



Christine McCall, AICP
Assistant City Manager, DPD Director

Yovani Baez- Rose
Deputy Director

MEMORANDUM

TO: Eileen M. Donoghue, City Manager *EMD*

FROM: Christine McCall, Assistant City Manager/DPD Director

DATE: April 5, 2022

SUBJECT: MOTION OF 3/1/22 BY COUNCILOR NUON REQUESTING CITY MANAGER PROVIDE REPORT ON STATUS OF SMITH BAKER BUILDING AND ANY POTENTIAL FUTURE OWNER OR OCCUPANT AND WHAT HAPPENS WITHOUT THAT POTENTIAL

The purpose of this memorandum is to provide a brief timeline and summary of the City's attempts to dispose and redevelop the subject property, as well as provide an update on recent activities to secure the building to prevent further deterioration.

In 2011, the Lowell City Council declared the subject property surplus and the Department of Planning and Development (DPD) issued a Request for Proposals (RFP), with a minimum appraised value determined by a professional appraiser at \$300,000. Nine (9) proponents were interested and reviewed the property, however, no proposals were submitted and the feedback provided indicated the economic conditions and operating costs as a deterrent to providing a proposal. In 2015, the DPD issued another RFP and twelve (12) proponents were interested and reviewed the property. This round, the City received one proposal, from the Coalition for a Better Acre (CBA). The CBA proposed a community center with public access on the first floor and programming for the upstairs performance space. The funding model provided by the CBA proved incompatible with restrictions placed in the original RFP. After considerable work by the CBA and the City's Law Department to complete the property disposition, the RFP was cancelled in 2018. In 2019, the DPD issued another RFP and the CBA submitted the only response to create a performance hall and community center. CBA anticipated a project cost of \$18 million and the City requested clarity on what costs were immediately required to stabilize and preserve the building. The City requested the CBA provide a detailed plan for the immediate stabilization of the building, a building analysis, a detailed timeline for stabilization that addresses the deterioration, and a detailed financing plan for the overall proposal. The City and the CBA were not able to come to terms on an Option Agreement to Purchase and timeline for the weatherization and stabilization work. Purchase and redevelopment of the building was further complicated by the COVID-19 pandemic. By October 2020, the CBA sent a letter to the City terminating the RFP.

To date, we have cleared out all the storage materials so the building is completely empty. We also coordinated with the DPW to repair approximately thirty (30 +/-) square feet of lifted hardwood. We are exploring additional funding opportunities to address the structural issues as a

stop gap measure until full repair and rehabilitation is possible. If stop gap measures are not implemented and there is an emergency, there will be a total loss of this asset. We are exploring all available funding opportunities to ensure that this educational and cultural building is preserved.

As the Council is aware, the Upper Merrimack Street area was approved as a Transformative Development Initiative (TDI) district. We see this as a unique opportunity to work with MassDevelopment, community partners, and residents to envision an appropriate reuse of this building and potentially unlock critical funding to rehabilitate the building. The City will continue to discuss and develop a new strategy to ensure that the building, which is an important cultural asset downtown, does not continue to deteriorate. To that end, MassDevelopment has a Real Estate Technical Assistance (RES) application as part of the Community One Stop for Growth that will allow us to apply for technical assistance for Public Surplus Property Reuse. This will be a unique opportunity to connect with experts to help us develop site concept plans, market feasibility studies, including feasibility and planning studies in addition to concept-level master planning. This program, if we are selected, will also assist with the development of Request for Proposals/Qualifications and the development of other materials to support the municipality's disposition process to support our long term vision for the property.

CMM

Cc: Christine Clancy, DPW Commissioner
Patti Lucken, Asset Manager