

**HOLYOKE ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATION**  
**February 23, 2023 Meeting Minutes**  
**Meeting held remote via Zoom**  
**Meeting ID:862 3036 5111**

**Members Present:**

Tessa Murphy-Romboletti  
Joseph McGiverin  
Antonio Quinones  
Carl Eger  
Rosa Pantoja  
Mark Cutting  
Callie Flanagan

**Staff Present:**

Aaron Vega, Executive Director  
John Dyjach, Assistant Director  
Jennifer Keitt, Development Specialist  
Marie Brazeau, Head Clerk

Others present: Glenn Shealey (Quantum Properties), Mike Sullivan, Attorney Jane Mantolesky

**1. Call to Order**

Vice-Chairperson Tessa Murphy-Romboletti called the meeting to order at 5:03 p.m. and stated that the meeting was being recorded. A roll call followed:

<b><u>Name</u></b>	<b><u>Present</u></b>
Carl Eger, Jr.	Y
Tessa Murphy-Romboletti	Y
Joseph McGivern	Y
Rosa Pantoja	Y
Antonio Quinones	Y
Mark P. Cutting	Y
Callie Flanagan	Y

All members attended virtually.

**2. HEDIC Board Business**

Vice-Chairperson Tessa Murphy-Romboletti welcomed Callie Flanagan as the newest Board member who will be representing the Financial Sector on the HEDIC Board.

**a. Meeting Minutes of November 29, 2022 and January 26, 2023**

A motion was made to approve the meeting minutes of November 29, 2022 and January 26, 2023, by Carl Eger and seconded by Mark Cutting. A roll call followed.

<b><u>Name</u></b>	<b><u>Vote</u></b>
Joseph McGivern	Y
Rosa Pantoja	Y
Antonio Quinones	Y
Mark P. Cutting	Y
Callie Flanagan	Y
Carl Eger, Jr.	Y
Tessa Murphy-Romboletti	Y

**3. Quantum Properties, LLC Loan Request**

Vice-Chairperson Tessa Murphy-Romboletti introduced Glenn Shealey and Michael Sullivan who are representing the Quantum Properties, LLC request for funding. Shealey then asked staff to provide any updates since the November Board meeting with Quantum. John Dyjach summarized that several months ago a request was received for \$450,000 in funding to assist in the site readiness efforts at Quantum's Water Street properties. He said that since the last meeting staff

provided information to Quantum about two possible paths that HEDIC could consider to assist with the request including the HEDIC loan application. He said that the information provided to Mr. Shealey included the application for HEDIC's previously established Industrial Development Loan Program as well as details on the requirements for developing an Economic Development Plan he noted that email correspondences with Mr. Shealey are also included in the meeting materials. Mr. Shealey then explained that the last time he was present before the Board he was advised to present an Economic Development Plan, so he has an updated presentation to show the Board. Aaron Vega clarified that an Economic Development Plan has specific guidelines which were provided to Quantum and what Quantum is presenting today is a concept for a potential development. He added that a detailed proposal would be required should Quantum's proposal evolve to an Economic Development Plan with HEDIC. Joseph McGiverin added that the concept for a green energy park is appealing but that an Economic Development Plan must also be submitted to the Mayor and City Council for consideration and approval. Mr. McGiverin said it would be important to review this request with Mayor Garcia before proceeding to an Economic Development Plan or to consider modifying the parameters of the loan program. Mr. McGiverin added that the parameters of HEDIC's loan program does not match up to this request. Michael Sullivan then presented two brief videos depicting the design concepts for a green energy park on Quantum's Water Street properties. The Chair thanked Mr. Sullivan and Mr. Shealey for their presentation and opened the floor for questions and comments. Callie Flanagan asked for confirmation that one of the parcels is occupied and operational, Mr. Shealey confirmed that the ESG plant at 28 Water Street is occupied and producing electricity. Ms. Flanagan asked if ESG was leasing or had purchased the parcel to which Mr. Shealey responded they have a 20-year lease with a 20-year option. She asked if the other parcels would be sold or leased and if the \$900,000 total budget is through assessments or quotes. Mr. Shealey responded that a lease or sale will depend on the situation. Regarding the budget, he said the estimate is through his knowledge and experience and that he believes it to be accurate. Carl Eger questioned the necessity of a plan and expressed being in favor of a straightforward loan. Mark Cutting asked Mr. Shealey if the costs for leveling the land are for leasing equipment or purchasing the equipment, Mr. Shealey responded that the cost is for hiring a professional team with their own equipment to do the work. Tessa Murphy-Romboletti noted that HEDIC has traditionally done gap financing rather than acting as a lead lender, she expressed concern over allocating a substantial portion of HEDIC funds as well as the need to follow a consistent and responsible lending policy. She then questioned what HEDIC's responsibilities and costs would be if for any reason needed to take ownership of the property such as those for legal expenses and environmental assessments. Mr. Shealey noted he can provide documentation that there are no environmental issues at the site. Ms. Murphy-Romboletti inquired as to the status of Quantum's unpaid real estate taxes and if Quantum had taken steps to enter into a payment agreement. Mr. Shealey responded the taxes owed are over \$100,000 and he has not entered into any payment plan but would address this if the funding from HEDIC is provided. Mr. Vega added that it is important for everyone to remember that the HEDIC has specific guidelines for economic development plans set by the State. Mark Cutting said that he would be stepping out of the meeting due to another commitment but said he wanted to say that the project overall would be good for the City but that lending policies must be followed.

Vice- Chair Murphy-Romboletti ask the Board if there were any further comments or thoughts on next steps. Joseph McGiverin said that in addition to reviewing with the Mayor, he thinks next steps would be to outline in deeper detail what an economic development plan or a loan program would consist of and also determine HEDIC's responsibilities if it were ever to own the property. Aaron Vega offered to coordinate a working group of a couple members to meet with Mayor Garcia on the matter. Callie Flanagan said that it appears to her that either developing a plan or new loan program parameters would take at least several months. She questioned that with the estimated value of the collateral, why wouldn't traditional lending be pursued to access funding quicker? Mr. Shealey said he does not believe he fits the requirements for MassDevelopment funding and cited examples as to why he would not pursue bank financing options. Mr. Shealey expressed his frustration with the pace of progress and the requirements for HEDIC funding. Vice-Chair Tessa Murphy-Romboloetti thanked Mr. Shealey for his time but also reiterated that HEDIC has expressed interest to help

redevelop the site but can only move forward if the requirements are followed. She said that Mr. Vega will coordinate a working group to consider the request further.

**4. HEDIC Loan Program - Policies and Procedures**

Vice-Chair Tessa Murphy-Romboletti asked for the Board to refer the loan program information in their meeting packets. Aaron Vega then summarized the MakerLoan and the Equipment Gap Financing programs. Joseph McGiverin asked if a low interest rate is needed on the MakerLoan to cover potential expenses. Mr. Vega replied that there will be a small application fee to help with any administration fees but overall thinks that staff has the capacity to manage the program. Callie Flanagan noted another option could be to include a small closing fee, so the fees are only for those being awarded the loan. Carl Eger thanked staff for developing the programs and suggested that "\$25k to \$100k or up to 30% of the entire loan" as phrased for the Equipment Gap Financing, be also used in the MakerLoan which as it stands might have less flexibility. Aaron Vega said the next steps are to fine tune the loan policies and applications before preparing to roll out the program. The Vice-Chair thanked staff and expressed her gratitude and excitement.

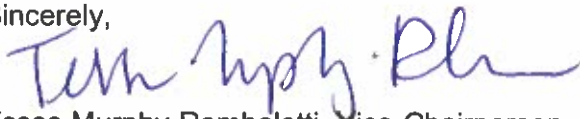
**5. Adjournment**

With no further business, Vice-Chair Tessa Murphy-Romboletti thanked her fellow Board members and staff. A motion was then made by Joseph McGiverin and seconded by Carl Eger to adjourn the meeting. A roll call followed:

<u>Name</u>	<u>Vote</u>
Joseph McGivern	Y
Rosa Pantoja	Y
Antonio Quinones	Y
Callie Flanagan	Y
Carl Eger, Jr.	Y
Tessa Murphy-Romboletti	Y

The meeting adjourned at 6:34pm.

Sincerely,



Tessa Murphy-Romboletti, Vice-Chairperson  
Holyoke Economic Development and Industrial Corporation