \$87,216. Excluding the TIF most recently granted for the Salem Wind Terminal, the \$31,234 exemption requested here is just 9% as much as the average exemption granted to the previous five TIF recipients. This further reinforces the argument that this type of economic tool should be available to our smaller businesses, as well as our larger ones, and even a small degree of financial support like this proposal can make a meaningful difference in the success of a local small business.

Lastly, I wanted to confirm that this is not the first time a food establishment has been granted a TIF in Salem. In 2017, A+J King likewise received a 5-year TIF agreement, exempting \$41,386 in taxes in order to be able to successfully open their bakery and retail space.

CRG hopes to be able to open by this coming summer. To help them meet this timetable, we are asking that the Council vote on this TIF resolution no later than your February 22, 2024, meeting. This would enable the request to be before the state's Economic Assistance Coordinating Council, which also must approve it, at their March 13, 2024, meeting.

I recommend adoption of the enclosed resolution to enable this small business to open and succeed, to create those 27 new local jobs, to add to the vibrancy of our downtown by activating a long-vacant commercial storefront, and to successfully leverage the additional commercial property tax and meals excise tax revenues it will generate for our City. Growing those revenue sources helps in our on-going efforts to minimize property tax increases on residential taxpayers. I invite you to reach out to our Principal Planner, Kate Newhall-Smith, should you have any questions regarding it.

Sincerely,



Dominick Pangallo  
Mayor  
City of Salem



DOMINICK PANGALLO  
MAYOR

TOM DANIEL, AICP  
DIRECTOR

# CITY OF SALEM, MASSACHUSETTS

## DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

98 WASHINGTON STREET ♦ SALEM, MASSACHUSETTS 01970  
TELE: 978-619-5685

### MEMO

TO: Mayor Pangallo  
Tom Daniel

FROM: Kate Newhall-Smith

DATE: January 30, 2024

RE: Chambers Property Holdings, LLC TIF

Chambers Property Holdings, LLC has purchased the commercial condominium unit at Brix, 65 Washington Street. The unit will be leased to The Chambers Restaurant Group, LLC, the entity behind Settler, to construct and operate a new 76-seat restaurant. Chef Aaron Chambers will create Bernadette – a market driven and French inspired restaurant. Chef Chambers opened Settler on Lynde Street in January 2020, introducing a simple and approachable Mediterranean menu to Salem's culinary scene. Building on the successes at Settler, Chef Chambers hopes to open Bernadette in July 2024 at Brix. The restaurant will bring much-needed activity and vitality to this long-vacant commercial space.

The space is currently a blank canvas with no infrastructure, which allows an entrepreneur to make the space their own. While being able to create a vision for the space that isn't hampered by existing fixtures and configurations is an exciting opportunity for Chef Chambers, since there isn't any existing infrastructure, the costs associated with the build-out and equipment purchases are significant.

As Chef Chambers secures funding for the build-out, a TIF can relieve some financial pressure on the restaurant in its critical first few years of operation, which will support his opportunities for success as the restaurant establishes itself.

Please review the following project information in your consideration of this request.

#### Current Facility:

- Valuation: 65 Washington Street, see realtor pamphlet [here](#). Chambers Property Holdings, LLC purchased the commercial condominium for \$950,000 in November 2023. The current assessed value is \$623,300.
- Current Operations: None. The space has been vacant since it was constructed.

#### Project Numbers:

- Project Cost: **\$2,979,970**
  - \$950,000 for condo purchase,
  - \$1,125,665 for construction,
  - \$200,000 in soft costs, and

- \$704,305 for equipment.
- Assessed Value, Current and Future Estimates:
  - Current Assessment of Commercial Condo: **\$623,300** (based on FY24 assessed valuation).
  - Estimated Property Assessment Post Project: **\$1,000,000**, based on the following:
    1. Purchase price of the condo
    2. Market trends for commercial/restaurant space in the downtown
- Tax Increment: Estimated tax increment is **\$376,700**.
- Projected Employment: Estimated 27 positions by mid-2024.
  - Management Positions (Salaried employees with access to vacation/sick time benefits)
    - Chef de Cuisine
    - Sous Chef
    - General Manager
    - Assistant General Manager
  - Staff Positions
    - Pastry Chef
    - Bartender
    - Host
    - Front of House Staff (8)
    - Line Cooks (6-8)
  - The applicant has been working with a company to secure a health benefits plan for all full-time employees, hourly and salaried.
  - 'Subsidy Per Job': With the preferred TIF scenario as shown in Table 1 below, there will be an overall subsidy of approximately \$1,157 per new job created.

#### **Permitting and Construction Timing:**

- The owner will need to secure a building permit for the interior construction.
- The owner will need to seek Salem Redevelopment Authority and Design Review Board approval for signage.
- Targeting a construction start date in February 2024 with an 18-week construction period with the hope that the project is done on or around July 1, 2024.

#### **TIF Timing:**

- State Process: The team has remained in touch with Maria de Stefano and are targeting the March 13, 2024 EACC meeting for an approval of this TIF. To meet this meeting date, Maria will need the following items by the stated deadlines:
  - January 24, 2024 – Preliminary Application
  - February 20, 2024 – Supplemental Application
- Local Process:
  - City Council: This TIF needs to go before the City Council at its **February 8, 2024** meeting, with a final vote no later than the **February 22, 2024** meeting.
  - State Review of TIF: The state needs to review our TIF **before** it goes to the City Council for a final vote. I have drafted the TIF in accordance with the state's preferred model. I would like to send the draft to Maria by **Wednesday, January 31, 2024**.
- Preferred Timeline:
  - Wednesday, January 31<sup>st</sup>: Kate to send draft TIF Agreement to Maria to begin state review.
  - February 8<sup>th</sup>: City Council meeting to introduce local TIF
  - Mid-February: Committee meeting (Admin and Finance?) to discuss TIF
  - February 22<sup>nd</sup>: City Council meeting to take final vote on local TIF no later than this date.
  - March 13<sup>th</sup>: Local TIF at EACC meeting (virtual meeting). Mayor has opportunity to speak.

#### **Community Benefits:**

The Chambers Restaurant Group has long been community-oriented and has committed to the following community benefits upon the realization of a local TIF.

- Job Creation: Bernadette will be home to up to 27 new jobs in downtown Salem. The positions are a mix of salaried and hourly employees. There will be jobs for highly skilled individuals (chef, pastry chef, general manager) and entry-level positions (front of house staff). The salaried jobs come with vacation and sick time benefits. The Chambers Restaurant Group is also actively searching for a plan that will provide access to health benefits to all full-time employees – hourly and salaried.
- Partnership with Root: Chef Chambers will continue his partnership with Root, the Salem-based non-profit organization that helps young adults create a pathway to independence through food service training and employment.
  - He has recently joined Root's Chef Advisory Council, which will increase his partnership with the organization. The Council includes both local and greater Boston and beyond chefs and hospitality industry leaders.
  - Bernadette will be an opportunity for the staff/team to share culinary knowledge with Root's potential youth applicants, host Root gatherings, and help support the community.
- Activation of Underutilized Space: The commercial condominium at Brix has been vacant since its construction. While there has been continued interest in the space from local and regional entrepreneurs over the past four years, the space presented challenges to small business owners. Chef Chambers recognizes the challenges and is prepared to address them to transform this empty storefront into a visually warm and welcoming restaurant of which the residents at Brix and the whole community can be proud.

**Table 1**

Year	Exemption	Incremental Assessed Value	Exempted Property Taxes	Estimated Property Taxes on increment value balance	Estimated Base Tax Bill	Total Annual Taxes Paid
1	100%	\$376,700	\$8,924.02	\$0.00	\$14,765.98	\$14,765.98
2	100%	\$376,700	\$8,924.02	\$0.00	\$14,765.98	\$14,765.98
3	75%	\$376,700	\$6,693.02	\$2,231.01	\$14,765.98	\$16,996.98
4	50%	\$376,700	\$4,462.01	\$4,462.01	\$14,765.98	\$19,227.99
5	25%	\$376,700	\$2,231.01	\$6,693.02	\$14,765.98	\$21,458.99

Total Exempted	\$31,234.08
% Exempted	26.7%

Total Paid	\$87,215.92
% Paid	73.3%

TAX INCREMENT FINANCING AGREEMENT  
(Alternatively, the "Agreement")  
BETWEEN

THE CITY OF SALEM  
(Alternatively, the "City")

AND

CHAMBERS PROPERTY HOLDINGS, LLC  
(Alternatively, the "Owner")

AND

CHAMBERS RESTAURANT GROUP, LLC  
(Alternatively, the "Operator")

This agreement is made as of this \_\_\_\_ day of \_\_\_\_\_, 2024 by and between the City and the Owner.

WHEREAS the Owner is a Massachusetts limited liability corporation having its principal office at 66 Orchard Road, Swampscott, MA 01907 and is authorized to do business in Massachusetts; and

WHEREAS the City is a Massachusetts municipal corporation acting through its Mayor and City Council, having its principal office at 93 Washington Street, Salem, Massachusetts 01970; and

WHEREAS the Owner has purchased the commercial condominium at 65 Washington Street, Salem, Massachusetts, 01970 (hereinafter referred collectively as the "Property"); and

WHEREAS the Owner intends to build out the +/- 3,200 square foot commercial space to accommodate the Operator's newest restaurant, Bernadette, which will create new employment opportunities (herein after the "Project"); and

WHEREAS the Owner shall enter into a lease agreement for the Property with the Operator for the purposes of operating and managing the Project post completion; and

WHEREAS the Project investment at the Property is an estimated \$2.8 million, including \$950,000 for the purchase of the condominium, \$1,125,665 for construction, and \$704,305 for equipment; and

WHEREAS the Operator plans to create approximately 27 permanent jobs, of which 19 will be full time or full-time equivalent positions and 8 will be part time positions at the Project within a two (2) year period post Project completion; and

WHEREAS the City strongly supports increased economic development to provide additional jobs, expand business within Salem, and to develop a healthy economy and stronger tax base; and

WHEREAS, on \_\_\_\_\_, 2024, the Salem City Council voted to recommend approval of this Agreement.

NOW THEREFORE, in consideration of the mutual promises of the parties contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

## **A. THE CITY'S OBLIGATIONS**

1. A Tax Increment Financing ("TIF") exemption (the "Exemption") is hereby granted to the Owner by the City in accordance with Massachusetts General Laws Chapter 23A, Section 3A to 3F; Chapter 40, section 59; and Chapter 59, Section 5, Clause 51, and the applicable regulations thereunder. The Exemption for real estate taxes shall be for a period of five (5) years (the "Exemption Term"), commencing in the first fiscal year for which the City has increased the assessed value at the Property to the full assessed value of the Project at the Property (the first day of such fiscal year in which said full assessed valuation occurs is hereinafter referred to as the "State Date", which date shall be no earlier than the first day of the fiscal year following the date a certificate of occupancy has been issued to allow the Operator to use and occupy the Project); and shall provide an exemption from real estate taxation of the new incremental value of the property resulting from the Project, as determined by the City assessor, as follows:

Year	Exemption
1	100%
2	100%
3	75%
4	50%
5	25%

2. The anticipated base assessed valuation of the Property, pursuant to this Agreement shall be \$623,300.
3. The base assessed valuation shall be adjusted annually by an adjustment factor which reflects increased commercial and industrial property values within the community, as provided in Massachusetts General laws Chapter 40, Section 59.
4. The increased value or "increment" created by improvements to the Property will be the amount eligible for exemption from taxation, in accordance with the Exemption applicable to each year in the schedule in Section A.1, hereof.

## **B. OBLIGATIONS OF THE OWNER AND OPERATOR**

1. The Owner shall build out the +/- 3,200 square foot commercial space to be suitable for the new restaurant, Bernadette.
2. The Project investment at the Property shall be an approximate Three Million Dollars (\$3,000,000), including \$950,000 to purchase the commercial condominium, \$1,125,665 in construction costs, \$200,000 in soft costs, and \$704,305 in equipment purchases; and
3. The Operator shall create 27 permanent positions at the Property within a two (2) year period post Project completion. Of these 27 positions, 19 will be full-time or full-time equivalent positions and 8 will be part-time positions.
4. The Operator's job retention and creation plans are outlined in the Employment & Job Creation section of the EDIP Application to be submitted to the State in connection with the request for the TIF Exemption.
5. In addition to the Owner's Property improvements and the Operator's job creation, the Operator shall continue to support and grow its partnership with Root, the Salem-based non-profit organization that helps young adults create a pathway to independence through food service training and employment.
6. The Owner, in coordination with the Operator, shall submit an annual report pursuant to Massachusetts General Laws Chapter 23A, Section 3F to the Massachusetts Economic Assistance Coordinating Council ("EACC") through the Commonwealth's online portal for each year of the Application designation. The annual report shall

include the number of jobs created, and the value of the Property capital investments and other related items with respect to the Property annually and on a cumulative basis. The Owner shall also submit a report as required by Massachusetts General Laws Chapter 40, Section 59(viii) to the City and the EACC.

7. The Operator plans to use reasonable efforts, to the extent permitted by law and assuming equal qualifications, to give priority to qualified Salem residents in its hiring of new employees for the Project.
8. The Operator plans to use reasonable efforts, to the extent permitted by law and assuming equal qualifications, to give priority to qualified local vendors for the Project.
9. If the Owner fails to meet the obligations specified in Section B.1 through B.6 above, the City, acting by and through its Mayor and City Council, may take action to notify the EACC and/or request the EACC to revoke approval of this Agreement. Upon the EACC revocation of its approval of this Agreement, the City shall discontinue the Tax Increment Financing benefits provided to the Owner commencing with the first fiscal year in which the Project is decertified, or if such benefits have already been received by the Owner for the fiscal year in which the Project has been decertified, commencing as of the fiscal year immediately following that fiscal year.
10. Prior to taking any action to request revocation of this Agreement by the EACC pursuant to Paragraph B.9, the City shall give written notice of the alleged material default to the Owner and provide the Owner an opportunity to meet with Salem officials having the relevant authority under this Agreement to discuss a remedy for the alleged default. The Owner shall have sixty (60) days from the receipt of such written notice to respond to the City regarding any alleged default and one hundred twenty (120) days from the receipt of such written notice to remedy such alleged default, or, with respect to alleged defaults which by mutual agreement of the Parties cannot be remedied within such one-hundred-twenty (120) day period, within such additional period of time as is required to reasonably remedy such alleged default, provided the Owner exercises due diligence in the remedying of such alleged default.
11. If the Owner plans to terminate the lease with the Operator and/or move from the Property during the Exemption Term, the Company shall give the city thirty (30) days advance written notice, to the attention of its Mayor and City Council.

## **C. OTHER CONSIDERATIONS**

1. Pursuant to Massachusetts General Laws Chapter 40, Section 59 (v), this Agreement shall be binding upon the Owner, its successors and assigns and subsequent owners of the Property.
2. The matters described above as obligations of the Owner and/or Operator are only conditions to the eligibility for tax exemptions under this Agreement and do not create any other enforceable obligation or covenants of the Owner and/or Operator. The City's sole remedy for failure by the Owner to satisfy any of its respective obligations and conditions are set forth in Paragraphs B.9 through B.11 of this Agreement.
3. This Agreement is subject to Massachusetts General Laws Chapter 23A, Section 3A to 3F, Chapter 40, Section 59, and Chapter 59, Section 5, Clause 51, and the applicable regulations thereunder.
4. Should any provision of this Agreement be declared or determined by a court of competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms, and provisions shall not be affected thereby and said illegal or invalid part, term, or provision shall be deemed not to be a part of the Agreement.
5. The time within which the Owner and/or Operator shall be required to perform any of the respective acts or obligations under the Agreement shall be extended to the extent that the performance of such acts or obligations shall be delayed by a Force Majeure Event and only for so long as said Force Majeure Event has continued. A Force Majeure Event means any supervening events or occurrences, such as acts of God, earthquakes, fire, acts of

terrorism, pandemic, war, labor disputes, delays or restrictions by government bodies, or other causes that are beyond the reasonable control of the Company.

6. This Agreement is subject for approval by the EACC pursuant to Section 3E of Chapter 23A and the applicable regulations thereunder and this Agreement cannot be modified unless approved by the EACC.
7. Each person executing this Agreement represents and warrants that he, she, or they have been duly authorized to execute and deliver this Agreement by the entity for which he, she, or they is signing, and this Agreement is the valid and binding agreement of such entity, enforceable in accordance with its terms.
8. This Agreement may be executed in separate counterparts, each of which when so executed shall be an original; but all of such counterparts shall together constitute but one and the same instrument.

**Signatures Follow on Next Page**

**WITNESSETH** the execution and delivery of this Agreement by the City, the Owner, and the Operator, as an instrument under seal, as of the date first above written.

**AGREED TO:**

**Chambers Property Holdings, LLC**

**City of Salem**

\_\_\_\_\_  
Aaron Chambers, Co-Owner

\_\_\_\_\_  
Dominick Pangallo, Mayor

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Shanna Chambers, Co-Owner

\_\_\_\_\_  
Date of Signature

**Chambers Restaurant Group, LLC**

\_\_\_\_\_  
Aaron Chambers, Co-Owner

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Shanna Chambers, Co-Owner

\_\_\_\_\_  
Date of Signature



# CITY OF SALEM

In City Council February 8, 2024

## RESOLUTION

WHEREAS, Chambers Property Holdings, LLC (hereinafter "Owner") has purchased the commercial condominium unit at 65 Washington Street, Salem, MA, known as City of Salem Assessor's Parcel ID 35-0600-801 (hereinafter the "Property"); and

WHEREAS, the Owner intends to build out the 3,212 square foot space into a 76-seat restaurant with commercial kitchen, restroom facilities, and back-of-house storage and office space (hereinafter "the Project"); and

WHEREAS, the Owner shall enter into a lease agreement with the Chambers Restaurant Group, LLC (hereinafter "Operator") for the purposes of operating and managing the Project once completed and creating 27 new employment opportunities; and

WHEREAS, the City of Salem (hereinafter "City") is willing to grant tax concessions in return for a guarantee of the realization of the Project;

NOW, THEREFORE, BE IT RESOLVED that the Salem City Council hereby

- Incorporates the whereas clauses herein; and
- Endorses the use of Tax Increment Financing as a tool to encourage economic development at the Property; and
- Provides for a tax exemption at the Property for a period of five (5) years, beginning the first full fiscal tax year after Certificate of Occupancy is issued for the Property in accordance with the schedule below:

Term	Exemption %
1	100%
2	100%
3	75%
4	50%
5	25%

Said exemption being in accordance with M.G.L. Chapter 23A, Section 3E, Chapter 40, Section 59, Section 5.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized, on behalf of the City, to enter into a Tax Increment Financing Agreement, a copy of which is attached hereto, with the Owner and the Operator.

BE IT FURTHER RESOLVED that the City of Salem is hereby authorized to apply to the Economic Assistance Coordinating Council (EACC) for approval of the Tax Increment Financing Agreement.

Said exemption being in accordance with M.G.L. Chapter 23A, Section 3E, Chapter 40, Section 59, Section 5.

**BE IT FURTHER RESOLVED** that the Mayor is hereby authorized, on behalf of the City, to enter into a Tax Increment Financing Agreement, a copy of which is attached hereto, with the Owner and the Operator.

**BE IT FURTHER RESOLVED** that the City of Salem is hereby authorized to apply to the Economic Assistance Coordinating Council (EACC) for approval of the Tax Increment Financing Agreement.