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*In
CC packets
3/20/09
by
Barnes*

Bernard F. Lynch
City Manager

TO: Mayor Edward Caulfield
And
Members of the Lowell City Council

FROM: Bernard F. Lynch, City Manager

DATE: March 17, 2009

SUBJECT: **MOTION OF 3/10/09 BY COUNCILOR BRODERICK
"REQUEST THE CITY MANAGER UPDATE THE CITY
COUNCIL ON THE STATUS OF THE HAMILTON CANAL
PROGRESS, TRINITY FINANCIAL'S STATUS AND BEGIN
REGULAR MEETINGS WITH ALL INTERESTED PARTIES
REGARDING STATUS OF THE PROJECT".**

Regarding the above-mentioned motion, I have been in contact with Adam Baacke, Assistant City Manager / DPD Director. Adam informed me the current economic situation nationally and regionally has caused significant challenges for real estate development projects throughout the country and has clearly resulted in significant fiscal issues for states and local governments. The Hamilton Canal District and the Appleton Mills in particular have also proven to require the resolution of an extraordinarily complex set of title, permitting, and financing issues. In spite of these circumstances, the project continues to proceed on schedule, having recently completed the following major milestones, along with numerous smaller procedural accomplishments.

- The final project Master Plan was enthusiastically received by the over 150 people who attended the final Vision Session in January.
- With the approval of the form-based code by the Lowell City Council, the subdivision plan by the Lowell Planning Board, and the issuance of Orders of Conditions for the first phase construction and infrastructure construction, nearly all local permitting for the project is now in place.
- A memorandum of agreement has been agreed to by Trinity, the City, the Lowell Historic Board, the Lowell National Historical Park, and the Massachusetts Historical Commission, addressing all historic issues related to the project. Historic Board approval for Phase I is anticipated in April.

- The approval of the Confirmatory Order of Taking by the Lowell City Council, an agreement with Pan Am Railways regarding the release of historic railroad rights within the project area, and pending agreements with Enel North America and the Proprietors of Locks and Canals, have closed and resolved nearly all title issues to facilitate the start of the development.
- The City received \$3 million from the State's Growth Districts Initiative Grant Program, which reflects the commitment of the Patrick Administration and Lowell's Statehouse delegation to the ultimate success of this project and its significance to the State. These funds are being used to pay Vanasse Hangen Brustlin, Inc. for the design of on- and off-site infrastructure and mitigation for the project, most of which will be completed by June.
- This funding will also be used this Spring for the installation of a temporary bridge over the Hamilton Canal to facilitate the start of construction on phase I as well as the start of stabilization work at the Appleton Mills and demolition of the non-historic portion of the Freudenberg Building to facilitate the construction of the roadway serving Phase I.
- Trinity has been working diligently to complete the State environmental permitting for the project under MEPA, with a Final Environmental Impact Statement expected to be submitted by the end of March.
- Trinity has secured strong interest from several key equity investors for phase I and has received sufficient indications of support from public and private financing sources that they have proceeded with the preparation of final construction documents for Phase I and are currently working with the City to advance the conveyance of the Appleton Mills property ahead of the schedule contemplated in the original Development Agreement.
- The project has been listed on the Commonwealth's listing of approved "shovel ready" projects for funding under the American Recovery and Reinvestment Act (stimulus funds). Solicitations for additional infrastructure funding associated with this program are currently pending with EOHED, DHCD, and the federal Economic Development Administration.
- Utilizing funding from the US EPA and the Freudenberg Nonwovens Company, the City has been completing environmental remediation at 221 Jackson Street, 291 Jackson Street, and 351 Jackson Street, significantly reducing the potential exposure of the project to unanticipated environmental liability.
- 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 Lowell Trial Court project continues to move forward to a planned 2014 opening. Funding for this project was approved. The City and DCAM are tentatively scheduled to close on the property at the end of this fiscal year. DCAM will then begin demolition of the vacant storage buildings and other buildings on the site of the future court this summer, with additional site work to follow.
- 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 definitive ruling by the First Circuit Court of Appeals, which has at least temporarily brought all Lichoulas-related litigations to a close.

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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 later this spring for a groundbreaking event.

We also would welcome the opportunity to meet with the Economic Development Subcommittee of the Lowell City Council to discuss the progress of the project in greater detail. We can also arrange for representatives from Trinity to attend this meeting if desired.

If you have any questions, please do not hesitate to contact me.

Thank you.

cc: Adam Baacke, Assistant City Manager/DPD Director
Christine O'Connor, City Solicitor
Andy Sheehan, Assistant to the City Manager
George Proakis, Director of Planning and Permitting
James Errickson, Urban Renewal Project Manager