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BOSTON MARINE INDUSTRIAL PARK

O'CONNELL SEAFOOD COMPANY, INC. PROJECT

A RESTORATION OF BOSTON HARBOR PIER FACILITY FOR THE FISHING INDUSTRY

URBAN DEVELOPMENT ACTION GRANT APPLICATION
TO THE U.S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT

SUBMITTED BY
CITY OF BOSTON
KEVIN H. WHITE, MAYOR

BOSTON PUBLIC LIBRARY

ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATION
THOMAS E. LEGGAT, VICE-CHAIRMAN
BRIAN F. DACEY, ACTING DIRECTOR

IN COOPERATION WITH

O'CONNELL SEAFOOD COMPANY, INC.
JOHN O'CONNELL, PRESIDENT

JANUARY 31, 1980

South
Boston
B L S E

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JANUARY 31, 1980

Boston

January 30, 1980

Mr. David Cordish
Director
Office of Action Grant
Department of Housing
and Urban Development
415 7th Street, S. W.
Washington, D. C. 20410

Dear Mr. Cordish:

Enclosed please find an Urban Development Action Grant (UDAG) request. This request for \$2,076,250 in HUD funds will help finance the expansion of an important local fishing concern, O'Connell Seafood Company, Inc. in the Boston Marine Industrial Park (BMIP). This grant will enable O'Connell to secure the pier space and facilities needed for fishing operations. The project will directly create 210 permanent jobs, and will leverage approximately \$4.84 in private investment for every dollar in UDAG funds.

The O'Connell project received favorable review at a public hearing held in South Boston on January 28, 1980. The City Council Sub-Committee on Planning and Development will hold a hearing on February 5, 1980 and final Council approval is expected on February 6, 1980. It was not possible to submit this proposal to the Council earlier due to the swearing in of new members on January 7, 1980 and the appointment of committee members on January 16, 1980. The O'Connell project was placed on the City Council agenda on January 23, 1980, the first meeting after committee appointments were made. After submission to the City Council agenda, a 10-day notice period is required prior to a Council Sub-Committee hearing. Thus, February 6 is the first possible City Council hearing in 1980 in which this project may be approved. We will forward the City Council's vote immediately after it is taken.

The January submission of the UDAG request was necessitated by the lender's requirement that funding for the pier and facility be located promptly. Without this funding, the City would lose O'Connell Seafood from the Port of Boston.

Page 2
Mr. David Cordish
H.U.D.
January 30, 1980

This project is part of the City's ongoing efforts to bring growing industrial firms into the Boston Marine Industrial Park and other locations around Boston. The project will be implemented by Boston's industrial development authority, the Economic Development and Industrial Corporation (EDIC). O'Connell's commitment to invest in Boston and to the 50% resident hiring goals of the targeted jobs program make this project particularly worthwhile. We are grateful to HUD for considering this funding request which will make the O'Connell project possible.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kevin H. White", written in a cursive style.

Kevin H. White
Mayor

KHW:rm1

TABLE OF CONTENTS

URBAN DEVELOPMENT ACTION GRANT
APPLICATION CONTENTS

Part I: Application for Federal Assistance-----	1
PART II: Description of Proposed Project	
Section A: Brief Summary of Project and its Participants-----	3
Section B: Detailed Project Description-----	8
PART III: Evidence of Meeting Project Objectives	
Section A: Alleviation of Physical Distress-----	79
Section B: Alleviation of Economic Distress-----	81
Section C: Fiscal Improvement-----	84
Section D: Impact on the Special Problems of Low and Moderate Income Persons and Minorities-----	87
Section E: Employment Plan to Assure that the Private Sector Jobs Established are Available to the Unemployed-----	99
Section F: Record of Applicant-----	106
PART IV: Project Approval Information	
Section A: Technical Requirements-----	108
Section B: Citizen Participation, Civil Rights, Equal Employment and Housing Opportunity-----	110
PART V: Assurances-----	112

EXHIBITS

1.	Letter of Conformance from Cochairs of CEDS -----	18
2.	Letter of Endorsement from Massachusetts Port Authority -----	22
3.	Cash Flow Projections for New Facility and Vessels -----	23
4.	Letter of Endorsement from Massachusetts Government Land Bank -----	33
5.	O'Connell Seafood Corporate Officers, Credit References, and Letters of Endorsement -----	36
6.	Cost of New Fishing Vessels -----	43
7.	Description of New Headquarters Facility -----	44
8.	O'Connell-EDIC Joint Letter of Private Commitment -----	59
9.	Option Contract on New Vessels -----	61
10.	O'Connell Seafood Financial Statements -----	62
11.	Schedule of Lease and Loan Payments -----	71
12.	Letters of Private Lender Commitment -----	74
13.	Letter of Endorsement from Massachusetts Coastal Zone Management Office -----	78a
13a	Letter from Dole & Bailey, Inc. Food Service Distributors regarding the expansion of a processing plant resulting from the proposed project -----	82a
14.	Comparative Demographic Statistics--South Boston -----	90
15.	South Boston--Proposed Neighborhood Revitalization Strategy -----	93
16.	Joint O'Connell--EEPA Letter on Employment Program -----	105

MAPS

1.	EDIC Industrial Parks, Locating Boston Marine -----	4
2.	Boston Marine Industrial Park and Key Adjacent Facilities -----	48
3.	UDAG Site Plan -----	50
4.	South Boston Neighborhood Map - Locating UDAG Site -----	89

PROJECT SCHEDULE (CHART) -----	76
--------------------------------	----

UDAG FORMS

1.	Sources and Uses of Funds for Project-----	54
2.	Estimated Leverage Ratio-----	50
3.	Other Public Financial Assistance Summary-----	N/A
4.	Alleviation of Physical Distress-----	79
5.	Alleviation of Economic Distress-----	81
6.	Fiscal Improvement-----	84
7.	Relocation Impacts-----	98

FEDERAL ASSISTANCE			2. APPLI- CANT'S APPLI- CATION		a. NUMBER -----		3. STATE APPLICA- TION IDENTI- FIER		a. NUMBER	
1. TYPE OF ACTION ☐ PREAPPLICATION ☒ APPLICATION <small>(Mark appropriate box)</small> ☐ NOTIFICATION OF INTENT (Opl) ☐ REPORT OF FEDERAL ACTION			b. DATE Year month day 19 80 1 31		b. DATE Year month day 19					
4. LEGAL APPLICANT/RECIPIENT			a. Applicant Name : City of Boston		b. Organization Unit :		c. Street/P.O. Box : 1 City Hall Square		d. City : Boston	
			e. State : Massachusetts		a. County : Suffolk		b. ZIP Code: 02201			
			b. Contact Person (Name & telephone No.) : Roy Bishop 725-4196 or Brian Dacey 725-3342							
7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT			5. FEDERAL EMPLOYER IDENTIFICATION NO. E-046-001-380		6. PRO- GRAM (From Federal Catalog)		a. NUMBER 1 4 0 2 2 1		b. TITLE Urban Development Action Grant	
Boston Marine Industrial Park--Fisheries Expansion. O'Connell Seafood Co. will use \$2.076 million UDAG loan to construct dock and servicing facility for its fishing fleet. This will trigger \$6.3 million purchase of 8 new vessels. Repayment of UDAG loan and payment of lease to City will create \$3.6 million (discounted) for reinvestment.			8. TYPE OF APPLICANT/RECIPIENT A-State B-Interstate C-Substate District D-County E-City F-School District G-Special Purpose District H-Community Action Agency I-Higher Educational Institution J-Indian Tribe K-Other (Specify):							
			Enter appropriate letter ☒ E							
11. AREA OF PROJECT IMPACT (Name of cities, counties, States, etc.) So. Boston industrial waterfront			11. ESTIMATED NUM- BER OF PERSONS BENEFITING 271 (directly		12. TYPE OF APPLICATION A-New B-Revision C-Augmentation D-Renewal E-Continuation Enter appropriate letter ☒ A		9. TYPE OF ASSISTANCE A-Basic Grant B-Supplemental Grant C-Loan D-Insurance E-Other Enter appropriate letter(s) ☐ A			
13. PROPOSED FUNDING			14. CONGRESSIONAL DISTRICTS OF:		15. TYPE OF CHANGE (For 12a or 12c) A-Increase Dollars B-Decrease Dollars C-Increase Duration D-Decrease Duration E-Cancellation F-Other (Specify): N/A					
a. FEDERAL \$ 2,076,250.00			a. APPLICANT 8,9,11		b. PROJECT 9					
b. APPLICANT 0.00			16. PROJECT START DATE Year month day 19 80 4 15		17. PROJECT DURATION 10 Months					
c. STATE 0.00			18. ESTIMATED DATE TO BE SUBMITTED TO FEDERAL AGENCY >		Year month day 1980 1 31		19. EXISTING FEDERAL IDENTIFICATION NUMBER N/A			
d. LOCAL 0.00										
e. OTHER 10,039,454.00										
f. TOTAL \$ 12,115,704.00										
20. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP code) Department of Housing and Urban Development			21. REMARKS ADDED ☐ Yes ☒ No							
22. THE APPLICANT CERTIFIES THAT >			a. To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is approved. **		b. If required by OMB Circular A-55 this application was submitted, pursuant to instructions therein, to appropriate clearinghouses and all responses are attached:		No response attached			
			a) Mass. Exec. Off. of Communities & Development							
			a) Met. Area Planning Council							
23. CERTIFYING REPRESENTATIVE			a. TYPED NAME AND TITLE Kevin H. White, Mayor		b. SIGNATURE		c. DATE SIGNED Year month day 1980 1 30			
24. AGENCY NAME			25. APPLICA- Year month day TION RECEIVED 19							
26. ORGANIZATIONAL UNIT			27. ADMINISTRATIVE OFFICE							
28. ADDRESS			29. FEDERAL GRANT IDENTIFICATION							
31. ACTION TAKEN			32. FUNDING		33. ACTION DATE > 19		34. Year month day STARTING DATE 19		35. Year month day ENDING DATE 19	
☐ a. AWARDED			a. FEDERAL \$.00		35. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number)					
☐ b. REJECTED			b. APPLICANT .00							
☐ c. RETURNED FOR AMENDMENT			c. STATE .00							
☐ d. DEFERRED			d. LOCAL .00							
☐ e. WITHDRAWN			e. OTHER .00							
			f. TOTAL \$.00							
32. FEDERAL AGENCY A-95 ACTION			a. In taking above action, any comments received from clearinghouses were considered. If agency response is due under provisions of Part 1, OMB Circular A-55, it has been or is being made.		b. FEDERAL AGENCY A-95 OFFICIAL (Name and telephone no.)					
			1							

424-101 ** City Council approval expected 2/6/80.

STANDARD FORM 424 PAGE 1 (10-75)
Prescribed by GSA, Federal Management Circular 74-7

Favorable Public Hearing was held on 1/28/80. General Hearing on Boston Marine Industrial Park held January 10, 1980.

Section II -- Certification for Form 424

Clearinghouses:

Attached are letters from the state and regional clearinghouses granting a waiver of the 60-day review of the UDAG prior to its application. Clearinghouse comments will be forthcoming as the application is reviewed.

The City has already conferred with the three principal state agencies concerned with industrial activities in the project area:

- the Massachusetts Port Authority
- the Massachusetts Government Land Bank
- the Massachusetts Office of Coastal Zone Management.

All three have indicated their support for the proposed UDAG project in letters included in this application as Exhibits 2, 4 and 13, respectively.

Commonwealth of Massachusetts

Executive Office of Communities and Development

Edward J. King, Governor
Byron J. Matthews, Secretary

January 29, 1980

Mr. Roy Bishop, Director
Office of Federal Relations
City Hall, Room 957
Boston, MA 02201

RE: A-95 Review: UDAG-Boston

Dear Mr. Bishop:

The Executive Office of Communities and Development is in receipt of your letter requesting that the City of Boston's Urban Development Action Grant application be submitted to the State Clearinghouse for A-95 review simultaneously with the submission to HUD.

It is clear from your letter that the timing of this application is critical to the City. Considering the importance of this project we waive the sixty (60) day review of your application and will expect to receive your full application for review on or before January 31, 1980.

If we can be of any further assistance in your efforts to apply for UDAG funds, feel free to contact us.

Sincerely,

Byron J. Matthews
Secretary

BJM:pd

January 24, 1980

Mr. Roy Bishop
Office of Federal Relations
1 City Hall Square
Boston, Massachusetts 02201

RE: HUD/Urban Development Action Grant -
O'Connell Seafood Project (MAPC #PN-80-70,
Received January 22, 1980)

Dear Mr. Bishop:

The Metropolitan Area Planning Council agrees to waive the 60 day intent to file review requirement for the O'Connell Seafood Project, to allow the City to meet the January 31, 1980 deadline for submission of an Urban Development Action Grant application to H.U.D., for this project.

Sincerely,

Donald E. Megathlin, Jr.
Executive Director

DEM:lab

SECTION A

Brief Summary of Project and Its Participants

II.A. BRIEF SUMMARY OF PROJECT AND ITS PARTICIPANTS

The City of Boston is applying for a \$2,076,260 Urban Development Action Grant (UDAG) from the U.S. Department of Housing and Urban Development to help finance the expansion of an important local fishing concern in the Boston Marine Industrial Park (BMIP). (See Map No. 1) BMIP is one of the City's two major in-town industrial development areas, under the administrative and planning control of the Boston Economic Development and Industrial Commission (EDIC). The proposed project will serve a number of public policy objectives toward which Boston, in conjunction with the principal state and federal economic development agencies, has been striving for several years. The project will directly create 210 permanent jobs and up to 60 construction jobs, and \$4.84 of private money will be spent directly for every dollar in UDAG funds.

The private firm participating in the project is O'Connell Seafood Company, Inc., of Boston, presently the Port of Boston's leader in annual fish landings. O'Connell lands and sells its catch at the state-owned Boston Fish Pier, in the industrial waterfront area of South Boston. With the New England fishery expanding under the influence of the 200-mile limit, O'Connell is in position to more than double its fleet by purchasing eight new vessels--a 33% increase in the entire Port of Boston fleet. O'Connell has secured options to purchase eight vessels, construction of which is expected to be completed this year. The vessels cannot operate reliably in Boston, however--and O'Connell cannot obtain financing for their purchase--unless the company can secure an adequate headquarters facility at which the vessels can be docked and serviced.

MAP NO. 1:

EDIC'S INDUSTRIAL PARKS

A site has been found at Piers 7 and 8, a badly deteriorated section of the Boston Marine Industrial Park directly adjacent to the Fish Pier. Industrial revenue bond financing for this facility is unavailable because EDIC will retain ownership of the land and water on which the O'Connell improvements are to be constructed.

The UDAG funds will be loaned in their entirety to O'Connell, which will use the principal to finance the demolition and partial reconstruction of Piers 7 and 8 as a docking and servicing facility, adjoined by a floating dry dock. On adjacent land, also with UDAG funds, a 16,850 square foot steel building will be constructed, to house the repair equipment, ice-making machinery, ships' stores, and other facilities involved in the support and maintenance of the O'Connell fleet. The firm's offices will also be housed here. All construction can be completed in 1980. When the facilities construction and vessel purchases are combined, the total initial capital investment represented by the project is \$8,458,250. Without the UDAG, none of this investment will be made in the Port of Boston.

In addition to the initial capital spending, O'Connell and the City have reached an agreement under which a substantial stream of income will be re-captured annually by EDIC. The UDAG loan will be repaid over 20 years at rates which are competitive with the industrial revenue bond market. In addition, a 20-year lease will be signed with two optional ten-year extensions and a built-in escalation factor. In all, O'Connell's payments to EDIC over 40 years, after discounting for inflation, will exceed \$2.6 million. These funds will be invested by EDIC in additional job-generating industrial projects.

The Boston Marine Industrial Park is being developed by EDIC in the land, water, building and dry-dock facilities of the former South Boston Naval Annex. Since the Annex's closing in 1974, the Massachusetts Government Land Bank has played a pivotal role in transferring the property to EDIC; the Economic Development Administration has contributed \$5.2 million to the revitalization of the Park's infrastructure; and the Massachusetts Port Authority plans to develop an \$80 million container cargo facility in a portion of the Park. BMIP's 14 existing tenants already employ 1200 persons, and the O'Connell Seafood expansion is but one of several projects currently planned by EDIC. With an unemployment rate of 12.5% and 25% of its families earning less than \$5,000, South Boston is an appropriate neighborhood for an employment generator of BMIP's magnitude.

The proposed UDAG project in fact represents a unique convergence of two key objectives for industrial job creation in Boston. One involves the parallel development of two inner-city industrial parks--the Crosstown, on the Roxbury-South End border, and Boston Marine. There is an important division of labor between the two Parks. The Crosstown, which was awarded a UDAG in 1979, has thus far attracted anchor tenants in two of the Boston region's principal growth industries, while BMIP seeks to reinvigorate the Port's traditional maritime industrial functions.

The other objective is the concerted effort by state and local government to expand fish-related industry in the Port of Boston. To this end, an \$8.5 million renovation of the processing and support facilities on Boston Fish Pier was begun in 1979. The O'Connell Seafood expansion is precisely the kind of response which this major Federally-supported investment was intended to stimulate.

A significant increase in total fish landings on the Boston Fish Pier is also expected to allow important spin-off investment in fish processing plants. One specific new plant conversion in another depressed neighborhood of the City is contemplated as a direct result of O'Connell's planned expansion.

FISHERIES EXPANSION AT SOUTH BOSTON: FINANCIAL SUMMARY

<u>Activity</u>	<u>Actor</u>	<u>Expenditure, Funding Source</u>
Demolition, reconstruction of BMIP Piers 7 and 8; construction of building	O'Connell Seafoods	\$2,076,250; UDAG loan from EDIC
Purchase of 8 new fishing boats	O'Connell Seafoods	\$6,379,000; private
Funding of future BMIP improvements and revolving industrial loans	EDIC	\$3,660,454; recapture of UDAG <u>loan and annual lease payments</u>
TOTAL:		\$12,115,704

SECTION B

Detailed Project Description

II.B.1.

STATEMENT OF PROBLEMS AND OBJECTIVES

I B. DETAILED PROJECT DESCRIPTION

II.B.1 STATEMENT OF PROBLEMS AND OBJECTIVES*

(a) Problems

Boston has attracted widespread attention for its comprehensive and increasingly successful effort to recapture its role as a regional and national commercial center. Yet as its service and retail sectors have grown, Boston has had a more difficult time regaining its share of blue-collar jobs in manufacturing and related industrial sectors.

The contrast is particularly evident along the city's waterfront, where dramatic commercial, recreational, and residential reinvestment is in full swing--but waterfront industry, for three centuries a staple of the city's economy, has plunged to a low from which it is just beginning to recover. A careful public strategy for advancing that recovery has emerged. The UDAG-assisted project proposed in this application comes at a critical point in time, since it promises to feed the private momentum which has begun to build in the revitalization of Boston's industrial waterfront in particular and its blue-collar industrial sectors generally.

Although Boston is the "hub" of a large metropolitan and regional market, its experience contrasts sharply with that of its surrounding area. Boston is a physically small city with exaggerated concentrations of problems common to older, mature central cities. The City of Boston makes up only one-fifth of its metropolitan area's population, compared to the average of two-thirds among the Nation's large central cities. Consequently,

* For a more detailed articulation of these arguments, see Boston's Comprehensive Economic Development Strategy (CED'S), Sept. 1978, especially Volume II, "Assessment of the City's Economy."

compared to other central cities, Boston has experienced a substantially greater impact from losses of population, industrial firms, and tax base, and of increased concentrations of poor in the central city. Boston, with 20% of the metropolitan area population, has 40% of the metro poor. In addition, the City does not have within its confines the more affluent neighborhoods which boost the income and tax base of other large cities.

Long an industrial center, Boston has shifted to an exaggerated specialization in services. Until the 1970's, the growth of the services sector had offset Boston's long-term losses in manufacturing, trade and construction (115,000 jobs were lost since 1950). The recessions of 1971-1972 and 1974-1975 impacted Boston severely on all employment fronts and contributed to the loss of 58,000 jobs between 1970 and 1977. These losses more than wiped out the gains made during the 1960's and today Boston has 35,000 fewer jobs than in 1960.

The industrial activities associated with the Port of Boston have suffered a particularly acute long-term decline. In the middle decades of this century, Boston has seen:

- landings at the Boston Fish Pier decline from 339 million pounds in 1936 to 32 million in 1979, while fishing and fish processing jobs have dropped steadily
- the Port's maritime cargo capacity, limited to 60,000 containers annually, shrink in comparison to several other East and Gulf Coast ports as containerization has become the dominant shipping mode
- the Charlestown Navy Yard and South Boston Naval Annex close in 1974, causing a direct loss of 6000 blue-collar civilian jobs in ship repair and related functions.

The effects of blue-collar job losses and the shift toward services have reverberated through Boston's economy, with serious consequences:

- Boston's high unemployment rate (7.2% 1978 annual average) hits hardest among those with manual skills, who tend to be residents of the City's older, industrialized neighborhoods, both black and white. South Boston, the target area for this UDAG, is a predominantly working-class neighborhood of about 38,000 people. In 1977, South Boston had an unemployment rate of 12.5%, and in the 1970 US Census, 25% of its families earned less than the poverty income level (\$5,000 at that time). Two sub-areas, Colubus Park and D Street, are dominated by public housing projects and are far mor hard-pressed economically. Almost the entire northern half of South Boston is a deteriorated, underutilized, and partly vacant industrial expanse, which includes a major share of the City's waterfront. (See Map No. 4, Page 89.) The large-scale recapture of blue-collar jobs in this 900-acre area is a critical part of the City's overall program for community revitalization in South Boston. (See the Boston Redevelopment Authority's South Boston District Profile and Proposed 1979-81 Neighborhood Improvement Plan.)

- Boston residents have captured a decreasing proportion of jobs in the City, down from 48% in 1960 to 38% in 1977. The rising employment sectors, particularly services, increasingly provide jobs to commuters from the suburbs and outside the SMSA. These commuters have the skills and education to out-compete Boston's displaced blue-collar workers, who are now seeking jobs in the expanding economic sectors without the requisite skills.

- The low per capita income level in Boston (\$6,007 in 1977) is attributable not only to unemployment, but also to the low-wage jobs

held by Boston workers. While some portion of the resident work force has migrated from the lost blue-collar jobs to the growing service sector, the employment and educational background of these City residents justifies speculation that they hold the relatively lower-wage occupations in this sector.

- The property tax base, already overburdened by increasing demands for public improvements and services, has not reflected the City's present economic recovery, in part because property wealth has not risen commensurately with new jobs. Because the lifeblood of the property tax is capital investment, it has been relatively unresponsive to growth in the service sector, which requires less capital investment per worker than manufacturing.

(b) Objectives

Boston's Comprehensive Economic Development Strategy outlines the aforementioned problems and states that projects benefiting areas with a high unemployment rate and bolstering area development potential will receive priority status.

CEDS goals¹, in summary, are to:

1. Increase the number and quality of jobs for Boston residents in order to reduce unemployment and increase real income.
2. Induce and encourage the growth and diversification of Boston's economic base.
3. Strengthen the City's tax base in order to increase City revenues for public improvements and services, while reducing the City's dependence on the property tax.

¹ CEDS Vol. I, p. 17, 9/78 in Appendix 2

4. Target infrastructure improvements to those areas having the greatest potential for fostering job-creating industrial and commercial development.
5. Promote and preserve the stability of neighborhoods as places to live and do business.

These general policy goals are manifested in two more specific objectives which relate to this UDAG application:

1. Create up to 5,000 diversified industrial jobs through the parallel development of two inner-city industrial parks-- the Crosstown, which emphasizes new regional growth industries, and Boston Marine Industrial Park, which seeks to reinvigorate traditional maritime activities.
2. Strengthen fishing and related industries by increasing the docking, landing, processing, and shipping capacities of the Boston Fish Pier and nearby facilities.

(c) Strategies

The potential for industrial development in Boston must be strategically cultivated. Not every proposal can be accorded a high priority for government assistance. The Boston Plan, the City's comprehensive targeting strategy for Federal development assistance published in 1977, identifies the South Boston industrial waterfront as a key target area, and this UDAG proposal is thoroughly consistent with that designation.

Boston's CEDS Plan accords a high priority to projects which promise to facilitate industrial growth and diversification, and sets forth strategic criteria for identifying industrial development projects which best meet the CEDS goals. Priority industrial projects are those which are expected to:

- Generate a significant number of new jobs, particularly for Boston residents
- Have a positive quantifiable impact upon minorities in terms of employment and income
- Represent growth or expansion of the City's economic base
- Derive significant tax benefits for the City
- Play a significant role in the long-term development of an area, anchor existing investment, and act as a catalyst for future private investment
- Complement other programs designed to revitalize or develop the area

The proposed UDAG project not only measures favorably on all of these strategic criteria, but represents a unique point of convergence between the two specific objectives stated earlier -- in-town industrial park development and fisheries revitalization. O'Connell Seafood Company, Inc., plans to add eight new fishing boats to the Boston fleet, providing 210 new jobs, most of them blue-collar and well-paying, in the vessel crews and at the on-shore headquarters facility. A large share of the jobs are expected to go to Boston residents, including minorities. The proposed UDAG loan and recapture provisions will allow a significant payment to the City in lieu of taxes. The project fits integrally into the desired revitalization of the industrial section of South Boston.

Stated another way, the proposed UDAG project helps fulfill the joint strategy which has evolved among City, state, and Federal agencies for the promotion of industrial development along the South Boston waterfront and in other inner-city locations--pyramiding. It is critical not only to leverage as much private investment as possible with each carefully targeted

public dollar, but to target as highest priorities those otherwise meritorious projects which support, and are supported by, major existing public investments.

In the South Boston case, the City's Economic Development and Industrial Commission (EDIC) has been involved with two major state agencies -- the Massachusetts Government Land Bank, which facilitated the acquisition of the vacant Naval Annex property by EDIC; and the Massachusetts Port Authority, which owns the nearby Commonwealth Pier and Boston Fish Pier, and has agreed to construct a new containerport within BMIP.

The O'Connell Seafood expansion, which the proposed UDAG would allow to occur, promises to build confidence both in the Boston waterfront as a fisheries center, and in the BMIP subset of that waterfront as center of maritime industry in general. Thus, the investments not only of EDIC in the Park and HUD in the UDAG, but of the Land Bank, the Port Authority, and the Economic Development Administration as well are rewarded with the kind of private commitment they were intended to generate.

(d) Need for Assistance

That marine industrial expansion in Boston is an enterprise requiring external capital assistance can be argued on four distinct levels. Most generally, Boston as an older, physically worn city has the usual set of problems which necessitate public investment to stimulate private industrial commitments. Land clearance, assembly and infrastructure improvements quickly add up to the level of a noncompetitive development site. Preparation of sites in advance of obtaining private commitments is speculative and discouraged by many federal funding sources. At the same time, however, developer interest may not be obtainable without the front-end public investment.

Moreover, Boston suffers almost uniquely among America's large urban centers from extreme pressure on the fronts of property taxation and energy

costs. That Boston is at "the end of the pipeline" for major fuel sources, and that this condition imposes significant cost penalties on businesses here, is well known. In addition, Boston is allowed no elastic, broad-based alternative to the property tax, and the combination of long-term economic decline and growth in total tax-exempt property has driven the equalized rate of property taxation to levels exceeded in few if any American cities. (Tax-exempt property comprises 55% of all land in Boston --the price the city pays for its role as a center of government, religion, medicine, and education.) Industrial investment, in short, is most unlikely to occur without either a direct public subsidy, or more indirect assistance in the form of tax relief or a public contribution to site acquisition and preparation, or both.

Boston's ability to invest its own borrowed funds in industrial development is severely limited. The City's outstanding debt is not only close to the legislated limit, but has become, in ratio terms, second only to New York's among major cities. This is due primarily to massive programs of school construction and urban renewal over the past two decades. Most of the urban renewal investments were made, justifiably, in the commercial and residential sectors of the city's economy.

Secondly, Boston's two large in-town industrial parks, the Crosstown and Boston Marine, are unusually costly to develop. Both result from watershed events in the physical history of the City--the Crosstown from a swath of demolition through the Roxbury and South End neighborhoods for a superhighway which was never built, BMIP from the abandonment of a Naval shipyard whose infrastructure and facilities had been allowed to deteriorate. The plans for both Parks depend not only on the creative pooling of multiple

public funding sources within their boundaries, but on supportive public improvements nearby as well - a new Arterial Street for Crosstown, and related street and port improvements for Boston Marine.

Third, in settings like this, site assembly and preparation are extraordinarily complex, and seem particularly well suited to the flexibility and rapid turn-around of the UDAG program. A UDAG has already been awarded for the second anchor development at Crosstown, where land acquisition, relocation, infrastructural improvements, and building construction involve several parties in a custom-tailored sequence of transactions. In the case of O'Connell Seafood Company and BMIP, circumstances of land ownership and protection of the public position in the project also point toward a more complex than usual development and leasing arrangement, in which maximum public advantage can be gained through a UDAG.

Finally, the specific requirements of revitalizing a fishing port have demonstrated, in other locations, a crucial role for HUD. In Gloucester, the expansion of the port's fish processing capacity has been assigned principally to urban renewal. In New Bedford, urban renewal was the vehicle for renovating both the docking and processing components of New England's largest fishing center; more recently, an important fish processing expansion was facilitated by a UDAG. Aging waterfront improvements often require wholesale replacement. When the industry which depends on these facilities has significant community revitalization implications, and when an appropriate leverage ratio can be generated, UDAG can be an ideal means to a very important end.

II.B.2.

CONFORMANCE TO CEDS

.B.2 CONFORMANCE TO CEDS

Boston's Comprehensive Economic Development Strategy, first prepared in September 1978, replaces the earlier OEDP. The development of Boston Marine Industrial Park remains a top CEDS priority, as reflected in the statement of CEDS Priority Projects for FY 1980:

"The second and related goal is to leverage substantial private investment for industrial development by means of strategically concentrated public investment...To attract new tenants and new investment,...public funds are required to upgrade additional BMIP buildings and waterfront facilities."

The proposed UDAG, which combines the specific facilities needs of O'Connell Seafood with the opportunity for significant future improvements through reinvestment of recaptured funds, meets these goals. Exhibit 1 is a letter from the City's CEDS Committee Cochairs, stating formally the conformance of the UDAG proposal with the current CEDS plan.

STATEMENT BY THE CO-CHAIRS OF THE BOSTON CEDS COMMITTEE

The development of Pier 7 and Wharf 8 of Boston Marine Industrial Park is consistent with the goals, objectives, and strategies of Boston's Comprehensive Economic Development Strategy (CEDS). The project's substantial positive economic impact includes: large-scale private investment, the creation of 210 permanent, high wage jobs, and the retention of 60 jobs. In addition, the project will utilize and help rehabilitate one of Boston's most important economic assets, the Boston Harbor. The project calls for integrated use of public and private resources and further assists the nation in its effort to reduce reliance on foreign fish products.

Boston's CEDS (September, 1978) was developed to respond to the City's designation in April, 1978, as a demonstration area for the CEDS Program by the Economic Development Administration. The CEDS document specifically describes projects within the Boston Marine Industrial Park as a priority. On September 5, 1979, the CEDS document was approved by the Mayor's CEDS Committee. EDA approved the document on December 12, 1979.

Robert Ryan
Co-Chairman
Mayor's CEDS Committee
Boston, Massachusetts

Brian F. Dacey
Co-Chairman
Mayor's CEDS Committee
Boston, Massachusetts

January 31, 1980

II.B.3.

PROJECT FEASIBILITY ANALYSIS

.3. PROJECT FEASIBILITY ANALYSIS

It is widely recognized that the imposition of the 200-mile limit, combined with strategic public assistance to the revitalization of fishing fleets and on-shore facilities, opens, extensive possibilities for industry growth in major New England ports. The Massachusetts 200-Mile Work Group has estimated that the 200-mile fishing limit can potentially double the number of fish landings in New England. Projections indicate that within seven years, with sound resource management, a potential catch of 900 million pounds can be expected in New England, with a landed value of \$142 million, generating \$420 million in fish-related transactions of which \$166 million would be personal income (1974 dollars). Massachusetts could expect approximately 500 million pounds of this catch. Such an increase in landings could potentially create 5,000 to 10,000 new jobs in Massachusetts, not only in fishing itself but in related activities such as processing and marketing.

Boston is presently New England's 6th-ranking fishing port, in terms of both poundage landed and dollar value. While ranking substantially behind New Bedford and Gloucester, Boston's present fish volume is in the same order of magnitude as that of Newport, Port Judith, Provincetown, Portland, and Rockland. Boston's capacity for a dramatic increase in fishing activity, however, is apparent.

To accomodate more vessels landing more fish, Boston must upgrade both its facilities for docking and servicing vessels and, even more critically, its facilities for unloading, selling, and processing fish once it is landed. The principal facility for these functions is the Boston Fish Pier, constructed in 1914 and in serious need of renovation. Owned by the Massachusetts Port Authority since 1972, the Fish Pier is now undergoing the needed improvements. A two-phase, \$8.5 million project is underway, assisted by \$2 million

of an eventual \$6.5 million from the Economic Development Administration.

The Port Authority, which anticipates the completion of all renovations in 1983, has obviously made a fundamental marketing and feasibility decision that this work is justified by the future availability of fish. A key document in this regard is Fisheries Engineering Aspects of the Boston Fish Pier Renovations, prepared for the Port Authority in 1979 by J. D. Koppernaes Engineering. This study, which summarizes existing expert knowledge about future fish availability, states that the Boston Fish Pier has the physical capacity to handle, and the availability of fish to generate:

- 62 million pounds of ground fish landed, as opposed to \$32 million in 1979
- 1,554 vessel landings per year, as opposed to 938 in 1979.

That O'Connell Seafood's eight new vessels (approximately 250 trips and vessel landings per year) can fit comfortably within the projected new Fish Pier capacity is clear.

The second concern for new vessels in Boston is docking and servicing capacity. O'Connell's expanded fleet cannot reliably be projected to receive adequate servicing for fully profitable operation without the creation of a new servicing facility off the Boston Fish Pier. The site chosen for the construction of such a facility is directly adjacent to the Boston Fish Pier, just within the borders of the Boston Marine Industrial Park. It is possible that O'Connell's new facility will be able to service other boats using the Fish Pier, enhancing even further the value of the O'Connell project to the Port Authority's Fish Pier renovation program. Exhibit 2 is a letter of support for the O'Connell UDAG project from the Massachusetts Port Authority.

A significant increase in fish landings at Boston will result in expansion of the fish processing industry both on and off the Pier. In fact, concrete negotiations are in progress with the processing firm of Dole and Bailey which may well lead to the opening of a new off-Pier plant in a rehabilitated industrial building in a nearby section of Boston. This important processing expansion, if it can be implemented, will result directly from the increased catch brought onto the Fish Pier by the expanded O'Connell fleet.

The Boston fishery has been troubled in recent years by the importation by truck of large quantities of fish from Canadian and other New England ports. This is sold to processors which do not require unfrozen fresh fish; the impact on Boston fishermen is of course negative, in sales and ultimately employment terms. It has long been argued, however, that the Boston Fish Pier's close proximity to Logan International Airport affords an ability to ship out fresh fish enjoyed by no other major eastern port. The small size of the Fish Pier's fresh catch has thus far inhibited the use of this unique marketing opportunity. A poundage increase of the magnitude promised by the O'Connell expansion will help significantly in changing this situation.

O'Connell Seafood's own cash flow projections for its new vessels are attached as Exhibit 3. Given the capacity of the renovated Fish Pier to handle their catch, and of their new TDAG-assisted facility to service the company's fleet, O'Connell's management is fully satisfied that the operation of the vessels will be profitable.

99 HIGH ST BOSTON MASSACHUSETTS 02110 (617) 482 2930 TELEX 94 0365

January 25, 1980

Mr. Brian Dacey, Acting Director
Economic Development and
Industrial Corporation
18 Tremont Street
Boston, MA 02108

Dear Brian:

I would like to express the strong support of the Massachusetts Port Authority for the Urban Development Action Grant application being filed by the City of Boston for the O'Connell Seafood expansion. O'Connell, as you know, now owns and manages a total of six vessels that land at the Boston Fish Pier and has been an important member of the Boston Fish industry.

The Massachusetts Port Authority is in the first phase of a \$10 million renovation of the Fish Pier. This will double the volume of fish that can be unloaded, sold, and processed on the pier. The willingness of O'Connell to invest heavily in new vessels and in a repair facility, so early in the Fish Pier project's implementation, is a dramatic response to our efforts.

The construction of a new servicing facility for the O'Connell fleet will help the management of the pier by removing O'Connell's servicing activities which cannot be physically accommodated. In addition, we anticipate that the O'Connell facility, particularly the floating drydock can be made available on a fee basis to other boat owners whose vessels require servicing. Also, we have been assured by EDIC and O'Connell that the company's new shore facility will not be used to process fish.

Mr. Brian Dacey, Acting Director
Page 2
January 25, 1980

After much negotiation, our two agencies have begun to move in a coordinated direction toward the revitalization of the South Boston industrial waterfront. This UDAG project represents an important component in our cooperative effort, and an important opportunity for marine industrial job creation in a part of the city that needs it.

Best of luck.

Sincerely,

A handwritten signature in dark ink, appearing to read "Elliot Friedman". The signature is fluid and cursive, with a large initial "E" and a long, sweeping underline.

Elliot Friedman

EXHIBIT 3: CASH FLOW PROJECTIONS FOR
NEW SHORE FACILITY AND NEW VESSELS

O'CONNELL SEAFOOD COMPANY, INC.
VESSEL MANAGEMENT • SEAFOOD DISTRIBUTORS

Executive Offices:
39 Fish Pier
Boston, Massachusetts 02210
Telephone (617) 542-6622

*PROJECTED RESULTS OF ANNUAL OPERATIONS (Shore Facility)

**INCOME: (See Schedule A)

Management Fees	\$390,000
Rental	30,000
Scallop Sales	45,000
Settlement Fees	45,000
Ice Sales	120,000
Fuel Sales	70,000
Fishing Gear Sales	60,000
Grocery Sales	45,000
Maintenance and Repair Parts Sales	30,000
TOTAL INCOME	<u>\$835,000</u>

OPERATING EXPENSES:

Salaries and Wages (See Schedule B)	\$275,000
Employee Benefits	30,000
Auto and Truck	10,000
Depreciation	75,000
Insurance	30,000
Interest	100,000
Maintenance and Repairs	12,000
Rent	120,000
Taxes	30,000
Utilities	24,000
Miscellaneous	24,000
TOTAL EXPENSES	<u>\$730,000</u>
NET INCOME	\$105,000

*Projections based on the assumption that the lease of Pier 7 is approved.

**Does not include income derived from servicing other vessels in New England fleet or profits from vessels owned by affiliated companies.

O'CONNELL SEAFOOD COMPANY, INC.
VESSEL MANAGEMENT • SEAFOOD DISTRIBUTORS

Executive Offices:
39 Fish Pier
Boston, Massachusetts 02210
Telephone (617) 542-6622

SCHEDULE A - INCOME

MANAGEMENT FEES

<u>NAME OF VESSEL</u>	<u>TYPE OF VESSEL</u>	<u>ANNUAL REVENUE</u>
Eleanor Eileen I	Wooden dragger	\$ 400,000
Eleanor Eileen II	" "	400,000
Eleanor Eileen III	" "	400,000
Eleanor Eileen IV	" "	400,000
Eleanor Eileen V	" "	400,000
Eleanor Eileen VI	Steel dragger	500,000
Eleanor Eileen VII	" "	500,000
Eleanor Eileen VIII	" "	500,000
Eleanor Eileen IX	Steel scalloper	600,000
Eleanor Eileen X	" "	600,000
Eleanor Eileen XI	" "	600,000
Eleanor Eileen XII	Steel dragger	800,000
Eleanor Eileen XIII	" "	800,000
Janileen II	Wooden dragger	400,000
Janileen III	Steel dragger	500,000
		<u>\$ 7,800,000</u>

\$ 7,800,000 Revenues
5% Management fee
\$ 390,000 Profit

RENTAL INCOME

6,000 Square feet
5.00 Rate
\$ 30,000 Profit

SCALLOP SALES

300,000 Pounds
.15 Mark-up
\$ 45,000 Profit

SETTLEMENT FEES

Commission and exchange fees paid by scallop vessels only.

\$ 1,300,000 Revenues
2.5% Rate
\$ 45,000 Profit

O'CONNELL SEAFOOD COMPANY, INC.

VESSEL MANAGEMENT • SEAFOOD DISTRIBUTORS

Executive Offices:

39 Fish Pier

Boston, Massachusetts 02210

Telephone (617) 542-6622

SCHEDULE A - INCOME CONT.

ICE SALES

8,000	Tons of ice
\$ 15	Profit per ton
\$ 120,000	Profit

FUEL SALES

1,400,000	Gallons of fuel
.05	Profit per gallon
\$ 70,000	Profit

FISHING GEAR SALES

\$ 200,000	Wholesale cost
30%	Average mark-up
\$ 60,000	Profit

GROCERY SALES

\$ 300,000	Wholesale cost
15%	Average mark-up
\$ 45,000	Profit

MAINTENANCE AND REPAIR PARTS SALES

\$ 100,000	Wholesale cost
30%	Average mark-up
\$ 30,000	Profit

O'CONNELL SEAFOOD COMPANY, INC.

VESSEL MANAGEMENT • SEAFOOD DISTRIBUTORS

Executive Offices:

39 Fish Pier

Boston, Massachusetts 02210

Telephone (617) 542-6622

SCHEDULE B - SALARIES AND WAGES

PRESIDENT	\$ 20,000
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OFFICE

Vice President / Finance	20,000
Secretary	10,000
Secretary	10,000

MAINTENANCE AND REPAIR

Chief Engineer	30,000
Engineer	20,000
Engineer	15,000
Engineer	15,000
Trainee	10,000

GENERAL OPERATIONS

Vice President / Operations	20,000
Purchase and Supply Coordinator	15,000
Gear and Twine Coordinator	15,000
General Worker	10,000
General Worker	10,000
Part time Worker	5,000
Security Guard	15,000
Security Guard	5,000

PERSONNEL AND SALES

Shore Captain	30,000
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TOTAL	\$ 275,000
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O'CONNELL SEAFOOD COMPANY, INC.
VESSEL MANAGEMENT • SEAFOOD DISTRIBUTORS

Executive Offices:
39 Fish Pier
Boston, Massachusetts 02210
Telephone (617) 542-6622

PROJECTED RESULTS OF ANNUAL OPERATIONS
OF 98 FOOT STEEL STERN TRAWLER MANAGED
BY O'CONNELL SEAFOOD CO., INC.

		<u>% OF SALES</u> 100
SALES (32 TRIPS @ 25,000)	800,000	
<u>COST OF SALES</u>		
FUEL, ICE, GALLEY SUPPLIES, WHARFAGE, & EXCHANGE FEES	160,000	20
CREW SHARES	328,000	41
MANAGEMENT FEES	40,000	5
GEAR	<u>8,000</u>	<u>1</u>
TOTAL COST OF SALES	536,000	67
GROSS PROFIT	264,000	33
<u>OPERATING COSTS</u>		
DEPRECIATION	46,000	6
INSURANCE	18,000	2
INTEREST	100,000	12
REPAIRS & MAINTENANCE	12,000	2
OTHER	<u>5,000</u>	<u>1</u>
TOTAL OPERATING COSTS	181,000	23
NET INCOME	83,000	10

O'CONNELL SEAFOOD COMPANY, INC.
VESSEL MANAGEMENT • SEAFOOD DISTRIBUTORS

Executive Offices:
39 Fish Pier
Boston, Massachusetts 02210
Telephone (617) 542-6622

PROJECTED RESULTS OF ANNUAL OPERATIONS
OF NEW FISHING VESSEL MANAGED BY O'CONNELL
SEAFOODS CO., INC.

		<u>% OF SALES</u>
SALES (32 TRIPS @ 14,000)	448,000	100
<u>COST OF SALES</u>		
FUEL, ICE, GALLEY SUPPLIES, WHARFAGE & EXCHANGE FEES	58,240	13
CREW SHARES	206,080	46
GEAR	<u>4,480</u>	<u>1</u>
TOTAL COST OF SALES	268,800	60
GROSS PROFIT	179,200	40
<u>OPERATING COSTS</u>		
DEPRECIATION	32,500	7
INSURANCE	15,000	3
INTEREST	80,000	18
REPAIRS & MAINT.	4,500	1
TAXES	<u>2,500</u>	<u>1</u>
TOTAL OPERATING COSTS	134,500	30
NET INCOME	44,700	10

O'CONNELL SEAFOOD COMPANY, INC.
VESSEL MANAGEMENT • SEAFOOD DISTRIBUTORS

Executive Offices:
39 Fish Pier
Boston, Massachusetts 02210
Telephone (617) 542-6622

PROJECTED RESULTS OF ANNUAL OPERATIONS
OF NEW SCALLOP VESSEL MANAGED BY
O'CONNELL SEAFOOD CO., INC.

		<u>% OF SALES</u>
SALES	(20 TRIPS @ 45,000)	100
* <u>COST OF SALES</u>	(60% OF STOCK)	60
OWNERS % OF CAPTAINS SHARE		4
GEAR	<u>9,000</u>	<u>1</u>
GROSS PROFIT	315,000	35
<u>OPERATING COSTS</u>		
DEPRECIATION	32,500	4
INSURANCE	25,000	3
INTEREST	80,000	9
REPAIRS & MAINT.	20,000	2
TAXES	<u>25,000</u>	<u>2</u>
TOTAL OPERATING COSTS	182,500	20
NET INCOME	132,500	15

*ALL EXPENSES FOR TRIPS ARE PAID
BY THE CREW OUT OF THEIR SHARE
OF 60%

II.B.4.

DEVELOPER AND OTHER PARTIES

I.B.4 DEVELOPER AND OTHER PARTIES

(a) Background of Development Entities

(1) Boston Economic Development and Industrial Corporation

The O'Connell Seafood Company expansion is to occur within the Boston Marine Industrial Park (BMIP), which is managed by the Boston Economic Development and Industrial Corporation (EDIC).

EDIC was established by Chapter 1097 of the Acts of 1971 of the Commonwealth of Massachusetts. It was created to remedy the conditions of industrial decadence found by the Legislature to exist in parts of Boston, and which:

"cannot be dealt with effectively by the ordinary operations of private enterprise."

It was created further to remedy what the Legislature found to be:

"a condition of substantial unemployment and under-employment."

The EDIC was given extraordinary powers to deal with the problems of unemployment and obsolescent industrial facilities, including the power of eminent domain and the power to borrow money through revenue bonds. The creation of the EDIC was one of the first legislative responses to the 1966 amendment to the Massachusetts Constitution, which declared industrial development to be a public purpose for which public funds could be spent. It is the mechanism designated by the City of Boston and the Commonwealth to coordinate the private sector industrial development with public sector support and planning.

The Boston Marine Industrial Park (BMIP) is the City's prime site for new waterfront industrial development. The BMIP is a 168-acre deep water site at the head of the Boston Harbor Channel and was acquired by EDIC in 1977. Formerly part of the Boston Naval Annex, the site was abandoned in 1974 when the entire Shipyard was decommissioned as an active facility by the U.S. Department of Defense. The closure directly caused the loss of 6,000 permanent blue-collar

jobs, but it also provided EDIC with an unprecedented opportunity to create a prime industrial park which would generate jobs, taxes and private investment benefiting Boston's economy.

The site was acquired by EDIC with the assistance of the Massachusetts Government Land Bank, a state agency charged with the "middle-man" role in converting abandoned Federal lands into productive industrial uses. The Land Bank purchased the Naval Annex from the General Services Administration for \$4.7 million, and immediately re-sold it under favorable financing terms to EDIC; EDIC's mortgage on the property is held by the Land Bank. Exhibit 4 is a letter from the Land Bank's Executive Director expressing that agency's support for the O'Connell Seafood UDAG project.

The other external agency which has assisted in the preparation of BMIP is the Economic Development Administration, which contributed a \$5.2 million Title I grant for the rehabilitation of Drydock #3 and for general infra-structural and site improvements.

Today, through a strategy of planning, marketing and phased public investments, BMIP has 14 paying building tenants plus berthing and docking ship tenants; has over 1,200 jobs; and generates a total private payroll of nearly \$20 million.

The opportunities for private investment in the BMIP are extraordinary:

- o Waterfront, rail and truck access, 10 minutes from Logan International Airport and 5 minutes from downtown Boston;
- o 700,000 square feet of currently available space in 7 buildings, many of which are being rehabilitated and are uniquely structured for large-scale manufacturing (e.g., interior crane mounting, loading docks);

- o the longest public dry dock for ship repair on the East Coast;
- o the availability of BMIP's Job Training Center to train prospective employees for available jobs at the BMIP and throughout the City;
- o the availability of BMIP's Foreign Trade Zone designation in Building 32, the largest within the present borders of the Park, for prospective tenants involved in import-export; and
- o energy savings through the BMIP Energy Plan, now in process. EDA financing is being sought for a major energy refitting of the entire Park.

In addition to completing the rehabilitation and tenanting of the buildings and general dock and land

EDIC now envisions two major expansions of the Park's facilities:

- the construction by the Massachusetts Port Authority of an \$80 million containerport on 10.2 acres of jetty land and 38 acres of land created by fill in the northeast quadrant of the Park. Lengthy and complex negotiations between the two agencies resulted in an agreement in 1979 whereby the Port Authority will lease the containerport area, becoming in effect BMIP's "anchor tenant". The agreement has been imbedded in EDIC's City--and state--approved Redevelopment Plan for the BMIP site; construction is expected to extend from 1980 to 1995.
- the expansion of BMIP's building space by the addition to the Park of the adjacent Boston Army Base, another under-used Federal installation expected to be declared surplus in the near future and acquired by EDIC with Land Bank and Port Authority cooperation. These buildings contain over 1.5 million additional square feet of reusable space.

Commonwealth of Massachusetts

Government Land Bank

One Ashburton Place, Room 2109
 Boston, Massachusetts 02108
 (617) 727-8257

William F. McCall, Jr., Chairman
 Barbara Fegan, Vice Chairman
 Theodore C. Landsmark, Secretary
 Alfred W. Archibald
 Mary Kelligrew Kassler
 Maurice N. Katz
 Carolyn P. Partan
 Lawrence C. Sullivan
 Edward T. Hanley, ex officio
 Jeffrey A. Simon, Executive Director

January 18, 1980

Mr. Brian Dacey
 EDIC
 60 Congress Street
 Boston, Mass. 02109

Dear Brian:

On behalf of the Massachusetts Government Land Bank, let me express our strong support for the O'Connell Seafood Company's proposed expansion and the UDAG application which is involved. As I understand the proposal, EDIC will loan the entire UDAG amount to O'Connell, which will reconstruct Piers 7 and 8 and build an adjoining headquarters and servicing facility. This investment will in turn enable O'Connell to obtain financing for the purchase of seven new vessels.

Needless to say, this kind of marine industrial expansion is precisely what the Land Bank envisioned when it financed the City's purchase of the former South Boston Naval Annex. At this time, a coordinated strategy for maximum job generation on the South Boston industrial waterfront has emerged among the Land Bank, the City, and the Massachusetts Port Authority. The O'Connell expansion--which both supports, and capitalizes on, Massport's renovation of the Boston Fish Pier--represents the kind of interaction required if that strategy is to bear fruit.

As you know, while EDIC's mortgage agreement with the Land Bank for the BMIP property allows EDIC to dispose of land and water areas within the Park with the approval of the Land Bank, it was the clear, mutual intent of our two agencies to encourage EDIC to retain ground ownership. Both the mortgage language, and EDIC's Redevelopment Plan for

the Park, which was approved by the Land Bank, point in this direction. From a policy standpoint, we agree that EDIC's ability to serve a continuing public purpose and to effectively manage the Park is strengthened by their retention of an equity position. In this light, O'Connell's presence on BMIP land and water on a leasehold basis is most appropriate.

We are pleased with the significant recapture of funds represented by O'Connell's loan and lease payments. EDIC's plan to recycle these funds in a combination of on-site improvements and revolving loans to tenants insures the greatest long-term benefit from the UDAG to the development of BMIP.

Good luck with the UDAG and with the project itself.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jeffrey A. Simon", written over the typed name.

Jeffrey A. Simon
Executive Director

JAS/cl

bcc/ Al Rainer

(2) O'Connell Seafood Company, Inc.

The participating private firm in this UDAG project is O'Connell Seafood Company, Inc., presently headquartered at 39 Fish Pier. O'Connell, a locally owned and managed company, currently owns four Boston-based fishing vessels, manages two others, and is the leading lander of fish at the Boston Fish Pier. Attached as Exhibit 5 are:

- O'Connell's list of officers and key personnel
- letters of recognition and support from the heads of the New England Fish Exchange and the New England Fisheries Steering Committee.

(b) Roles of Parties

The City of Boston is the applicant for the UDAG, the public aspects of which will be administered by EDIC. EDIC presently owns the land, pier, and water properties to be utilized by O'Connell. O'Connell will lease the site from EDIC, and will use the UDAG loan to finance its demolition and reconstruction of the piers, construction of a facilities building, installation of related equipment, and improvement of the site. O'Connell will own its building and facilities, and will make two annual payments to EDIC:

- repayment of the UDAG loan
- lease payment for the land and its associated water rights.

O'Connell will be principal owner of the eight new fishing vessels, and will berth and service them at the new on-shore facility.

There is no relationship between any elected official, City employee, or relative of such person and O'Connell Seafood, its builder and co-investor in the new fishing vessels, or its lender for the purchase of the vessels.

EXHIBIT 5: O'CONNELL CORPORATE
OFFICERS, REFERENCES, AND LETTERS

O'CONNELL SEAFOOD COMPANY, INC.
VESSEL MANAGEMENT • SEAFOOD DISTRIBUTORS

Executive Offices:
39 Fish Pier
Boston, Massachusetts 02210
Telephone (617) 542-6622

John A. O'Connell, Jr. President
B.S. Brown University
M.B.A. Boston College
Asst. Seafood Buyer - Star Market Company, Inc.
Personnel Director - Capitol Market Co., Inc.
Stock ownership - 70%

Robert Allen Vice President - Fishing Operation
Captain U.S. Navy
Captain and owner of various fishing vessels
Twenty eight (28) years experience
Stock ownership - 10%

Charles O'Brien Vice President - Finance
B.A. Stonehill College
M.B.A. Boston College
Senior Accountant - Triple P Packaging, Inc.
Stock ownership - 10%

Thomas F. Horigan, Jr. Vice President - Shore Facility
B.S. Boston College
Captain and owner of two (2) lobster boats
Teacher - Canton Public Schools
Stock ownership - 10%

Fran Collins Shore Engineer
B.S. Cornell University
Asst. Vice President Maintenance - Moran Tow Boat, Inc.
U.S. Coast Guard Unlimited License # 511549
Stock Options

Arnold Gustafson Shore Engineer
Captain, engineer and owner of various fishing vessels
Thirty (30) years experience
Stock Options

O'CONNELL SEAFOOD COMPANY, INC.
VESSEL MANAGEMENT • SEAFOOD DISTRIBUTORS

Executive Offices:
39 Fish Pier
Boston, Massachusetts 02210
Telephone (617) 542-6622

CREDIT REFERENCES

Triple P Paper and Packaging Products, Inc.
830 West Chestnut Street Brockton, Massachusetts
364-2444 Paul Shaughnessy Vice-president

Witt-Armstrong Equipment Company, Inc.
80 South Street Hopkinton, Massachusetts
435-6321 Don MacPhee Cliff Ford

New England Fillet Company, Inc.
Boston Fish Pier Boston, Massachusetts
542-6623 Edward Donohue President

A & A Fisheries, Inc.
81 L Street South Boston, Massachusetts
269-5227 Skip Aughe Jerry Aughe

Farmer's Butcher Shop, Inc.
1501 Bedford Street Abington, Massachusetts
331-3553 Charles Vlasakis Bill Weir

W. A. Kraft Corporation
308 North Harvard Street Boston, Massachusetts
782-0076

Shawmut 1st County Bank N. A.
90 Main Street Brockton, Massachusetts
586-5500 Fred Adams Vice-president

Shawmut Bank of Boston, N. A.
One Federal Street Boston, Massachusetts
292-2951 Jack Lynch Brian Elsdon V.P.

FISHING REFERENCES

New England Fish Exchange: Robert Dunn, President
New England Fisheries Steering Committee: Howard
Nickerson, Executive Director

New England Fisheries Steering Committee

P.O. BOX J-4093 • NEW BEDFORD, MASSACHUSETTS 02741 • TELEPHONE 999-4481

January 24, 1980

Mr. Robert Dolan
Director of Real Estate
City of Boston
60 Congress Street
Boston, Massachusetts 02109

Dear Mr. Dolan:

The other day at a Fisheries Investment Conference, your name and the City of Boston as the former hub of the New England domestic commercial fishing industry was brought into the conversation at one of the luncheon tables between sessions, perhaps because we were served "Boston Schrod" as the main entre.

I, as a so called leader of the domestic commercial fishing industry here in New England, have been concerned that new processing and fleet maintenance facilities have not developed in areas other than New Bedford as rapidly as was anticipated because of the Fisheries Conservation and Management Act of 1976.

Here in Massachusetts, we built not only a profitable commercial fishing industry but, more important, we gained the acceptance of the consumer public for our very fine Boston Schrod and other species as well. There has been a rash of fine restaurants developed particularly in the Boston area, too many to number here, that some times do a turn-away seafood business and, yet, except for O'Connell Seafood Company of Fish Pier Road, Boston, I see very limited activity or development for modern processing facilities and vessel maintenance piers and buildings.

Turner Fisheries and Foley Fish Company are two exceptions, but they are established entities with their own following and are in a different area of involvement of processing only and as secondary buyers without a dock or fleet facility.

There is an immediate need to get back to the complete package that made Boston in years past famous the world over. At that time Boston engaged in the fleet concept, owning their vessels as well as their processing plants, and delivering directly to their consumer public.

Mr. Robert Dolan
1/24/80

-2-

For a variety of reasons, this system ended and was never re-established, in part because cheaper fish was available primarily from Canada. With the advent of the 200-mile limit in Canada as well as in the USA, Canada is no longer in the cheap fish business and is exporting heavily to Europe and South America. There is, however, an increased demand for high quality seafood here in the U.S. and particularly in Boston, New York, Baltimore, Philadelphia and Washington, D.C.

Someone should be catering to the U.S. consumer public and filling that demand. I am very optimistic about the profitability and future of seafood sales in the United States provided we build the fleet and shoreside facilities to service the demands put upon us for quality product. What I have said here is not new for me to say. I said it as a panelist at John Volpe's Massachusetts Stake in the Sea, Mike Dukakis' seminar at the Aquarium on Fisheries Opportunities in Massachusetts, as chaired by Tom O'Neill, and to a couple of classes I appeared at for MIT and Harvard, who were taking a look at Boston's future on the waterfront as a fresh-fish port.

First of all, I am convinced for a lot of reasons why the fishing industry has a great future. I am equally convinced that Boston could be where the action should be, if they get their act together and build facilities. I have no concern that ports like Lynn, Newburyport, and Gloucester may also have some increased fishing activity in a few years from now. Boston has the opportunity to become a large volume port where the other Massachusetts ports are limited by space for processors, the inability to leverage dollars for construction and operating capital. New Bedford, for example, because of a lack of dockside space, must turn away interested prospects. The quality seafood industry arrives with this decade and if you care to talk to me about it, I would be most happy to oblige you or your designee.

I have included a few words I put together for a recent talk that might interest you. Our principal asset, however, is the young executives who are joining our industry and would be developing it during the 80's. However, all the 200-mile limits in the world and infusion of dollars and efforts by our government will be for naught if we do not prepare now with new facilities designed to be productive and cost efficient, as well as new vessels and the facilities to maintain them.

Sincerely,

Howard W. Nickerson
Executive Director

NEW ENGLAND FISH EXCHANGE

Administration Building
Boston Fish Pier
BOSTON • MASSACHUSETTS • 02210
Telephone 542-9041

January 28, 1980

Mr. Robert Dolan
Director of Real Estate
City of Boston
18 Tremont Street, Suite 300
Boston, Massachusetts 02109

Dear Mr. Dolan:

I have been asked if I would recommend a facility to repair and maintain fishing boats here in Boston.

I wish to inform you that I highly recommend this facility because the industry is now making a comeback.

The industry has at least 12 new draggers being built that will be here between now and June of 1980. We are already seven and a half million pounds ahead of three years ago.

I believe that within the next three to five years we will be well revived and a maintenance facility will greatly help the cause. There is not a place in Boston that can handle the repair work or supply the fleet properly at the present time. Therefore, I believe that a facility is necessary in order for the port to survive outside competition.

Sincerely,

Robert G. Dunn
President

RGD:mf

II.B.5.

CONSULTANTS

B.5 CONSULTANTS

Functions and Estimated Compensation

<u>Firm</u>	<u>Function</u>	<u>Fee</u>
Rackemann, Sawyer & Brewster 28 State Street Boston, MA	Preparation of lease and loan agreements	\$8,000
Engineering firm(s)	Design of O'Connell facilities	\$2,000
Harrington, Keefe & Schork, Inc. One Boston Place Boston, MA	Preparation of UDAG application	\$3,500 (not to be paid from UDAG funds)

II.B.6.

PRIMARY PROJECT DESCRIPTION

B.6 PRIMARY PROJECT DESCRIPTION

(a) Project, Transaction, and Operation Descriptions

The UDAG project consists of a single transaction, broken into five operations: (1) lease and loan finalization, (2) purchase of the new vessels, (3) demolition of piers 7 and 8, (4) facilities construction, including equipment installation and site improvements, and (5) reinvestment of recaptured funds.

- (1) Lease and Loan Finalization. Tentative agreements have been reached between O'Connell Seafood Company and EDIC, covering both O'Connell's lease of the development parcel and its repayment of the UDAG loan. Upon notification that the UDAG has been approved, EDIC and O'Connell will move quickly to finalize the agreements.
- (2) Purchase of Vessels. The eight new fishing boats which O'Connell intends to buy are to be constructed by St. Augustine Trawler Corporation of St. Augustine, Florida. O'Connell has obtained a conditional commitment from Shawmut Bank to finance its majority purchase of the vessels. Upon notification of UDAG approval, Shawmut will finalize this commitment. On the strength of O'Connell's written option to purchase the vessels, and its tentative financing arrangement, the construction is proceeding. If O'Connell is unable to finance and build its servicing facility, it will be unable to exercise its option and the boats will be sold to other purchasers, not in the Port of Boston and quite possibly not in the United States. If the UDAG is approved and the purchase made, O'Connell's new boats will begin arriving in late Spring, docking temporarily at the Fish Pier and along the granite wharf which bounds O'Connell's on-shore parcel. To defray the

expense of the vessel purchase, O'Connell has formed an agreement with the builder, St. Augustine Trawler, under which the latter will retain a 30% ownership in the vessels and a commensurate share in their profit and risk. O'Connell will exercise majority ownership and full control over the new vessels. Exhibit 6 states the cost of the new vessels.

- (3) Demolition of Piers. The first on-site physical operation performed by O'Connell, following finalization of its lease with EDIC and the availability of UDAG-backed funds, will be the demolition of the rotted remains of Piers 7 and 8.
- (4) Facilities Construction. (See Exhibit 7 , and Site Plan on page 50 .) O'Connell will then construct a new dock apron extending approximately 20' from the granite wharf edge on the western face of its parcel, and a 16,850 square foot pre-engineered steel building on-land. The structure will contain refrigeration, ice-making, ship repair, and other appropriate equipment; the new dock will be adjoined by a floating dry dock. Site improvements, including paving and landscaping, will follow completion of the building.
- (5) Reinvestment. In addition to its annual lease payments, O'Connell will repay the UDAG loan to EDIC under terms described on page 51. Both sources of money will be managed and reinvested by EDIC over the life of the lease and loan, principally to leverage additional industrial development at BMIP.

(b) Site Information

Location: See Map No. 2 , location within BMIP; also, see Maps No. 1, (page 4 , location within Boston) and No. 4 (page 89, location within South Boston). The development parcel consists of Piers 7 and 8 in the Boston Marine Industrial Park and the adjacent 111,323 square feet (2.6 acres) of filled land which

EXHIBIT 6: FISHING VESSELS

O'CONNELL SEAFOOD COMPANY, INC.
VESSEL MANAGEMENT • SEAFOOD DISTRIBUTORS

Executive Offices:
39 Fish Pier
Boston, Massachusetts 02210
Telephone (617) 542-6622

Total investment in fishing vessels by O'Connell
Seafood Company, Inc. - March 1980

Eleanor Eileen VI	702,000.00
Eleanor Eileen VII	702,000.00
Eleanor Eileen VIII	776,000.00
Eleanor Eileen IX	776,000.00
Eleanor Eileen X	776,000.00
Eleanor Eileen XI	776,000.00
Eleanor Eileen XII	923,000.00
Eleanor Eileen XIII	948,000.00
<hr/>	
TOTAL VESSEL COST	6,379,000.00

EXHIBIT 7: HEADQUARTERS FACILITY

O'CONNELL SEAFOOD COMPANY, INC.

VESSEL MANAGEMENT • SEAFOOD DISTRIBUTORS

Executive Offices:

39 Fish Pier

Boston, Massachusetts 02210

Telephone (817) 542-6822

November 3, 1979

Mr. Robert L. Dolan
Director of Real Estate
City of Boston
Boston, Massachusetts

Dear Mr. Dolan:

The following is a list of improvements and construction planned for piers 7 & 8. We propose to demolish the existing piers including:

1. Pilings cut off at existing mud line.
2. Removal of diagonals.
3. Removal of headers.
4. Removal of stringers.
5. Removal of decking.
6. Installation of a floating log boom to keep fallen debris from floating in the harbor.
7. The complete removal of all the above debris from the site.

We proposed to leave any suitable bearing piling within 20' from the existing 450' wall to accommodate a new pier. New pilings will be installed and a 3" treated oak deck will be constructed suitable for use by vehicles which will be servicing the vessels.

Space Metal Building Corp. will construct a pre-engineered steel building of 16,850 square feet. The overall size of the building is to be 30 meters (98'5") wide by 45 meters (172'3") long with a 6 meter (19'8") eave height.

O'CONNELL SEAFOOD COMPANY, INC.
VESSEL MANAGEMENT • SEAFOOD DISTRIBUTORS

Executive Offices:
39 Fish Pier
Boston, Massachusetts 02210
Telephone (617) 542-6622

Mr. Robert L. Dolan
page 2

The building will include the following:

1. Pre-engineered columns, rafters, purlins, and girts.
2. 1:12 roof pitch, 30#LL/20#WL, 2-span, 7.5 meter (24'7") bays.
3. Exterior color coated 26 ga. galvanized "Space Met" roof and wall panels.
4. 100'x 50' mezzanine, including bar joists, decking and concrete.
5. 3" vinyl-backed fiberglass insulation roof and wall areas.
6. 4' pier foundation with anchor bolts and setting plans.
7. 5" concrete slab reinforced with 10# 6 x 6 wire mesh, sealed.
8. Five (5) 3070 solid steel pass doors.
9. Four (4) 12'x 14' 20 ga. steel insulated overhead doors with electric operators.
10. One (1) commercial aluminum entrance.
11. Ten (10) 4030 aluminum windows.
12. 100' sidelites both eaves.
13. 10'6" high 29 ga. liner panel, 300'.
14. 10'x 20' canopy over concrete entrance area.

O'CONNELL SEAFOOD COMPANY, INC.
VESSEL MANAGEMENT • SEAFOOD DISTRIBUTORS

Executive Offices:
39 Fish Pier
Boston, Massachusetts 02210
Telephone (617) 542-6622

Mr. Robert L. Dolan
page 3

Exterior improvements will include paving of entire area as soon as the building is completed. Grass and trees will be planted along Northern Ave. and around the entrance to the building.

Site work for the building will require five (5) days and will consist of clearing the area of all debris, preparing footings and filling low areas with gravel.

Construction of the entire project is scheduled for completion ten (10) months after approval of the lease with the City of Boston.

Sincerely,

John A. O'Connell, Jr.
President

JAO/cl

O'CONNELL SEAFOOD COMPANY, INC.
VESSEL MANAGEMENT • SEAFOOD DISTRIBUTORS

Executive Offices:
39 Fish Pier
Boston, Massachusetts 02210
Telephone (617) 542-6622

COST PROJECTION

PROJECTED COST OF RENOVATION AND CONSTRUCTION
ON PIER 7 & 8 AND ADJACENT PROPERTY BY
O'CONNELL SEAFOOD COMPANY, INC.

FLOATING DRY DOCK	485,000.00
REMOVAL OF DECK AND PILINGS	235,000.00
RECONSTRUCTION OF DOCK	125,000.00
SITE WORK - PROPERTY	35,000.00
BUILDING	425,000.00
PAVEMENT AND LANDSCAPING	85,000.00
REFRIGERATION	24,000.00
EQUIPMENT - MACHINE SHOP, OFFICES WELDING EQUIPMENT, FORK LIFT	58,500.00
COMMUNICATION EQUIPMENT	12,000.00
ICE MACHINERY AND BUILDING	368,000.00
TOTAL "HARD" COSTS	1,852,500.00

BOSTON MARINE INDUSTRIAL PARK AND KEY ADJACENT FACILITIES

- 1 O'Connell Seafood expansion site (UDAG project area)
- 2 Boston Fish Pier (not in BMIP--Port Authority facility)
- 3 Building 32 / Foreign Trade Zone
- 4 Port Authority Containerport project area
- 5 BMIP Drydocks (#4 = Braswell Shipyards, #3 = public)
- 6 Boston Army Base--potential BMIP expansion when surplus

Existing BMIP boundaries

adjoins them. The site is bounded by the harbor on the north and west, BMIP buildings 38 and 56 on the east, and Northern Avenue on the south. Piers 7 and 8 are flanked by the Boston Fish Pier on the west and Drydock #4 on the east. The O'Connell site is the westernmost in the Park. Full utilities already service the site.

Improvements: Exhibit 7 is a letter from company President John O'Connell to EDIC, describing in detail the planned improvements. The principal features are the 3" treated oak dock surface, the floating drydock, and the 16,850 square foot pre-engineered steel service building. The entire cost of demolition and construction will be financed by the UDAG. Map No.3 is a site plan of the O'Connell improvements.

(c) Property Information

The UDAG development site is owned, as part of the Boston Marine Industrial Park, by the Boston Economic Development and Industrial Corporation. In 1977 EDIC purchased the entire BMIP property from the Massachusetts Government Land Bank, which had purchased it from the General Services Administration as a pass-through and financing agent. The 40-year mortgage on the BMIP property, including the UDAG site, is held by the Land Bank. EDIC cannot divest itself of any land or water rights in BMIP without the approval of the Land Bank Board of Directors, and EDIC intends to retain ownership of the UDAG site in the present instance. No real estate is to be sold in this project.

O'Connell Seafood Company will own the building it constructs and any other site improvements it makes. The land will be leased from EDIC, under terms described below. The water rights associated with this parcel run with the land, and are included in the leasehold. The property is already zoned for waterfront industrial use.

MAP NO. 3--UDAG SITE PLAN

O'Connell's lease is to run 20 years, with two optional extensions of 10 years each. Initially (prior to any escalation), O'Connell will pay EDIC:

- \$1 per square foot for unbuilt land and associated water rights
- \$2 per square foot for the "footprint" of the new building.

In Year 1, only part of the unbuilt land will be leased and the total payment will be \$111,887. In Year 2 and thereafter, the payment will be \$128,155. The lease payment will escalate automatically by 15% in Year 10 (to \$147,378), in Year 20 (to \$169,485), and in Year 30 (to \$194,908).

(d) Administration

EDIC will receive the UDAG funds from the City and will be the agency responsible for all public management aspects of the project. EDIC will enter into the lease and UDAG loan agreements with O'Connell described elsewhere in this Section, and will retain the law firm of Rackemann, Sawyer, and Brewster to draw up the necessary documents.

Overall management of EDIC's role in the project will be conducted by Marilyn Swartz Lloyd, EDIC's Director of Development, and Robert Dolan, EDIC's Director of Real Estate.

The revolving loan fund to be capitalized by O'Connell's annual lease and loan payments to EDIC will be under the administrative supervision of Dennis Corvi, EDIC's Treasurer. Loan decisions will be made jointly by EDIC's (Acting) Director, Director of Development, Treasurer, and the Director of Financial Services

(e) Necessity of Action Grant

The O'Connell Seafood expansion cannot proceed without a UDAG. The need is acute because O'Connell is ready to begin design of the on-shore facility as soon as UDAG approval is obtained and to complete all construction this year, and even more pressing because his options on the eight new vessels must be exercised in April.

The commitment of Shawmut Bank to provide permanent financing for the purchase of the vessels is explicitly contingent on the creation of the headquarters facility (see Exhibit 12, page 74). Moreover, Shawmut itself and four other major banks were asked to finance the construction of this facility and refused, because the land and water will remain the property of EDIC. EDIC's intention to retain land and water ownership is fully consistent with its mission of maintaining an equity position in BMIP development and control of BMIP land uses, and with the language of EDIC's mortgage with the Land Bank, which allows land divestiture with Land Bank approval but clearly attempts to discourage it. Exhibit 4 on page 33, the Land Bank's letter of support for the UDAG project, confirms that it was the mutual intention of both parties at the time of the BMIP acquisition that EDIC would retain ground ownership wherever possible.

The only other apparent scenario for financing the headquarters facility would be for EDIC to not only retain the land and water, but build the facility itself and lease it to O'Connell. UDAG would be the most likely source of funds, but even if some alternative were found--EDA or local bonding, for example--the opportunity to loan and recapture UDAG funds would be lost, depriving EDIC of an important future annual source of funds for small, targeted investments within the Park.

II.B.7.

PROJECT FINANCING

II.B.7 PROJECT FINANCING

(a) Sources and Uses of Funds

UDAG Form 1 appears on the next page. For derivation of costs, see Exhibits 6 and 7.

SOURCES AND USES OF FUNDS FOR PROJECT

Instructions: For projects which consist of only one transactions, complete this page only. For projects with multiple transactions, complete this page as a summary and a copy of part 2 for each transaction.

PROJECT BUDGET -- SUMMARY OF PROPOSED EXPENDITURES				
Line Item Activity	S O U R C E S O F F U N D S			
	UDAG Funds	Private Funds	Other Funds (Specify)	Total
a. Land Acquisition				0
b. Relocation of Persons and Businesses				0
c. Clearance and Demolition	270,000			270,000
d. Streets & Site Improvements	85,000			85,000
e. Water and Sewer Facilities				
f. Foundations and Platforms (Docks)	610,000			610,000
g. Parking Facilities				
h. Primary Building	425,000			425,000
i. Capital Equipment	462,500			462,500
j. Professional Fees	2,000			2,000
k. Real Estate Taxes, Construction Period Interest, Organization Costs, etc. **	13,000			13,000
l. Purchase of 8 fishing boats		6,379,000		6,379,000
m. Recapture of lease and loan payments from seafood tenant		3,660,454		3,660,454
n. Administration	20,000			20,000
o. Cost Subtotal (Sum of lines a.-n.)	1,887,500	10,039,454	0	12,115,704
p. Contingencies (10%)	188,750	0	0	188,750
q. Totals by Source (Sum of lines o. + p.)	2,076,250	10,039,454	0	11,926,954
r. Program Income from Land Disposition	(0)			(0)
s. TOTAL PROJECT COSTS (Sum of lines q. + r.)	2,076,250	10,039,454	0	12,115,704

*This form constitutes the response to Part II.B.7.a.

**Construction insurance, legal fees 54

(b) Estimated Leverage Ratio

UDAG Form 2 appears on the next page. Note Item 2, the Recapture of O'C onnell's lease and loan payments.

EDIC expects to contribute 25% of the recapture of the City, in a phased-in approach, in lieu of taxes; of the remaining 75%, about one-half (37.5% of the total) will be used to capitalize the revolving loan fund. Assuming conservatively that these funds are loaned and repaid with no further leverage--i.e., with small projects financed entirely by the EDIC loans--and additional \$998,306 is private investment will have been created.

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: ☒ Project Summary ☐ Transaction No. _____ Name: _____
TOTAL PROJECT OR TRANSACTION COSTS	
1. (If Summary, take from Form 1, Part 1, Line s. If Transaction, take from Form 1, Part 2, Line s.)	12,115,704
INFLOWS:	
2. Private Investment (Recapture of O'Connell payments)	2,662,148 998,306 3,660,454
3. Private Debt from Lenders (Cost of new vessels)	6,379,000
4. Subtotal--Private Sources (2+3)	9,041,148
5. Action Grant	2,076,250
6. Leverage Ratio (4+5)	4.84
7. Other Sources (e.g., other federal, state, local, and project income)	0
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	12,115,704
9. Additional Spinoff Private Investment Anticipated as a Result of Project **	**2,000,000

*This form constitutes the response to Part II.B.7.b.

**Represents reinvestment by EDIC of those recaptured funds used for public improvements, at conservative leverage Page 1 of 1 ratio of 2:1.

(c) Evidence of Private Commitments

(1) Documentation. Attached as Exhibits 8 and 9 are:

- a joint letter stating the mutual understanding and conditional commitments between the Boston EDIC and O'Connell Seafood Company
- the option agreements between O'Connell Seafood Company and St. Augustine Trawler Company for the intended purchase of the new fishing vessels.

(2) Financial Statement. Attached as Exhibit 10 is a financial statement on O'Connell Seafood Company and affiliated companies prepared by the accounting firm of Touche and Ross.

(3) Loan Application Package. Exhibit 10, as well as the materials shown previously on pages 23, 43, and 44, were submitted to Shawnut Bank in support of the loan request.

(4) Recapture. This UDAG proposal includes an unusually strong recapture mechanism. It is derived from two separate annual payment streams. One is the lease payment, already described on page 51. The other is O'Connell's repayment of the UDAG loan of \$2,076,250. Because the project would have been feasible had O'Connell been able to obtain an industrial revenue bond for the headquarters facility, the UDAG loan will be at terms competitive with the industrial revenue bond market--specifically, 8% for 20 years. This yields an annual debt constant of 10%. Attached as Exhibit 11 are tabulations of the funds recaptured by EDIC from the lease and loan repayment agreements, respectively. These schedules assume a 12% discount rate in determining the Net Present Value of the recapture. Even at this rate, the total recapture over 20 years of loan repayments and 40 years of lease payments amounts to \$2,662,148.

EDIC will use 75% of the recaptured funds for a combination of public improvements at BMIP, each linked in UDAG-like fashion to specific private investment opportunities, and loans made to tenants from a revolving loan fund seeded and replenished by O'Connell's annual payments. The remaining 25% of the annual combined payment from O'Connell will eventually be used to make a payment to the City Treasury in lieu of taxes, under a general agreement whereby EDIC will pay 25% of its annual income in lieu of taxes once BMIP's total income reaches a certain level.

Should O'Connell ever default on its annual payments, the usual legal steps and recourses would be taken by EDIC as landlord and lender.

O'CONNELL-EDIC JOINT LETTER OF PRIVATE COMMITMENT

O'CONNELL SEAFOOD COMPANY, INC.
VESSEL MANAGEMENT • SEAFOOD DISTRIBUTORS

Executive Offices:
39 Fish Pier
Boston, Massachusetts 02210
Telephone (617) 542-6622

January 24, 1980

Mr. Brian F. Dacey
Acting Director
Economic Development and
Industrial Corporation
18 Tremont Street, Suite 300
Boston, MA 02109

Dear Mr. Dacey:

This letter will serve as a statement of the commitment of O'Connell Seafood Company to undertake a major fishery expansion in the Boston Marine Industrial Park. It summarizes our negotiations to date, and our mutual understanding of the tentative agreements we have made. Final terms are obviously subject to future negotiation. My company's commitment to the project, and the commitment of my mortgage lender to the planned expansion, is conditional on the approval of the Urban Development Action Grant for which the City is presently applying.

Upon notification of UDAG approval, O'Connell Seafood will finalize a lease agreement with the Boston EDIC for the use of BMIP Piers 7 and 8 and the adjacent land parcel. This lease will run 20 years, with two 10 year optional extensions which we fully expect to exercise. At \$1 per square foot for unbuilt land and \$2 per square foot for the building footprint, the lease will total approximately \$111,887 in Year 1, and \$128,155 in Years 2-10. There will be a 15% escalation in Years 11, 21 and 31.

Also upon UDAG approval, O'Connell Seafood will borrow approximately \$2,076,260 from EDIC, at an interest rate of 8% for 20 years. These funds will constitute the permanent financing for the new dock and headquarters facility we will construct. Our construction will include the demolition of Piers 7 and 8, and their replacement with a marginal dock along the western face of our parcel; the construction of a 16,850 servicing building; the installation of extensive capital equipment, including a floating drydock, an icemaking machine, and vessel servicing equipment; and general site improvements.

Page 2
Brian F. Dacey
January 24, 1980

Our assurance that this facility can be constructed will enable Shawmut Bank to finalize its now-conditional commitment to finance our majority purchase of the ten new vessels under construction, on which we have options. As you know, we have been unsuccessful in our attempt to finance the headquarters facility through means other than a UDAG loan, and our ability to bring a total capital improvement of over \$8.5 million to the Port of Boston is, at this point, absolutely dependent on the UDAG. If we cannot exercise our option to purchase the new vessels this Spring, they will be sold elsewhere.

Our expansion is expected to create 210 new jobs--150 on the vessels themselves, and 60 at the headquarters facility. In addition, 61 existing jobs will be retained for the Boston fishery. We estimate that as many as 200 indirect jobs will be generated by our project in related port activities, most notably in fish processing.

O'Connell Seafood Company is confident in the viability of the New England fishery in general, in the new capacity of the Boston Fish Pier to handle an increased catch, and in the desirability of the Boston Marine Industrial Park as a place to do business. We look forward to UDAG approval and the start of our expansion.

Sincerely,

John A. O'Connell, Jr.
President

Received and acknowledged:

Economic Development and Industrial Corporation

BY:
Brian F. Dacey, Acting Director

A G R E E M E N T

THIS AGREEMENT made this 5th day of October 1979
between ST. AUGUSTINE TRAWLERS, hereinafter called the "Seller" and
O'Connell Seafood Company, Inc. Boston, Massachusetts
hereinafter called the "Buyer".

It is hereby mutually agreed:

ARTICLE 1 -- SCOPE OF WORK

1. That the Seller agrees to build for the Buyer eight (8) steel
stern trawlers of size and type and equipped as shown by attached speci-
fications and does sell said vessel to be constructed for the sum of \$
\$776,000.00 each - \$6,208,000.00 total
to be paid as hereinafter provided; and the Buyer agrees that the Seller
shall construct said vessel aforesaid for the Buyer and does hereby purchase
it for the price and upon the terms and conditions herein set forth.

ARTICLE 11 -- TIME OF CONSTRUCTION

2. (a) The Seller shall deliver said vessel approximately
 or as soon thereafter as practicable and shall com-
plete it with reasonable diligence and dispatch and shall construct and rig
it in a workmanlike manner of good materials in accordance with specifications
hereto attached and made a part hereof.

(b) Notwithstanding the completion date hereinabove mentioned, ST.
AUGUSTINE TRAWLERS shall not be liable for any default hereunder, or delay
in the construction of the vessel, or the performance of the terms, covenants
and conditions on ST. AUGUSTINE TRAWLERS part to be performed hereunder if
such default, delay or nonperformance is caused by or is due to any contin-
gency beyond ST. AUGUSTINE TRAWLERS control, or caused by the delay or default
or nonperformance of any supplier or manufacturer with whom ST. AUGUSTINE
TRAWLERS may contract to furnish and deliver any materials, equipment or
machinery necessary in the construction of the vessel, including war, acts
of war, sabotage, bombing, fires, strikes, riots, floods, insurrection,
earthquakes, acts of God, hurricanes, delays in transportation, blockades,
embargoes, acts, demands or requirements of the United States Government or
any State or political subdivision thereof, or occasioned by command, re-
straint, condemnation or acquisition of the United States Government, or any
political subdivision thereof; provided, however, that as soon as any such
cause is removed and no longer exists, except as may be hereinafter other-
wise set forth, ST. AUGUSTINE TRAWLERS shall thereupon continue to carry out
and perform the covenants and conditions of this Agreement on ST. AUGUSTINE
TRAWLERS part to be performed. Any delay in delivery due to causes within
the control of ST. AUGUSTINE TRAWLERS shall not excuse the OWNER of its obli-
gation to accept any pay for the vessel contracted for herein.

ARTICLE 111 -- PROGRESS PAYMENTS

Due on each vessel:

3. The purchase price of said vessel shall be paid as follows:

- (a) \$ 2,000.00 cash within 10 days of the date of this
agreement.
- (b) \$ 50,000.00 cash additional when keel is laid, or hull
molding is started.
- (c) \$ 50,000.00 cash additional when the hull is ready for
launching.
- (d) \$ 50,000.00 cash additional when the hull is ready for
engine.
- (e) \$ 624,000.00 cash, the balance of said purchase price,
subject to State of Florida Sales Tax when applicable, to be paid when the
vessel is completed and ready for delivery to the Buyer at St. Augustine,
Florida.

4. All payments shall be made at the office of ST. AUGUSTINE TRAWLERS, St. Augustine, Florida and in the event any fault is made in any payment required to be made hereunder, the Seller, at its option may terminate this Agreement and, in such case, shall retain the vessel and any sums theretofore paid by the Buyer, not exceeding one-third (1/3) of the purchase price, as and for the Seller's liquidated damages as a result of said default on the part of the Buyer. Seller may exercise its option to terminate this Agreement by mailing written notice of the exercise of said option to Buyer at Buyer's last known address. Seller's option to terminate this Agreement shall be cumulative to any other remedies available to Seller. In the event that any litigation ensues as a result of this contract in which Seller is the prevailing party, Buyer shall be liable for all costs of such litigation incurred by Seller, including reasonable attorneys' fees. Any disputes or litigations shall be in St. Augustine, Florida and under the Laws of the State of Florida.

5. If, before construction of the vessel is started, Buyer directs the addition of any extras, not included in the specifications, the same shall be billed to and paid by Buyer at their reasonable value as a part of the final payment upon delivery. Additions or changes after construction has begun will be on a Time and Material basis at the rate of 22 per hour and material cost plus 20 % and are due when billed by Seller.

6. Prices and specifications subject to change. If price is increased, written notice will be sent to Buyer thirty days prior to start of vessel and Buyer has the option to accept the new price or cancel the contract.

ARTICLE IV -- INSPECTION AND ACCEPTANCE

7. The Seller shall allow the Buyer or Buyer's representative to inspect the vessel at any time during construction of said vessel, during ST. AUGUSTINE TRAWLERS' regular working hours, and Buyer shall accept the vessel upon completion of work as provided in this contract and attached specifications.

ARTICLE V -- DELIVERY OF VESSEL

8. The vessel ready for sea shall be delivered by the Seller to the Buyer at the Seller's shipyard located at ST. AUGUSTINE TRAWLERS, St. Augustine, in St. Johns County, Florida, and the Buyer shall take possession of said vessel at said location.

ARTICLE VI -- WARRANTY

9. Seller warrants all parts of the vessel fabricated by it to be free from defects in workmanship and materials. Should any part of the vessel fabricated by Seller fail as a result of defects in workmanship or materials within six (6) months after the delivery of the vessel to Buyer, Seller will replace or repair such parts as may so fail, provided that the said vessel be brought to Seller's shipyard for such replacement or repair.

Where because of the geographical distances involved, it would be impracticable to return the vessel to Seller for repairs or replacements under this Warranty, the Buyer may, after reasonable notice to Seller in order to allow Seller, at its option, to inspect such alleged defect, effect the necessary repairs either with his or its own, or with other available commercial facilities and Seller will reimburse the Buyer for these costs, adjusted to what similar labor and materials would cost in the Seller's shipyard. Buyer shall give Seller prompt written notice of such defects, giving full information, supported by photographs where possible.

Seller shall not be liable for any consequential damages, loss of time or delays caused by said defective workmanship or defective materials and, in this connection, it is specifically agreed by the parties hereto that the liability of Seller under this Warranty is specifically limited to the replacement or repair of such defective workmanship or defective materials at Seller's shipyard, free of charge to the Buyer. It is further specifically agreed to between the parties that this Warranty shall be effective and apply to Buyer and no one else.

Seller shall not be liable for any defects in any engine, engine accessory, item of machinery, equipment, gear or fittings, or any other items manufactured by others and Buyer shall look to the manufacturer and supplier thereof for redress.

ARTICLE VI -- WARRANTY (cont.)

No other warranties, express or implied, specifically excluding the implied warranty of merchantability or fitness, are or will be deemed to have been made by Seller, except the warranty hereinbefore set forth in this paragraph.

This Warranty is given in lieu of any implied warranties and there are no warranties given which extend beyond the language and description of the face hereof.

The obligations of Seller under this Warranty shall be construed according to the laws of Florida.

EXECUTED AND DELIVERED at St. Augustine, Florida, the day and year first above written.

WITNESSES -- SELLER

ST. AUGUSTINE TRAWLERS, INC.

BY: Ida V. Wheeler

Ida V. Wheeler
Vice President

WITNESSES -- BUYER

BUYER
O'CONNELL SEAFOOD COMPANY, INC.
BOSTON, MASSACHUSETTS 02210

BY: John A. O'Connell, Jr.

John A. O'Connell, Jr.
President

HULL NO.	<u>S - 46</u>	S - 50
	S - 47	S - 51
	S - 48	S - 52
	S - 49	S - 53

THIS CONTRACT IS CONDITIONAL ON FINANCIAL COMMITMENTS
WHICH MUST BE COMPLETED BY APRIL 15, 1980.

VESSEL CONSTRUCTION CONTRACT

THIS AGREEMENT, made and entered into this the 18th
day of OCTOBER, 1979, by and between ELEANOR
EILEEN XII CORP., whose address is 39 FISH PIER
BOSTON, MA 02210, hereinafter called OWNER, and
STEINER FABRICATORS, INC., an Alabama corporation, whose address
is Shell Belt Road, P. O. Box 626, Bayou la Batre, Alabama, 36509,
hereinafter called BUILDER,

WITNESSETH:

ONE

SUBJECT MATTER

Builder agrees to construct for Owner at its yard in
Bayou la Batre, Alabama, one (1) DOUBLE RIGGED
vessel, approximately 98 feet in length, 25
feet in width, and 12 feet in depth, in accordance with
the specifications attached hereto as Exhibit A (Exhibit A
being herein referred to as "Specifications"). Builder
agrees to furnish (except such items, if any, as are being
furnished by Owner called for in the Specifications) and
install all items listed on the Specifications. All materials
shall be new and all work shall be accomplished in a good and
workmanlike manner. Any conflict between the specifications
and this contract shall be resolved in favor of this contract.

TWO

CONSIDERATION AND PROGRESS PAYMENTS

Owner agrees to pay Builder for the construction of the
vessel covered by this contract the total sum of \$ _____
payable at the following times:

1st Payment - \$ 2,000.00 upon the signing of
this contract;

2nd Payment - \$ 0 upon laying of the
keel of said vessel;
3rd Payment - \$ 0 upon installation of
the main engine;
4th Payment - \$ 0 when said vessel is
launched afloat;
5th Payment - for the balance due upon delivery
of vessel and acceptance of same by
Owner. \$848,000.00

All payments shall be made by cash, cashier's check or certified check.

Owner's obligation to pay the aggregate sum set forth above shall be absolute, and not in any way dependent upon whatever financial commitments Owner may have from others, whether or not the vessel is lost or destroyed after acceptance, and regardless of any occurrence, happening or event of whatsoever nature which occurs after Owner accepts said vessel.

THREE
INSPECTION

All material and workmanship shall be subject to inspection by Owner at Owner's expense. Such inspection may be made by Owner or its agents or representatives at any and all reasonable and proper times during the performance of the contract work at any and all places where such performance is carried on.

FOUR
TIME FOR COMPLETION

Builder shall use its best efforts to deliver the vessel on or before JUNE 1980 provided,

however, that Builder will not be responsible for any delay caused by the Owner or in case of the occurrence of any cause of delay beyond the control of the Builder, including, but limited to the following: non-delivery or late delivery of materials, parts and equipment, inability to obtain materials, parts and equipment, transportation delays not the fault of Builder, Government priorities or intervention by or delays caused by civil, naval, or military authorities, acts of God (other than ordinary storms or inclement weather conditions), earthquakes, explosions, lightning, flood, or fire, strikes, or other industrial disturbances, riots, insurrections, or war, sabotage, vandalism, blockades, embargoes, epidemics, written notice thereof and of the anticipated effect thereof shall, when knowledge thereof has come to the Builder, promptly be given by the Builder to the Owner and the delivery date of said vessel shall be extended accordingly.

Should a delay in the delivery of the vessel be due to causes within the control of Builder and not one of the excusable delays set forth in the paragraph immediately above, Owner shall not be excused from Owner's obligation to accept and pay for said vessel, but Owner shall be entitled to recover liquidated damages from Builder at the rate of \$20.00 for each non-holiday working day (Monday through Friday, excepting Saturday and Sunday) that delivery is delayed and these liquidated damages shall constitute and be Owner's sole and exclusive remedy against Builder for such non-excused late delivery.

FIVE
DELIVERY AND RISK OF LOSS

The vessel shall be delivered safely afloat to Owner at Builder's dock at Bayou la Batre, Alabama. Upon completion of reasonable and satisfactory local sea trials, Builder shall

visually inspect said vessel. If inspection indicates no visual defect, and if the vessel has been completed in compliance with this Contract, Owner agrees to accept delivery. Owner agrees to sign a written acceptance to evidence Owner's acceptance of the vessel. Risk of loss shall pass to Owner upon delivery and acceptance.

Owner shall not unreasonably withhold acceptance of the vessel, and shall notify Builder, in writing, within three (3) days, of the exact nature of any defect or fault in construction which constitutes a refusal to accept such vessel. Owner shall give Builder a reasonable time within which to correct such defect or fault not to exceed 30 days after receipt of written notice of same. Upon satisfactory correction of such defect or fault, Owner shall immediately accept the vessel.

In the event Owner and Builder are unable to agree that the reason for refusing to accept the vessel constitutes a fault or defect, the vessel shall be accepted and paid for by Owner, and the dispute referred to arbitration as hereinafter set forth.

SIX

CHANGE ORDERS

Owner reserves the right to make any deletions or additions to the work to be performed without invalidating this contract. Any change in cost due to alterations or deletions requested by Owner shall be negotiated prior to the commencement of work. If a change involves a delay in completion, the time of completion shall be extended by Owner.

Builder may substitute other sizes and types of material for that specified, providing the same is of equal quality, strength, and suitability for the use intended.

Approval of a deletion or addition, the change in cost therewith, and the time involved in delaying completion because of said change, shall be authorized only by Owner and accepted by Owner and Builder in writing. Any change order shall be submitted in writing by the Owner to the Builder specifying in complete detail the items of material and work to be accomplished at which time the Builder will price out each item and sign same.

SEVEN

INSURANCE

Builder will assume all risks and liabilities during the construction and until completion and delivery to the Owner and acceptance thereof. During the construction period and until delivery, Builder shall maintain Builder's Risk Insurance on the vessel and all components and materials.

EIGHT

DEFAULT

If any of the following events shall occur:

(a) The Owner shall fail to make any payment when due under this contract or fail to accept delivery of the vessel completed in accordance with this contract and such failure shall continue for more than fifteen (15) days after the Builder shall have given notice thereof to the Owner; or

(b) The Owner or Builder shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file a petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any Federal, state or other law or regulation, or shall seek or consent to or acquiesce in the appointment of any trustee,

receiver or liquidator of itself or of all or any substantial part of its assets, or shall make any general assignment for the benefit of creditors, or shall liquidate or dissolve; or

(c) If a petition shall be filed against the Owner or Builder seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any federal, state or other law or regulation, and such petition shall remain undismissed or unstayed for an aggregate of forty-five (45) days, or if any trustee, receiver or liquidator of the Owner or of all of any substantial part of its properties shall be appointed without the consent or acquiescence of the Owner and such appointment shall remain unvacated or unstayed for an aggregate of forty-five (45) days; or

(d) Builder shall fail to prosecute the contract work with diligence or otherwise to comply substantially with all of its obligations under this contract (except and to the extent that such failure is due to Force Majeure or Excusable Delays) and such failure shall continue for more than thirty (30) days after the Owner shall have given written notice thereof to Builder,

then, in any such event, either party to this contract may terminate this contract by notice to the other, and both parties may exercise all rights and remedies available to them at law, in equity, or otherwise, in connection with said default. Should Owner default, Builder shall have the right, at Builder's option, to retain the hull and any and all payments received from Owner pursuant to this contract as liquidated damages, but the retention of said hull and payments shall not limit Builder's recovery against Owner for any damages that Builder has suffered in excess of the reasonable value of said hull and the amount of said payments.

NINE

CONSTRUCTION OF CONTRACT

This contract shall be construed according to the laws of the State of Alabama.

TEN

SECURITY FOR PAYMENT

As security to Builder for payment for such vessel, Owner agrees that:

Builder will have a lien for the construction of said vessel, pursuant to provisions of Title 33, Section 12, Code of Alabama, as Recompiled, 1958, and that such lien survives the delivery of such vessel, together with a valid security interest in and to such vessel, under the Uniform Commercial Code, State of Alabama, and that a valid security interest in and to said vessel shall remain in Builder as security for the indebtedness owed Builder by Owner until such time as Builder has been paid the purchase price for such vessel.

ELEVEN

ASSIGNMENT

This contract may not be assigned by Owner or Builder without the prior written consent of the other, but nothing herein contained in this Paragraph Eleven shall be construed to prevent Builder from pledging or otherwise hypothecating this contract as security for a loan with a bank or other lending institution.

TWELVE

REPRESENTATIONS ABOUT COMMISSIONS

Owner and Builder both represent that no commissions, finders fees or similar fees are due or owing to any third party in connection with this contract or the procurement

thereof. Should any third party claim any such fee as a result of any alleged prior agreement between Owner or Builder and such third party, Owner and Builder agree to indemnify, protect and hold each other harmless from and against any such claim or claims.

THIRTEEN

TITLE DOCUMENTS AND LIEN WARRANTY

Upon delivery of said vessel and acceptance thereof by Owner, Builder shall execute and deliver (a) a bill of sale to Owner if the vessel is not to be documented as a vessel of the United States; or (b) a Master Carpenter's Certificate (U.S. Coast Guard form) to the U. S. Coast Guard Documentation Office of Owner's choice if the vessel is to be documented as a vessel of the United States. Builder hereby warrants to Owner that upon delivery of said vessel and acceptance thereof by Owner, said vessel will be free and clear of and from all debts, encumbrances, liens and claims of liens, charges, assessments, taxes and liens of whatsoever kind or nature, maritime or otherwise.

FOURTEEN

REGARDING WARRANTIES

(a) Construction Warranty. Builder warrants that if at any time within ninety (90) days after delivery of the vessel there shall appear or be discovered in such vessel any defect in any Builder furnished workmanship or material (hereinafter called a "Construction Deficiency") such Construction Deficiency shall be made good, at Builder's expense, to the requirements of the contract and Specifications. Builder shall be responsible for the cost of correcting any such Construction Deficiency only to the extent that the same resulted from defective workmanship or material and not, for instance, from ordinary wear and tear, or the negligence or

improper act of Owner or any other person other than the Builder or its subcontractors. Any work required to be performed to correct a Construction Deficiency for which Builder is liable hereunder, shall be carried out at Builder's shipyard, if practical. Where, because of geographical distance involved, it would be impractical to return the vessel to Builder's yard for repairs or replacements under this warranty, Owner may contract to have such work performed by another shipyard or ship repair facility that is mutually agreeable to Owner and Builder, and Builder shall be responsible only for a sum representing no more than the cost of corrections at straight time commercial shipyard or ship repair yard rates charged by Builder or prevailing on the coast of the Gulf of Mexico. In the event Owner elects to have any work required to be performed to correct a Construction Deficiency, Builder shall be notified five (5) days prior to the commencement of work. Such notification shall include description of the claimed deficiency, location of the vessel, and the company selected to perform the work.

Builder shall not be liable for any alleged Construction Deficiency of which it is not notified in writing within or before thirty (30) days following the end of the ninety (90) day guarantee period.

The ninety (90) day Construction Warranty constitutes Builder's sole warranty with respect to the quality, design or fitness of said vessel.

(b) Other Warranty Matters. Builder will not be liable for contingent, consequential or incidental damages, including, but not limited to any claim for "down time", loss of earnings, damage to cargo, and claims by any party for personal injury or death. Additionally, Builder shall not be

liable for any defects in design. Owner has heretofore been advised that Owner can elect to obtain protection against such possible contingent, consequential or incidental damages, or any additional warranties or protection other than the 90 day Construction Warranty set forth in this Paragraph Fourteen by (i) securing insurance coverage for such protection in favor of Owner and at Owner's sole cost and expense, or (ii) requesting Builder to secure such additional warranties and protection for additional consideration (an increase in the purchase price) to be paid to Builder, but Owner represents and agrees that Owner has not elected to procure such insurance or pay Builder any additional consideration in order to secure such additional warranties and protection and that the purchase price set forth in Paragraph Two, above, does not reflect any such additional consideration.

It is expressly provided that Builder DOES NOT WARRANT machinery, equipment and fittings purchased by Builder for installation in the vessel, but hereby extends the manufacturer's and/or supplier's warranty or guarantee, if any, to Owner. Builder will be responsible for proper installation of said equipment purchased by Builder and installed in the vessel under supervision and direction of manufacturer's representative.

EXCEPT AS HEREIN SET FORTH IN THIS PARAGRAPH FOURTEEN, BUILDER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND PARTICULARLY DOES NOT MAKE ANY IMPLIED WARRANTIES OF FITNESS FOR PARTICULAR PURPOSE, MERCHANTABILITY OR WORKMANSHIP WITH RESPECT TO SAID VESSEL.

Owner agrees to have the vessel manned and operated by competent personnel, and in the event any claim, suit or demand is made by any person, firm, corporation or other legal entity against Builder arising out of or in connection with the design or construction of said vessel, Owner shall hold harmless and indemnify Builder from and against any and all losses and

expense and attorney's fees arising from said claim, suit or demand.

FIFTEEN

ARBITRATION PROVISION

All disputes, controversies or differences which may arise between Builder and Owner out of or in relation to or in connection with this contract, or for the breach thereof, shall be finally settled by arbitration pursuant to the American Arbitration Association by which each party hereto is bound. It is mutually agreed that Mobile, Alabama, be and it hereby is designated as the place for conducting any such arbitration.

SIXTEEN

NOTICES

All notices shall be sent to the respective address of Owner and Builder set forth above, unless Owner or Builder notifies the other in writing of a change of address in which event the notices shall be sent to the changed address.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed, this the day, month and year first hereinabove mentioned.

WITNESSES:

STEINER FABRICATORS, INC.
Builder

By
Its Pres.

WITNESSES:

Vice-President

Owner

By
Its President

NOTE: CONTRACT IS SUBJECT TO FINANCIAL COMMITMENT WHICH IS CONTINGENT ON THE CONSTRUCTION OF THE PLANNED SHORE FACILITY IN BOSTON BY O'CONNELL SEAFOOD COMPANY, INC.

O'CONNELL SEA FOOD CO., INC.
AND AFFILIATED COMPANIES

COMBINED BALANCE SHEET

SEPTEMBER 7, 1979 (NOTE A)

ASSETS

CURRENT ASSETS:

Cash		\$	7,907
Inventory of maintenance supplies and repair parts			<u>6,300</u>
TOTAL CURRENT ASSETS			14,207

PROPERTY AND EQUIPMENT - at cost:

Fishing vessels	\$1,226,053		
Less accumulated depreciation	<u>22,854</u>		1,203,199
Automobiles, trucks and other equipment	22,191		
Less accumulated depreciation	<u>9,737</u>		12,454

DEPOSITS

1,408

\$1,231,268

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Accounts payable		\$	12,508
Note payable to bank - 12-3/4%			14,000
Long-term debt due within one year			<u>72,715</u>

TOTAL CURRENT LIABILITIES 99,223

LONG-TERM DEBT, excluding current portion 839,498

DUE TO AFFILIATED COMPANIES 3,130

DUE STOCKHOLDERS - subordinated to bank debt 144,002

STOCKHOLDERS' EQUITY:

Common stock - no par value	\$	99,000	
Retained earnings		<u>46,415</u>	<u>145,415</u>
			<u>\$1,231,268</u>

See accountants' review report and notes to the combined financial statements.

O'CONNELL SEA FOOD CO., INC.
AND AFFILIATED COMPANIES

COMBINED STATEMENT OF INCOME AND RETAINED EARNINGS

PERIOD ENDED SEPTEMBER 7, 1979 (NOTE A)

REVENUES	\$818,039
COST OF SALES	<u>571,892</u>
	246,147
OPERATING EXPENSES (includes interest expense of \$80,761)	<u>200,719</u>
INCOME BEFORE TAXES ON INCOME	45,428
PROVISION FOR TAXES ON INCOME	<u>-</u>
NET INCOME	45,428
RETAINED EARNINGS - beginning of period	<u>987</u>
RETAINED EARNINGS - end of period	<u>\$ 46,415</u>

See accountants' review report and notes to the combined financial statements.

O'CONNELL SEA FOOD CO., INC.
AND AFFILIATED COMPANIES

COMBINED BALANCE SHEET

DECEMBER 7, 1979 (NOTE A)

ASSETS

CURRENT ASSETS:

Cash		\$ 101,765
Inventory of maintenance supplies and repair parts		<u>62,500</u>
TOTAL CURRENT ASSETS		164,265

PROPERTY AND EQUIPMENT - at cost:

Fishing vessels	\$1,226,053	
Less accumulated depreciation	<u>48,000</u>	1,178,053
Automobiles, trucks and other equipment	36,191	
Less accumulated depreciation	<u>10,937</u>	25,254

DEPOSITS

21,408

1,388,980

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Accounts payable		36,653
Note payable to bank - 12-3/4%		12,000
Long-term debt due within one year		<u>82,715</u>
TOTAL CURRENT LIABILITIES		131,368

LONG-TERM DEBT, excluding current portion

828,359

DUE STOCKHOLDERS - subordinated to bank
debt

224,002

STOCKHOLDERS' EQUITY:

Common stock - no par value	\$ 99,000	
Retained earnings	<u>106,251</u>	<u>205,251</u>
		<u>1,388,980</u>

O'CONNELL SEA FOOD CO., INC.
AND AFFILIATED COMPANIES

COMBINED STATEMENT OF INCOME AND RETAINED EARNINGS

PERIOD ENDED DECEMBER 7, 1979 (NOTE A)

REVENUES	\$1,403,893
COST OF SALES	<u>935,928</u>
	467,965
OPERATING EXPENSES (includes interest expense of \$111,216)	<u>362,701</u>
INCOME BEFORE TAXES ON INCOME	105,264
PROVISION FOR TAXES ON INCOME	-
NET INCOME	105,264
RETAINED EARNINGS - beginning of period	987
RETAINED EARNINGS - end of period	<u><u>106,251</u></u>

O'CONNELL SEA FOOD CO., INC.
AND AFFILIATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS.

A. Summary of Significant Accounting Policies (Continued):

Revenues -

Sales are recorded on the cash basis.

Income taxes -

No income taxes were payable in the current year because available investment tax credits and jobs tax credits exceeded the tax liability on income. The flow-through method of accounting for tax credits is used. The amount available to offset future income taxes is approximately \$45,000.

B. Common Stock - No Par Value:

	<u>Shares</u>		<u>Value</u>
	<u>Authorized</u>	<u>Issued and outstanding</u>	
O'Connell Sea Food Co., Inc.	7,500	100	\$ 1,000
O'Connell Fishing Co., Inc.	7,500	100	26,000
O'Connell Trawling Co., Inc.	7,500	100	36,000
O'Connell Dragging Co., Inc.	7,500	100	36,000
			<u>\$99,000</u>

O'CONNELL SEA FOOD CO., INC.
AND AFFILIATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS

C. Long-term Debt:

O'Connell Sea Food Co., Inc. -

12-3/4% note payable due in monthly installments of \$490 including interest through October 1979 is collateralized by vehicles having a net book value of \$11,925.

\$ 7,633

O'Connell Fishing Co., Inc. -

12-3/4% note payable due in monthly interest payments of \$2,795 through June 1, 1993 at which time the payment of the principal is due. The loan is collateralized by a vessel having a net book value of \$349,428, capital stock of the Company, by term life insurance policies owned by the Company and personal guarantees by the major shareholders.

264,064

O'Connell Trawling Co., Inc. -

Note payable due in monthly installments of \$2,785 including interest at the lower of 14-1/2% or at 2.5% over the commercial lending rate through March 1984 at which time a final payment of \$169,876 is due. The loan is collateralized by a vessel having a net book value of \$427,362, capital stock of the Company, by term life insurance policies owned by the Company, and personal guarantees by the major shareholders.

320,258

O'Connell Draggng Co., Inc. -

Note payable due in monthly installments of \$2,785 including interest at the lower of 14-1/2% or at 2.5% over the commercial lending rate through March 1984 at which time a final payment of \$169,876 is due. The loan is collateralized by a vessel having a net book value of \$426,409, capital stock of the Company, by term life insurance policies owned by the Company, and personal guarantees by major shareholders.

320,258

912,213

Less current maturities

72,715

O'CONNELL SEA FOOD CO., INC.
AND AFFILIATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS

Industry:

Commercial fishing and the management of commercial fishing vessels.

A. Summary of Significant Accounting Policies:

Principals of combination -

The combined financial statements include the accounts of - for the year ended June 30, 1979:

O'Connell Sea Food Co., Inc.
O'Connell Fishing Co., Inc.

From April 1, 1979 (date of inception) to September 7, 1979:

O'Connell Trawling Co., Inc.
O'Connell Dragging Co., Inc.

Income tax basis of accounting -

The financial statements are prepared on the accounting basis used for income tax purposes. Consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

Inventories -

Inventories are stated at the lower of cost (first-in, first-out) or market.

Fishing vessels, vehicles and equipment -

The Company provides for depreciation on the straight-line method. The estimated useful life of the vessels is fifteen years. Expenditures for maintenance and repairs are charged to expense as incurred whereas major improvements or betterments are capitalized as additions.

PERSONAL FINANCIAL STATEMENT

IMPORTANT: Read these directions before completing this Statement.

- ☐ If you are applying for individual credit in your own name and are relying on your own income or assets and not the income or assets of another person as the basis for repayment of the credit requested, complete only Sections 1 and 3
- ☐ If you are applying for joint credit with another person, complete all Sections providing information in Section 2 about the joint applicant
- ☐ If you are applying for individual credit, but are relying on income from alimony, child support, or separate maintenance or on the income or assets of another person as a basis for repayment of the credit requested, complete all Sections, providing information in Section 2 about the person whose alimony, support, or maintenance payments or income or assets you are relying
- ☐ If this statement relates to your guaranty of the indebtedness of other person(s), firm(s) or corporation(s), complete Sections 1 and 3

TO: **SHAWMUT BANK OF BOSTON, N.A.**

SECTION 1 - INDIVIDUAL INFORMATION (Type or Print)	SECTION 2 - OTHER PARTY INFORMATION (Type or Print)
Name JOHN A. O'CONNELL, JR.	Name
Residence Address 64 FOSTER AVE	Residence Address
City, State & Zip OCEAN BLUFF, MASS 02065	City, State & Zip
Position or Occupation PRESIDENT	Position or Occupation
Business Name O'CONNELL SEAFOOD COMPANY	Business Name
Business Address 39 FISH BIER BOSTON	Business Address
City, State & Zip MASSACHUSETTS 02210	City, State & Zip
Res. Phone 834-4065 Bus. Phone 542-8099	Res. Phone Bus. Phone

SECTION 3 - STATEMENT OF FINANCIAL CONDITION AS OF <u>OCTOBER</u> 19 <u>79</u>			
ASSETS (Do not include Assets of doubtful value)	In Dollars (Omit cents)	LIABILITIES	In Dollars (Omit cents)
Cash on hand and in banks	1,000	Notes payable to banks - secured	3,000
U.S. Gov't. & Marketable Securities - see Schedule A		Notes payable to banks - unsecured	2,500
Non-Marketable Securities - See Schedule B	600,000	Due to brokers	
Securities held by broker in margin accounts		Amounts payable to others - secured	
Restricted or control stocks		Amounts payable to others - unsecured	4,000
Partial interest in Real Estate Equities - see Schedule C		Accounts and bills due	
Real Estate Owned - see Schedule D	135,000	Unpaid income tax	
Loans Receivable	100,000	Other unpaid taxes and interest	
Automobiles and other personal property		Real estate mortgages payable - see Schedule D	
Cash value-life insurance-see Schedule E	5,000	Other debts - itemize	
Other assets - itemize		Mix. HOUSEHOLD	1,500
1979 WELLCRAFT	18,000		
DEPOSITS NEW VESSELS	180,000		
FURNITURE MISC. HOUSEHOLD	25,000		
		TOTAL LIABILITIES	11,000
		NET WORTH	1,053,000
TOTAL ASSETS	1,064,000	TOTAL LIAB. AND NET WORTH	1,064,000

SOURCES OF INCOME FOR YEAR ENDED <u>JUNE</u> 19 <u>79</u>	PERSONAL INFORMATION
Salary, bonuses & commissions \$ 52,000	Do you have a will? YES if so, name of executor ATTORNEY JAMES H. NORTON, JR.
Dividends NONE	Are you a partner or officer in any other venture? If so, describe NO
Real estate income NONE	Are you obligated to pay alimony, child support or separate maintenance payments? If so, describe NO
Other income (Alimony, child support, or separate maintenance) NONE	Are any assets pledged other than as described on schedules? If so, describe NO
Income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation)	Income tax settled through (date) 1978
TOTAL \$ 52,000	Are you a defendant in any suits or legal actions? NO
CONTINGENT LIABILITIES	Personal bank accounts carried at QUINCY SAVINGS BANK, HANOVER
Do you have any contingent liabilities? If so, describe NONE	Have you ever been declared bankrupt? If so, describe NO
As interest, co-maker or guarantor? \$ NONE	
On leases or contracts? \$ NONE	
Legal claims \$ NONE	
Other special debt \$ NONE	
Amount of contested income tax liens \$ NONE	

SCHEDULE A - U.S. GOVERNMENTS & MARKETABLE SECURITIES

Number of Shares or Face Value (Bonds)	Description	In Name Of	Are These Pledged?	Market Value

SCHEDULE B - NON-MARKETABLE SECURITIES

Number of Shares	Description	In Name Of	Are These Pledged?	Source of Value	Value
20	O'CONNELL SEAFOOD COMPANY	J.A. O'CONNELL	NO		500,000.
10	NEW ENGLAND FINE CO. INC.	J.A. O'CONNELL	NO		100,000.

SCHEDULE C - PARTIAL INTERESTS IN REAL ESTATE EQUITIES

Address & Type Of Property	Title In Name Of	% Of Ownership	Date Acquired	Cost	Market Value	Mortgage Maturity	Mortgage Amount

SCHEDULE D - REAL ESTATE OWNED

Address & Type Of Property	Title In Name Of	Date Acquired	Cost	Market Value	Mortgage Maturity	Mortgage Amount
601 EASTER AVE OCEAN BLVD	J.A. O'CONNELL	1976	60,000	80,000	—	—
533 ROAD YALMOUTH PORT LAND	J.A. O'CONNELL	1974	24,000	55,000	—	—

SCHEDULE E - LIFE INSURANCE CARRIED, INCLUDING N.S.L.I. AND GROUP INSURANCE

Name Of Insurance Company	Owner Of Policy	Beneficiary	Face Amount	Policy Loans	Cash Surrender Value
PHOENIX MUTUAL	O'CONNELL SEAFOOD COMPANY	COMPANY	250,000	—	5,000
LIBERTY MUTUAL	FATHER	FATHER	25,000	—	—
PHOENIX MUTUAL	O'CONNELL SEAFOOD COMPANY	COMPANY	1,000,000	—	—

SCHEDULE F - BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED

Name & Address Of Lender	Credit In The Name Of	Secured Or Unsecured?	Original Date	High Credit	Current Balance
SHAWMUTIST COUNTY BROKTON	J.A. O'CONNELL	SECURED	1976	100,000	—
QUINCY SAVINGS HANOVER MASS	J.A. O'CONNELL	UNSEC	1979	2,500	2,500
SOUTH SHORE NATIONAL QUINCY	J.A. O'CONNELL	UNSEC	1975	5,000	—
HIBERNIA SAVINGS BOSTON	J.A. O'CONNELL	UNSEC	1975	15,000	—

The Information contained in this statement is provided for the purpose of obtaining, or maintaining credit with you on behalf of the undersigned, or persons, firms or corporations in whose behalf the undersigned may either severally or jointly with others, execute a guaranty in your favor. Each undersigned understands that you are relying on the information provided herein (including the designation made as to ownership of property) in deciding to grant or continue credit. Each undersigned represents and warrants that the information provided is true and complete and that you may consider this statement as continuing to be true and correct until a written notice of a change is given to you by the undersigned. You are authorized to make all inquiries you deem necessary to verify the accuracy of the statements made herein, and to determine my/our creditworthiness. You are authorized to answer questions about your credit experience with me/us.

CAMPBELL CREDIT UNION J.A. O'CONNELL SECURED 1978 5000 3,000
 HOME SAVINGS BANK BOSTON J.A. O'CONNELL SECURED 1968 15,000 —

Signature (Individual)

SS No 030 332 577 Date of Birth 9-7-47

SECURED 1976 50,000 —

Signature (Other Party)

SS No _____ Date of Birth _____

Date Signed 11/2 1979

Exhibit 11: Schedules of O'Connell Lease and Loan Payments

LEASE

Year 1	@	\$111,887	=	\$ 111,887
Years 2-10	@	128,155	=	1,153,395
Years 11-20	@	147,378	=	1,473,780
Years 21-30	@	169,485	=	1,690,485
Years 31-40	@	194,908	=	<u>1,949,080</u>
Total Undiscounted Value =				\$6,378,627

Discounted at 12%:

Year 1 - \$ 99,803	Year 21 - 15,593
Year 2 - 102,140	Year 22 - 13,898
Year 3 - 91,182	Year 23 - 12,372
Year 4 - 81,378	Year 24 - 11,186
Year 5 - 72,664	Year 25 - 9,830
Year 6 - 64,846	Year 26 - 8,813
Year 7 - 57,926	Year 27 - 7,796
Year 8 - 51,646	Year 28 - 6,949
Year 9 - 46,136	Year 29 - 6,271
Year 10 - 41,138	Year 30 - 5,593
Year 11 - 42,297	Year 31 - 5,828
Year 12 - 37,729	Year 32 - 5,068
Year 13 - 33,750	Year 33 - 4,483
Year 14 - 30,065	Year 34 - 4,093
Year 15 - 26,823	Year 35 - 3,703
Year 16 - 24,023	Year 36 - 3,313
Year 17 - 21,370	Year 37 - 2,924
Year 18 - 19,159	Year 38 - 2,534
Year 19 - 17,096	Year 39 - 2,339
Year 20 - 15,327	Year 40 - <u>2,144</u>

Total NPV = \$1,111,190

Exhibit 11, Continued:

LOAN

Years 1-20 @ \$207,625 = \$4,152,250 (Total Undiscounted Value)

Discounted at 12%:

Year 1 -	\$185,201
Year 2 -	165,477
Year 3 -	147,829
Year 4 -	132,050
Year 5 -	117,723
Year 6 -	105,266
Year 7 -	93,847
Year 8 -	83,880
Year 9 -	74,953
Year 10 -	66,855
Year 11 -	59,588
Year 12 -	53,360
Year 13 -	47,546
Year 14 -	42,563
Year 15 -	37,995
Year 16 -	33,843
Year 17 -	30,313
Year 18 -	26,991
Year 19 -	24,085
Year 20 -	21,593

Total NPV = \$1,550,958

Total NPV, Lease plus Loan = \$2,662,148

(d) Evidence of Commitments from Private Lenders

Exhibit 12 consists of:

- a letter from the Shawmut Bank of Boston to O'Connell Seafood Company, making a financing commitment to the purchase of the new fishing vessels and stating that the commitment is conditional on the UDAG financing of the docking and servicing facilities.
- a letter from St. Augustine Trawlers, Inc. builder of the new vessels, acknowledging receipt of the Shawmut Bank financing.

(e) Other Public Financial Assistance

Although several key public improvements relate directly to the O'Connell expansion in a substantive sense, none are financially related to the UDAG transaction.

(f) Additional Funds: N/A.

Shawmut Bank

January 17, 1980

Mr. Robert Dolan
Director of Real Estate
City of Boston
Boston, Massachusetts

Dear Mr. Dolan:

Shawmut Bank of Boston, N.A. is committed to financing fishing vessels for O'Connell Seafood Company, Inc., and is greatly interested in the future of the industry. However, the expressed interest of expansion, in our opinion, greatly depends on acceptance of the Urban Development Action Grant which O'Connell Seafood Company Inc., has applied for. At this time Boston Harbor does not have a facility to properly service fishing vessels and we feel this is essential to sustain a profitable fishing fleet.

Sincerely yours,

John F. Lynch
Assistant Vice President

JFL/pv

EXHIBIT 12A: EVIDENCE OF COMMITMENT FROM BUILDER OF BOATS

January 5, 1980

Mr. John A. O'Connell, Jr.
O'Connell Seafood Company, Inc.
39 Fish Pier
Boston, Massachusetts 02210

Dear John:

This letter is to acknowledge receipt of Shawmuts commitment to finance two of the eight vessels you have options to purchase. It is understood that if the options are not exercised by April 15, 1980 the vessels will be sold elsewhere.

I have been in contact with Shawmut Bank of Boston and I am aware that Shawmuts commitment to finance the remainder of the vessels depends on your ability to finance and construct a maintenance facility in Boston. I certainly wish you well in this endeavor because I am well aware of the need for this type of facility in Boston and because the construction of these vessels and the six planned in 1981 will have a positive impact on our hiring.

Sincerely,

Jerry Thompson
General Manager

JDT/mlb

Riberia Street
Box 40
Augustine,
Florida 32084
Tel: 824-4394
Fax: 56-8404
Telex: TOSCO

Marine Repairs
and Supplies
Machine and
Carpentry Shop

II.B.8.

PROJECT SCHEDULE

II.B.8 PROJECT SCHEDULE

(a) Timetable

(b) Approval Schedule

There are no zoning changes required for this project. There are also no directly related non-UDAG public funding approvals. All required approvals, other than those pertaining to the UDAG itself, involve environmental regulations governing construction activity in coastal wetlands and the public waters of the harbor. Both EDIC and O'Connell representatives have discussed the project in a preliminary fashion with the relevant local, state, and Federal agencies, and have been led to anticipate no substantive difficulties in obtaining the necessary permits and licenses. No Massachusetts Environmental Impact Report is required for this project, and the Level of Clearance Finding attached to this application indicates that no Federal EIS is required.

- (1) Order of Conditions. Under Chapter 131 of the Massachusetts General Laws, the Boston Conservation Commission must issue an Order of Conditions for activities occurring in wetlands under its jurisdiction. EDIC and O'Connell will officially initiate this process by filing a Notice of Intent on February 15. The Conservation Commission, at maximum, then has 21 days to determine whether or not it has jurisdiction in the case, 21 days to advertise and hold a Public Hearing, and 21 days to issue its Order of Conditions. The process normally takes much less time. In any case, the Order of Conditions will be in hand by mid-April, which is before the earliest expected date of demolition.
- (2) Waterways Construction License. Under Chapter 91 of the Massachusetts General Laws, the Department of Environmental Quality Engineering and its Division of Land and Water Use must issue a License for construction in a public waterway of the Commonwealth. The Notice of Intent filing in (1) above triggers the Waterways License process, although the need for additional research will not allow the application to be fully considered until approximately mid-March. Issuance of the License is expected by May 1.

- (3) Water Quality Certificate. Upon approval of the License, the Division of Waterways will forward the file to the Division of Water Pollution Control, which will issue a Water Quality Certificate. At this point, all approvals required for the pier demolition operation will be in hand.
- (4) Corps of Engineers. The Corps must issue a Section 10 permit for the construction activity. While the application for this permit will be filed concurrently with that for the state's Chapter 91 License, the Corps cannot issue its permit until the state has acted. Corps approval is expected by June 1.
- (5) Coastal Zone Management. Upon Corps of Engineers approval, the state Office of Coastal Zone Management must issue a Certificate of Consistency with its State CZM Plan. Since Boston is a designated Port, and the CZM Atlas for the Port of Boston strongly endorses both fisheries revitalization and marine industrial development in general, approval is fully expected by July 1. Exhibit 13 is a letter from the CZM Office endorsing this UDAG application and stating its consistency with CZM objectives.

COASTAL ZONE
MANAGEMENT

The Commonwealth of Massachusetts

Executive Office of Environmental Affairs

100 Cambridge Street

Boston, Massachusetts 02202

..

January 22, 1980

Mr. Brian Dacey
Acting Director
Boston Economic Development
Industrial Corporation
60 Congress Street
Boston, MA

Dear Mr. Dacey:

I have recently had an opportunity to discuss EMIC's South Boston CDAG proposal with your consultants and would like to lend my endorsement to the list of your supporters.

As you may know, Massachusetts CZM is charged with approval authority over federally-funded or permitted projects which are within or affect the state's coastal zone. This consistency approval, given either at the close of any state environmental review or shortly following the request for federal funds, is based on a project's conformance with both CZM's environmental and development-related policies alike. While I cannot now issue such a determination, I would like to outline our posture on the concept as presented.

The Boston Marine Industrial Park has received a special designation under our program as a so-called port area. This segment of Boston's waterfront -- one of the only thirteen "designated ports" within the Commonwealth -- has been identified as a prime waterfront industrial site, already hosting the high cost infrastructure requisite for water-dependent industrial growth. There is no question that the CDAG proposal for O'Connell Seafoods is precisely the kind of investment which CZM looks to encourage. We have been ardent supporters of the move to create the 260 mile limit and, with its establishment, to promote growth within the state's fishing industry.

At the same time, CZM is charged with ensuring that any adverse environmental impacts associated with a coastal project are mitigated. In this case, CZM will consider the impacts (if any) of any dredging, filling or construction within the harbor and whether the project would create conflict with ongoing activity in the area.

It may be helpful to point out that Massachusetts' environmental regulations are undertaken with a more relaxed standard than development is proposed

within a designated port area. Largely because heavily industrialized areas have experienced environmental degradation over time, there tend to be few significant environmental constraints in undertaking certain projects within them.

I would also like to express my appreciation for your early and thoughtful consultation with CZM. I look forward to helping you in any way through the environmental reviews and permitting processes that may be entailed as the project progresses.

Sincerely,

Edward J. Reilly
Director

EJR/SAC

SECTION A

Alleviation of Physical Distress

III.A ALLEVIATION OF PHYSICAL DISTRESS

UDAG Form 4

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the project, insert "N/A." Attach additional pages to complete your responses if necessary, and indicate the item on Form 4 to which the additional response refers.

1. Residential Projects N/A

	New Construction (A)		Rehabilitation (B)		Demolished (% Substandard) (C)	Historic** Restoration (D)
	Single Family	Multi- Family	Single Family	Multi- Family		
No. Units						
No. Occu- pants be- fore pro- ject						
No. Occu- pants after pro- ject com- pleted						

2. Commercial/Industrial Projects

Acres Cleared	approx. 1.8 acres of rotted piers
No. Buildings Demolished (% Substandard)	possibly 1 (see UDAG FORM 7)
Total Square Footage Demolished	approx. 80,000 (piers)
Percent Occupied Before Demolition	(see UDAG FORM 7)

	New Construction (A)	Rehabilitation (B)	Historic Restoration*** (C)
No. Buildings	1	N/A	N/A
Total Square Footage	16,850 bldg. 7000 dock	N/A	N/A

* This form constitutes the response to Part III.A.

** For residential historic restoration projects, include the number of units and occupants in Column D and Column A or B.

*** For commercial or industrial historic restoration projects, include information in Column C and Column B.

3. Projects with Infrastructure Components N/A

	Water (A)	Sewer (B)	Sanitary (C)
Linear feet of new pipe			
Linear feet of pipe replaced			

Capacity added (units served, mgd, or other standard)

- Residential

- Commercial

- Industrial

Total Capacity Added

4. Projects with Beautification and Street Improvement Components

Describe beautification and street improvement efforts in the proposed project. Indicate the scope of the project by citing the type and amount of work undertaken on new streets, resurfacing, widening, sidewalks, street lights, benches, landscaping, etc. Contrast the proposed new facilities with existing conditions.

O'Connell Seafood will, as a final phase of construction, landscape and pave the unbuilt area of its on-shore parcel. The visual improvement value of the dock section of the project should not be overlooked. The present remains of Pier 7 and Wharf 8 are a severe blight on the waterfront. This blight will be replaced by a combination of a new dock and open water.

SECTION B

Alleviation of Economic Distress

III.B ALLEVIATION OF ECONOMIC DISTRESS

UDAG Form 5

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the proposed project, insert "N/A." Attach additional pages to complete your responses to questions 2 and 3 if necessary, and indicate the item on Form 5 to which the additional response refers. For purposes of this application, jobs should be stated in Full Time Equivalents i.e., two half-time jobs equal one full time equivalent (FTE) job.

1. Job Creation Potential of Proposed Project

	Low & Mod. Income (A)	Middle Income (B)	Upper Income (C)	Total (D)
A. Permanent Jobs				
(1) New jobs	0	16	194	210 (+ 50)
(2) CETA** Subsidized new jobs	0	4	49	53
(3) Jobs retained	0	16	45	61
(4) Jobs transferred to project area	0	0	0	0
(5) Jobs transferred out of project area	0	0	0	0
(6) Total permanent jobs	0	32	239	271
(7) % Private sector	-	100%	100%	100%
(8) % Public sector	-	0	0	0
(9) % CETA** subsidized	-	25%	25%	25%
(10) Average Salary/Wage	-	\$16,000	\$25,000	\$24,000

B. Temporary Jobs

(11) Construction jobs created	0	0	52	52 (+ 96)
(12) Other temporary jobs	0	0	0	0
(13) Total temporary jobs	0	0	0	0
(14) % Private sector	0	0	100%	100%
(15) % Public sector	0	0	0	0
(16) % CETA subsidized	0	0	0	0
(17) Average Salary/Wage	-	-	\$18,000	\$18,000

* This form constitutes the response to Part III.B.1.

** Comprehensive Employment and Training Act. The number of new CETA jobs should appear on line (2) and should also be included in the total new jobs on line (1).

UDAG Form 5 -- Sources and Methods

Item

- (1) Source: O'Connell Seafood Company. Of the new jobs, 150 are fishermen, earning \$20-40,000 per year, depending on status and frequency of work. Six are managerial. Thirty-eight are tradesmen engaged in servicing the vehicles at the O'Connell facility. The remainder are clerical and labor personnel.

Note also that up to 50 new jobs are expected to be created by the opening of a fish processing operation in a converted meat packing facility as a result of the increase in the fresh fish supply brought by the O'Connell expansion. While this new operation lacks the documentation required for inclusion as a formal UDAG transaction at this point, both O'Connell and EDIC expect it to occur. See page 82a.

- (2) Under the City's new "First Source" labor recruitment program, Boston's CETA Agency will attempt to recruit up to half of O'Connell's new hires. The 25% indicated in item (2) is an arbitrary estimate of partial success. CETA-recruited jobs will not necessarily be CETA-subsidized; see explanation of the program on page 100.
- (3) These figures represent O'Connell's present work force; the viability of the business in the Port of Boston depends to some degree on its ability to undertake the planned expansion.
- (10) Mean salary for Boston SMSA in 1979 was estimated by EDIC at \$12,500, based on County Business Patterns 1975 and consumer price index adjustment.
Low and moderate = 0-80% = less than \$10,000
Middle = 80-120% = \$10,000-\$15,000
Upper = over \$15,000
- (11) Construction cost is \$2,076,250 for headquarters facility. With 45% of this cost estimated for construction payroll and \$18,000 construction payroll per worker, 52 jobs are created. Note also that the Florida company building the eight new fishing boats is employing approximately 96 people on the project; since the boats are being built in any case (the UDAG will allow their purchase), these jobs are not counted, strictly speaking, as directly attributable to the UDAG. Nonetheless, the O'Connell expansion plans generated this work.

TELEPHONE 800-427-1144
MASS. WATS 617-542-0100
NEW ENGLAND WATS 617-542-0100
TELEFAX 617-542-0100

LETTER FROM DOLE & BAILEY, INC.
FOOD SERVICE DISTRIBUTORS
REGARDING THE EXPANSION OF A
PROCESSING PLANT RESULTING
FROM THE PROPOSED PROJECT. -

Dole & Bailey, Inc.

FOOD SERVICE DISTRIBUTORS

8 CONN. STREET
ROBURY, MA 01069

January 30, 1980

Mr. Robert Dolan
Director of Real Estate
City of Boston
Boston, MA

Dear Mr. Dolan:

This is to inform you that Dole & Bailey plans to operate a seafood processing plant at 10 Newmarket Square, Boston, MA 02118 as a direct result of the new facility O'Connell Seafood Company plans to construct in Boston.

With this facility it is understood that O'Connell plans to increase the size of their fleet to twelve vessels. This increase in fish landings in Boston will enable us to purchase enough fish to make our processing plant a profitable venture.

Sincerely,

DOLE & BAILEY, INC.

Donald M. Matheson
President

DMM:ej

2. Increase in Business Activity

Describe the increase in the dollar volume of retail sales or other business activity in the community expected to result from the proposed project in both absolute and percentage terms. Indicate the expected percentage of total retail sales or other business activity in the area which the proposed project will capture.

In 1979, the Boston Fish Pier handled an estimated 938 vessel landings, totalling 32 million pounds of fish. The eight new O'Connell vessels would account for approximately 256 landings (32 trips per boat per year), and at an average of 40,000 pounds landed per trip, 10.2 million pounds. The proposed expansion would increase the Port's number of vessels, number of landings, and total poundage by anywhere from 30 to 35%.

3. Other Economic Indicators

If there are any other specific indicators of the overall alleviation of economic distress in the community which will result from the proposed project, please describe them. For example: reduction of population outmigration or housing overcrowding, or the replacement of abandoned buildings.

In all, O'Connell Seafood and EDIC estimate that 200 new jobs will be created indirectly by the UDAG project in short-term spin-offs in fish handling and processing, shipping, and general waterfront servicing activities. Reinvestment of the recaptured UDAG funds by EDIC is expected to create several hundred more jobs in and around the Marine Industrial Park.

SECTION C

Fiscal Improvement

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the proposed project insert "N/A." Attach additional pages to complete your response if necessary, and indicate the item on Form 6 to which the additional response refers.

	Dollar** Increase or (Decrease)
a. Value of property added to tax rolls by proposed project	
b. Less: Reduction in assessed value from demolition and other changes	
c. NET INCREASE OF VALUE ADDED TO TAX ROLLS	
d. Incremental Tax Revenue (line a x Local Tax Rate)	\$83,945 (See next page)
e. Sales Tax	Temporary - \$1638
-- State	Permanent - \$17,640
-- Local	N/A
-- Special	N/A
f. Income Tax	Temporary - \$50,544
-- Personal	Permanent - \$272,160
-- Corporate	?
g. Personal Property Tax	N/A
h. Payments in Lieu of Taxes	(Stated in "d" above)
i. Increase in Taxes (d + e + f + g + h)	Temporary - \$52,182
	Permanent - \$373,745
j. Less: Reduced collections in categories e through h due to demolitions, closings, etc.	-----
k. NET INCREASE IN TAX COLLECTIONS (i-j)	Temporary - \$52,182
	Permanent - \$373,745
l. NET INCREASE/\$000 IN UDAG	Temporary - \$25.13
	Permanent - \$180.01

* This form constitutes the response to Part III.C.1.

** Base information on fiscal improvement on an estimate of circumstances in the first year after Action Grant project completion.

2. Return to Local Government

- a. Increase in annual tax revenue to local government*
- b. Total expected investment by local government
- c. "Return on Investment" to local government (a÷b)

DOLLARS
83,945
0

3. Tax Breaks

Describe tax abatement packages which have been offered to businesses and homeowners in connection with the project. Include names or categories of beneficiaries, the term of each package, how the tax reduction is structured, and the total annual value of the offer. If payments in lieu of taxes (PILOT) are involved, describe the proposed terms. NOTE: Increased tax base is a selection criterion for Action Grants.

The land involved in the O'Connell expansion currently produces no taxes to the City. The O'Connell lease payments of \$128,155 represent a considerable savings from the property's likely tax bill if computed in the normal fashion. On the other hand, EDIC will begin paying the City 25% of its gross income in lieu of taxes in a phased-in method. The O'Connell lease and UDAG loan payments will add up to \$335,780; 25% of this is \$83,945.

4. General Tax Reductions

If any reduction in taxes unrelated to the project (e.g., a drop in the tax rate for homeowners in the municipality) is included as a part of the overall plan for the project, describe the terms of the reduction and the reasons that it is appropriate.

* Base this increase on an estimate of the circumstances in the first year

UDAG Form 6 - Method of Calculation

(a) through (d), (h):

As explained on the preceding page, \$83,945 is the yield in lieu of taxes, and also the net increase, since the property now produces no revenues to the City Treasury.

(e): State sales tax is 5%; construction payroll is estimated at \$936,000; disposable income is estimated at 70% of payroll or \$655,200; 5% of disposable income is estimated to be spent in the project area during construction, or \$32,760. Permanent payroll estimated at \$5,040,000; disposable income at 70% is \$3,528,000; 10% of disposable income estimated to be spent annually in project area, \$352,800.

Construction sales yield = $\$32,760 \times .05 = \$1,638$

Permanent sales yield = $\$352,800 \times .05 = \$17,640$

(f): State individual income tax is 5% with 7.5% surcharge, or an effective 5.4% tax rate. This is multiplied by construction and permanent payrolls estimated above.

SECTION D

Impact on Minorities and Low Income Persons!

III.D. IMPACT ON THE SPECIAL PROBLEMS OF LOW- AND MODERATE-INCOME PERSONS AND MINORITIES

II.D.1. DEMOGRAPHIC DATA

As with many other older northeastern cities, Boston has experienced significant population losses. Between 1950 and 1970 the City lost 29% of its white population while the non-white population increased by only 13%. The most recent population study done in 1976 shows that of Boston's 638,735 residents, 73% are white while the remaining 27% are non-white.

Boston's housing stock has also undergone some major changes. Since 1970, 18,885 units have been built or completely rehabilitated, 3,000 of these specifically for elderly housing. The 1970 Census indicates that Boston's housing stock is dominated by older, two and three unit structures. Approximately 77% of these units were more than thirty years old with a good portion of them being built before the turn of the century. However, a 1973 survey shows that 70% of Boston's housing stock is in good condition.

In the post World War II relocation of manufacturing firms to lower cost sites in the suburbs and the southern states, the City of Boston lost half of its industrial base. A total of 53,000 manufacturing jobs left the City. The City has been working to stabilize and reverse this trend and between 1976 and 1977 a gain of 4,200 manufacturing jobs were finally recorded.

The service sector has accounted for 90% of the job growth in Boston since 1960. This trend is similar to that in most older cities, where there has been a significant shift from manufacturing to office uses as the most important elements of their economy. In 1977, the service sector accounted for 64% of Boston's jobs, an increase of 5% from 1970.

The New England region has experienced some of the highest unemployment rates in the nation, at times 15-20% above the national average. Boston, with

its higher concentration of economically disadvantaged residents, has had an unemployment rate twice the national average. However, the unemployment picture of Boston residents has recently improved with unemployment dropping from a high of 12.7% to 7.2% (annual 1978 average).

CITY OF BOSTON

Median Family Income	\$ 11,500
Total Population	638,735
Minority Population	172,489 (27%)

The UDAG project is located on the industrial waterfront of South Boston. This waterfront is part of a larger, 900-acre industrial area in the northern part of this neighborhood (see Map No. 4.). Exhibit 14 is a demographic profile of South Boston and its sub-areas, compared to the entire City. It is plain that South Boston as a whole, and the "D" Street, Columbus Park, and Andrew Square sections in particular, are more hard-pressed economically than the City as a whole - let alone the metro area as a whole.

SOUTH BOSTON: Residential Areas and northern industrial section. Asterisk (*) indicates site of proposed UDAG project.

Comparative Statistics — South Boston 1970 U.S. Census Data

	City Point (601,602,605)	Telegraph Hill (603,604)	Columbus Park (610,611)	Andrew Square (612,613)
1970 Population				
Total 1970	11,378	10,144	5,750	2,222
% Change from '60	- 7.5%	- 7.7%	- 30.0%	+ 3.4%
Aged 0-9 yrs.	1,822	1,406	1,111	325
% Change from '60	- 21.3%	- 28.3%	- 35.2%	- 18.5%
Aged 10-19 yrs.	1,812	1,709	1,130	385
% Change from '60	- 5.6%	+ 3.0%	- 12.3%	+ 7.5%
Aged 20-34 yrs.	2,349	1,800	870	372
% Change from '60	+ 2.1%	- 10.0%	- 32.2%	+ 8.8%
Aged 35-64 yrs.	3,959	3,586	1,590	819
% Change from '60	- 9.7%	- 9.7%	- 27.2%	+ 1.9%
Aged 65 yrs. & over	1,436	1,643	1,049	321
% Change from '60	+ 4.1%	+ 17.7%	+ 16.4%	+ 30.5%
Income				
Median Family	\$ 8,663 - 10,183	\$10,496 - 11,207	\$ 6,319 - 6,659	\$ 7,558 - 7,694
% Families under \$5,000	18.0%	12.6%	41.1%	29.2%
Housing				
Total Dwelling Units	4,216	3,554	2,248	913
Units Needing Fix-up in excess of \$1,000	1,622	817	361	484
% Owner Occupied Units	27.0%	34.8%	7.8%	24.2%
Market Condition	Strong	Stable	Stable	Moderate
Mobility of Residents — Residence over 5 Years	37.2%	61.5%	64.3%	62.0%
	West Broadway (606,608,609,614)	D Street (607)	South Boston District	City Of Boston
Population				
Total 1970	5,455	3,539	38,488	641,071
% Change from '60	- 26.4%	- 5.0%	- 10.4%	- 8.1%
Aged 1-9 yrs. — 1970	842	1,062	6,568	101,634
% Change from '60	- 39.2%	- 23.9%	- 28.4%	- 15.8%
Aged 10-19 yrs. — 1970	1,043	933	7,012	112,122
% Change from '60	- 18.7%	+ 29.9%	- 3.0%	+ 9.2%
Aged 20-34 yrs. — 1970	917	456	6,764	156,497
% Change from '60	- 30.3%	- 29.6%	- 14.3%	+ 9.2%
Aged 35-64 yrs. — 1970	1,930	799	12,683	189,059
% Change from '60	- 24.7%	+ 17.2%	- 13.1%	- 22.8%
Aged 65 yrs. & over 1970	723	289	5,461	81,759
% Change from '60	- 16.7%	+ 2.1%	+ 7.7%	- 4.5%
Income				
Median Family	\$7,100 - 9,316	\$4,590	\$ 4,590 - 11,207	\$ 9,133
% Families under \$5,000	24.5%	57.1%	24.9%	21.8%
Housing				
Total Dwelling Units	2,235	1,091	14,257	232,856
Units Needing Fix-up over \$1,000	1,125	1,091	5,500	67,102
% Owner Occupied Units	28.3%	0	23.9%	27.0%
Market Condition	Weak	N/A	Stable	Stable
Mobility of Residents — Residence over 5 Years	53.1%	53.3%	52.7%	50%

II.D.2 PARTICIPATION OF MINORITIES

The UDAG-funded construction contract will be awarded by a private firm (O'Connell Seafood, Inc.), rather than by the City. The City will, however, encourage O'Connell to include minority labor and business participation to whatever extent possible and to work toward the City's voluntary goal for private construction of 50% City resident employment.

It has been O'Connell's experience thus far that permanent employment in its vessel crews and servicing activities includes a significant number of minorities, principally Oriental and Spanish-speaking. The Employment Plan described in III.E will make the City the first-source employment recruiter for O'Connell, with recruitment focusing on the unemployed on a City-wide basis. This process is very likely to yield minority recruits, including blacks, for permanent jobs.

I.D.3 RESIDENTIAL NEIGHBORHOOD IMPACT STATEMENT

South Boston is a largely stable working-class community, suffering from one of the higher neighborhood unemployment rates in the City (12.5% in 1977). Most private housing dates from the first third of this century or before, and there are three public housing projects, including one (D Street) that exhibits all of the social and economic difficulties one associates with the failure of urban public housing. Both public and private housing generally requires reinvestment in the near future. The local commercial districts on East and West Broadway are viable, but also in need of reinvigoration.

A key to the stabilization of the residential and neighborhood commercial components of South Boston is the revitalization of the northern industrial section. Not only are the industrial jobs needed to infuse more income into the community; the condition and blurred boundary of much of the industrial area is a blighting influence on nearby residential and commercial streets. The City's South Boston District Profile and Proposed 1979-81 Neighborhood Improvement Program proposes a four-part strategy. The first priority is Residential Stability. The other three parts, which are intended to promote Residential Stability, all relate to the northern industrial section of the community:

- maximizing industrial job creation and property reuse in the industrial area
- resolving the issue of truck access to the industrial waterfront
- stopping the encroachment of industrial blight on marginal residential areas.

The O'Connell Seafood expansion helps to satisfy not only the goal of industrial job creation, but that of reasserting a desirable pattern of land use as well. In a community as small as South Boston, these positive impacts are likely to be reflected in more general neighborhood benefits. Exhibit 15 is the Proposed Comprehensive Neighborhood Revitalization Strategy from the South Boston Profile,

III. Proposed Comprehensive Neighborhood Revitalization Strategy

The most important planning goal for South Boston is to protect and improve the 14,170 homes and apartments in which the people of this community live today. Recent experience and economic projections agree — for the foreseeable future, any new, privately financed housing built without subsidies in South Boston will be beyond the economic reach of all but a small percentage of South Boston residents. In other words, each house that burns, each apartment vandalized beyond repair, each building allowed to fall apart, will mean fewer housing opportunities for present and future South Boston residents.

Protecting and maintaining this valuable stock of housing is not a job that either the City or any other governmental unit can handle by itself. Housing belongs to, is used and abused, by people. That is not to say that the government has no responsibility for housing conditions. Every City activity from assessing to zoning affects the condition of the housing stock. State policies (such as maintenance of public housing projects and requiring banks to disclose the location of their loans) and the Federal government are involved as well.

There are four major, interrelated planning and development issues:

- (1) Residential Stability
- (2) Indirect Access to Industrial Operations and Related Transportation Problems
- (3) Incompatible Land Use
- (4) Vacant and Underutilized Land

These issues are described separately for the purpose of clarity in presenting strategies and investment needs. They are all, however, related to the critical issue of the stability of the South Boston residential neighborhood.

A. RESIDENTIAL STABILITY

South Boston has long been one of the City's most stable residential neighborhoods with a strong sense of

community rooted in the district's physical separation from the rest of the City, its fine parks and beaches, and its long traditions. During the last twenty years, however, there has been turnover and change in population, and the community's stability has begun to show signs of erosion. The district's population has been decreasing. Families with young children have been moving out of the neighborhood in large numbers and the remaining population is growing older. Over 90% of South Boston's housing stock was built before 1939, most of it much earlier. Many of these older houses, even ones which have been well-maintained on a regular basis, require some major reinvestment now and present special maintenance problems for residents. At the same time, costs of rehabilitation and maintenance have risen so high that in order to afford to make necessary repairs, owners would have to raise their rents and existing tenants might be forced out. Home improvement loans are difficult to obtain in those areas where new investment is most needed.

The lack of a definite boundary and buffer to separate industrial and residential uses has created special problems along the northern edge of the community. A band of mixed uses has existed for years along First and Second Streets in both the eastern and western sections of the district. These areas suffer the impact of heavy truck traffic generated by industrial uses and exhibit signs of housing deterioration and even some abandonment.

The West Broadway area has additional problems. This area is affected not only by industrial encroachment and truck traffic on residential

streets, but also by the deteriorated "D" Street housing project. Evidence of housing deterioration and abandonment are frequent in this area and Andrew Square. Some abandoned buildings are in extremely bad condition and susceptible to vandalism and fires, which in turn threaten other houses in the vicinity.

The many vacant lots in the area, filled with debris or wrecked cars, are safety hazards and highly visible symbols of neglect, which discourage reinvestment. Housing in the area has been steadily deteriorating because of overcrowding and frequent turnover of residents whose low incomes have prevented them from making the necessary repairs to their property.

Strategy

A continuous concentrated program of public investment is required to stimulate private investment in residential South Boston and restore the neighborhood's stability. The Housing Improvement Program, which offers a cash rebate incentive and technical assistance to resident owners wishing to rehabilitate their property, is the first step in preserving the private housing stock of South Boston. This program has been most successful in those areas where housing is basically sound and incomes are high enough to afford the required investment.

In other areas, however, notably West Broadway, where housing deterioration is pronounced, incomes are low and home improvement loans are difficult to obtain, more extensive rehabilitation assistance is necessary.

Current housing disinvestment factors: industrial encroachment, housing stock age, the "D" Street Housing Project coupled with the highest incidence of non-owner occupied structures in South Boston have limited the overall success of the HIP in this area. The new 50% Elderly HIP offers 50% rebates to those elderly over 65 years and owner-occupants (15.1% of South Boston population) on a wide range of repairs: electrical, plumbing, general carpentry, heating, structural and exterior walls.

Federal 312 housing assistance funds are available in the City Point area.

This program provides limited funds for up to 20-year loans at 3% for 1-4 unit owner-occupied structures. The local HIP office administers the program. However, in addition to existing HIP programs, this area requires a special housing program aimed at 1-4 unit investor-owned structures.

HIP should also initiate a "re-entry" program where homeowners, who once participated in HIP, especially those in impacted neighborhoods who may have credit problems, have the option of using more HIP monies for additional repairs. A new HIP "Free Paint" program is now available to qualified South Boston homeowners in the northern residential sections of the "Lower End" and the "Point" side. The City provides the paint, the homeowner the labor.

Over the years, it has become increasingly apparent that new public policy must be formulated to address both problems within the "D" Street Project and the resultant detrimental effects to the surrounding community. Recently, the State announced the award of \$6 million in State modernization funds for the "D" Street Project and the City proposed over \$1 million of Capital Budget monies to light those streets surrounding the project: West Broadway, "B" Street, West Seventh; and another nearby street — West Fifth from "D" Street to Dorchester Street. These improvements coupled with the new lighting installed on "D" Street last year and a continued tree planting program will assure West Broadway residents that the City has renewed its interest in not only the project but the surrounding community as well.

South Boston as a whole needs continued capital investments in public facilities, public works, and parks and recreation facilities to restore neighborhood confidence and stimulate private investment. Additional capital expenditures are necessary including residential street improvements, vest pocket parks where appropriate, street lights which will add character to appropriate sub-neighborhoods, additional tree planting, and development of additional open space and recreational facilities. The Andrew Square area is in need of both commercial and residential revitalization. In addition, Amtrak,

as part of the Northeast Corridor Improvement Project, has proposed plans for the construction of a new storage yard and maintenance complex in the old Southampton Street freight yard. This facility would perform all required inspections to locomotive and cars, make repairs, provide material storage space and provide necessary facilities for employees. The resultant jobs generated would provide a new vitality to Andrew Square, but more important would spur housing rehabilitation.

The continuation and expansion of programs which address unemployment through job training and educational reform must focus on South Boston as an important priority. The Job Training Center at the Boston Marine Industrial Park has been very successful in placing its recent graduates in relevant jobs. The expansion of programs like this combined with future jobs created in the BMIP area should serve to lower the unemployment rate.

Zoning and the policy for granting variances and conditional use requests should continue to be reviewed and modified as necessary in order to control land-use problems and building conversions in the future. The City should continue to meet with local banks and lending institutions to ensure the availability of mortgage and home improvement money and stimulate investment in the community. By identifying housing needs, funding programs and suitable development sites, the City can encourage appropriate new residential development in South Boston.

B. INDIRECT ACCESS TO INDUSTRIAL OPERATIONS AND RELATED TRANSPORTATION ISSUES

Because of inadequate access to the industrial and warehousing operations in the northern section of South Boston, trucks have been using residential streets for years. The First Street truck route was originally established to address the problem but has been successful to only a limited degree. Traffic on the truck route itself is frequently held up by trucks which are double parked, unloading or negotiating sharp corners. Although Police District #6 has

been most cooperative enforcing the existing truck routes, preventing trucks from using other streets has been a problem; but even if truck traffic could be confined to using the truck route, trucks would still be using B and C Streets, which are primarily local streets themselves.

The East/West truck route, furthermore, does little to accommodate the need for trucks to travel north and south. Truck traffic moving between the northern section and the Turnpike or the Southeast Expressway currently travels through the Lower End and the northern portion of the "Point" section residential neighborhood. This is the existing truck traffic problem. Over the past few years, a few fatalities have been attributed to truck traffic on residential streets. However, this situation will become exacerbated upon completion of the proposed development of the former South Boston Naval Annex, now the Boston Marine Industrial Park, for marine related uses, such as the Free Trade Zone, other port uses, and expected private investment. In ten

years, it is estimated that 2.5 times as many trucks as are currently using South Boston's streets will be heading for this industrial area. This does not include the development of the vacant Penn Central properties and other private interests which over the years have expressed interest in fully developing their properties.

Strategy

In 1975, concerned South Boston residents requested a study, the Seaport Access Road Study, to evaluate possible alternatives that would remove truck traffic and its related problems from the community's

idential streets. In 1976, \$125,000 federal revenue sharing (CDBG) funds, matched by the co-sponsor, MassPort, was allocated by the City for an Environmental Impact Study which allows for community input in the route selection.

A series of informative meetings were held at various public facilities within the community which allowed the consultants and staffs of the Boston Redevelopment Authority/Massachusetts Port Authority a revealing insight into the existing transportation problems of this neighborhood. These presentation meetings ran relatively well until a December 1977 announcement of a potential Sports Arena to replace the existing Boston Garden in the Necco Court area along the Fort Point Channel gained the attention of South Boston residents and raised some questions about the relationship of the Seaport Access Road Study to the proposed arena.

Although the announcement of the arena came at an unfortunate time during the Environmental Overview study, the arena should be acknowledged and included in any future studies. In light of this announcement, the City initiated the Fort Point Channel Advisory Committee which was comprised of representatives of the BRA and Massport, South Boston community groups, local politicians, and major landlord owners. The committee met on a monthly basis to examine existing development proposals and announce and critique future proposals to ensure that development of this prime area benefits all parties concerned. Although there is a basic consensus that a Seaport Access Road is needed in South Boston it is the City's contention that until sufficient clarification of the proposed public and private developments is at hand, the study will be suspended. However, upon its resumption it is expected that with the cooperation and expertise of the citizens and their knowledge of their community, a suitable alternative will be chosen. The selected route will not only benefit the South Boston community with reduced truck traffic and the return of residential atmosphere, serve existing and anticipated future development but will benefit both the City and South Boston with blue collar jobs and a broadened tax base.

Until a route is selected, an interim plan has been established which includes an intensified enforcement effort by the police which has been quite successful. District 6 police officers have tripled the number of citations issued to truck drivers for failure to follow the posted "TRUCK ROUTE" signs. Dispatchers of some of the larger trucking firms have been most cooperative in distributing "truck route" maps to their truck drivers. Also, additional new and larger "TRUCK ROUTE" signs were designed to aid truck drivers along the present route.

There are other transportation improvements that are needed for both truck and auto traffic including the Northern Avenue Bridge replacement. This State project includes the realignment of the Bridge some 280 feet south of its present location with construction commencing after 1980. In addition, the West Fourth Street Bridge, and the Broadway Bridge require repairs.

C. INCOMPATIBLE LAND USE

Due to the lack of stringent controls in the past, industrial encroachment created a band of mixed uses along First and Second Streets. Industrial and warehousing operations and the truck traffic which they generate produce problems of safety, noise and air pollution for residents and have contributed to the deterioration and instability of adjacent residential areas. Numerous vacant lots, some with only the foundations remaining, others strewn with refuse, surround the remaining houses and creates a domino effect that results in further disinvestment and abandonment.

Strategy

Further land use and economic studies should focus on the ownership of the parcels involved, their possible reuse and various public and private improvements which are necessary. The BRA, as the City's planning agency, has currently reviewed the existing South Boston zoning boundaries and have made recommendations, now before the Zoning Commission, for future modifications to prevent further mixture of these incompatible land uses in the future. For example, these modifications include rezoning all vacant land adja-

cent to residential and industrial land from a manufacturing classification to a residential classification. Similar recommendations were also made for those zones labelled local business where the majority land use was actually residential. Changing the zoning classifications of certain industrial-business areas to a residential classification can prevent future expansion of nonresidential uses and reduce additional truck traffic that expansion might have created. Consult the South Boston community groups or this agency for additional information.

If unchecked, industrial encroachment and its resultant effects could eventually reach West Broadway, causing irreparable harm to the pre-1940 wood frame housing stock. The City, through its policy of granting variances and conditional uses and other discretionary review powers, such as design and environmental review, should continue its policy of preventing further non-compatible development in residential areas and, to the extent possible, lessen the negative impact of industry in existing mixed use areas.

D. VACANT AND UNDERUTILIZED LAND

South Boston has a large amount of vacant land and land that is greatly underutilized in both the industrial and residential sectors. The vast majority of this land (just under 300 acres) is located in the northern industrial section and includes: the South Boston Naval Annex, Boston Army Base, Penn Central, Massport properties, Anthony Athanas-Pier 4 properties, British properties, and other smaller parcels.

The highest incidence of vacant residential land exists predominantly in the northern and northwestern sections. This composition is based upon hundreds of vacant lots, the average size approximately 1,200sf and the largest 20,000sf, the majority of which once had residential structures on them. These groupings of vacant lots range from 1 or 2 in a residential block up to 20 consecutive lots in an area such as West Second Street. In the industrial areas the vacant and underutilized land represents a lost tax base for the city and lost job

possibilities for South Boston residents. In the residential areas, the vacant lots are a blight on their neighbors, and represent potential for viable reuses, such as new one- and two-family housing, open space and recreation. Any new uses must not create new problems for the residential community.

Strategy

The City and Massport are still involved in negotiations on the future development of the former South Boston Naval Annex, now Boston Marine Industrial Park, consisting of 167 acres and the Boston Army Base, 50 acres, for a containerport with roll-on roll-off capability and adequate container storage. A job training center and a marine repair terminal are now open. A Free Trade Zone is planned. This Zone would allow companies space to assemble products with a local labor force within the Free Trade Zone and be exempt from Federal tax until the products are shipped out of Boston. Projected uses at BMIP are expected to create some 3,000 predominantly blue collar jobs within 5 years.

Recently three parcels containing a total of 48 acres of bankrupt Penn Central Railroad Company property were placed on the market. These parcels are prime commercial properties, the only vacant land of its size and proximity to downtown Boston. In response to the development of South Station under the Northeast Rail Corridor and the possibility of an arena on land that the Post Office currently leases for employee parking, the Post Office has purchased a triangular shaped portion of land near "A" Street to be utilized for employee parking. In addition,

Broderick Properties has signed a purchase and sales agreement for 24 acres of Penn Central land within the Fort Point Channel area along Northern Avenue for a multi-million dollar hotel and trade center. However, before any development occurs, the City must concentrate on and solve existing traffic problems in this area such as the relocation of the Northern Avenue Bridge and a Sea-port Access Road which addresses the problem of heavy truck traffic using South Boston residential streets. Other development plans include Anthony Anthanas'-Pier 4 for commercial and residential uses; possible expansion by Gillette, development of Massport's 24 acre "Commonwealth Flats" and British Properties' residential and warehousing development.

In residential areas, the City should continue the Greening of Boston Program and Open Space Management Program for vacant land problems and encourage the banks to invest in housing construction and rehabilitation. The Greening of Boston Program is an excellent method for individuals or neighborhood groups to improve their neighborhoods with the addition of trees, benches, shrubs, playground equipment, trash barrels and similar street furniture items. This privately funded program will match neighborhood funds on a 3 to 1 basis and provide professional design and administrative services to help implement your project. For further information contact the Little City Hall or the Greening of Boston Program at Boston City Hall, 725-4000.

The Open Space Management Program which was specifically designed for the clearance and maintenance of abandoned vacant lots in targeted areas throughout the City will continue and hopefully with additional funds will expand its existing target area. This program provides an index of all private and city-owned public lots with information on the slope, condition, and size of the lot. In some of these areas it may be desirable for the City to hold its land until enough is amassed to be sold as a development parcel.

A proposal by the Boston Redevelopment Authority is currently being prepared for submission to the State

for Federal funds for a \$2.1 million buffer park which would utilize a string of vacant residential lots, designed to separate the residential and industrial sections of this community. If the money becomes available and the State sanctions the project, the Federal funds would pay for 80% of the acquisition costs of more than 80 vacant lots which range in value from a hundred dollars to a few thousand dollars. It is expected that the City would pay the remaining costs through Community Development Block Grants (C.D.B.G.). The location of the proposed vacant lots to be taken have been designed so that no residential structures are involved.

Recently the City drafted the "Boston Plan," a proposal aimed at securing federal funds to address the problems of unemployment, public housing, educational standards, health care delivery, and problems caused by crime, in four high priority neighborhoods. Boston's "port area" has received extensive federal EDA (Economic Development Administration) funds. The Harbor section was awarded \$5.2 million to cover repairs to the 1,176 foot long drydock, one of the world's largest. It also received \$2.4 million for site utilities and \$1.1 million for a foreign trade zone. The plan cites the development potential of vacant and underutilized parcels in South Boston. The plan was designed to secure funds to stimulate the development process so the City and South Boston could realize new job possibilities. The City, working with the community, should develop a land use committee for those important areas to guide future public and private actions.

II.D.4 RELOCATION IMPACT

UDAG Form 7 is attached. It indicates that the only displacement associated with this project is that of a single business. This is not a displacement in the usual sense, and no formal relocation process is involved. The business is a small seller of fresh lobsters, which moved onto a corner of the project parcel in 1979 on a tenant-at-will basis. The owner has known from the outset that his lease would be terminated when a more productive use of the larger parcel materialized. Every effort will be made to find this business a new location along the waterfront. This firm employs approximately 5 persons.

UDAG FORM 7*

RELOCATION IMPACTS

Instructions: Complete the table below with the numbers of families, individuals, farms, and businesses which will be relocated as a result of the proposed project.

NOTE: The following definitions apply to this table:

- (1) Low and Moderate Income: Persons whose income is less than 80% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).
- (2) Other Income Categories: Persons whose income is over 80% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).

If more appropriate, use the income limits for the HUD Section 8 housing program to define low- and moderate-income families. Where size of family is not known, use Section 8 limit for a family of four persons.

	Low and Moderate Income		Other Income Categories		Total	
	Minority	Non-Minority	Minority	Non-Minority	Minority	Non-Minority
1. Families Displaced						
2. Unrelated Individuals Displaced						
3. Farms Lost						
4. Businesses Displaced						1 (See preceding page)
5. Jobs Lost From Businesses in Line 4 Above						

* This form constitutes the response to Part III.D.4.a.

SECTION E

Employment Plan

III.E EMPLOYMENT PLAN

III.E.1. ANTICIPATED EMPLOYMENT IMPACTS

O'Connell Seafood Company's permanent jobs include 150 fishermen, 6 managers and 38 tradesmen in the shore facility. These positions will draw principally on a blue-collar skills pool, but will pay very well. There will also be 16 clerical and laborer jobs.

The O'Connell expansion will increase the volume of fish handled on the Pier by a significant proportion. This will allow not only an increase in fish processing activity on the Pier as the current Port Authority renovations are implemented, but selected expansions of processing off the Pier. Several potential off-Pier expansions are in the early discussion stage, and one may occur in the near future as a direct, attributable consequence of the O'Connell project. Dole and Bailey, a processing firm in a Boston suburb, owns a vacant meat processing plant in the Newmarket industrial district of Boston, an inner-city neighborhood with a high percentage of minorities. On the strength of the added fish volume available at the Pier, Dole and Bailey plans to re-open this plant as a fish processing facility, employing up to 50 people within one year.

O'Connell Seafood has already mounted an impressive private training mechanism, which it needs because it has grown so rapidly and because the skills which its boat crews and machine operators require are not always readily available. Its vessel engineers are actually sent for training to the Northeast Caterpillar training center in Illinois; Caterpillar makes the engines in O'Connell's boats. (Its training center was established through a UDAG.) O'Connell also does in-house training as required by the nature of the positions. In general, the company believes that a significant proportion of its hires are from the ranks of the unemployed, with noticeable contingents of both minorities and South Boston residents. O'Connell will also be working with the City's Employment and Economic Policy Administration in the manner described below.

2. LOCAL TRAINING AND EMPLOYMENT PROGRAMS:

The employment and training system in Boston is coordinated by the Employment and Economic Policy Administration (EEPA), the City's prime sponsor. Under contracts with a wide range of community based organizations, and through programs that it operates, EEPA provides a wide range of employment and training programs, and related services.

Of most importance in assessing, training and placing economically disadvantaged individuals in the jobs at O'Connell Seafood are the programs run by EEPA's Employment and Training Division, funded under Title II B of Comprehensive Employment and Training Act (CETA). The programs run by the Employment and Training Division include assessment, pre-vocational training, and classroom skills training. The services may be summarized as follows:

- a. Intake and Assessment: Considered as the entry point into Boston's employment and training system, the four intake and assessment centers provide academic and vocational testing, assessment counseling and referral services. At the centers, eligibility for CETA is determined, eligible applicants are given vocational and academic assessment and then work with staff at the centers to develop an Employability Development Plan (EDP). The EDP establishes career goals and sets out a plan to achieve these goals. The EDP guides subsequent referral of clients to the programs that are available under all CETA titles. In addition, the centers provide referrals to supportive service agencies.
- b. Pre-Vocational Training: Many of the clients in the Boston's CETA system lack not only specific vocational skills, but also basic reading and math skills. Others face language difficulties. The pre-vocational program contracted from EEPA to community and educational organizations provide English as a Second Language (ESL) and Adult Basic Education (ABE) to the clients who have these problems. These programs are designed for the most part to prepare clients for further training, although some participants are placed in unsubsidized employment after completing pre-vocational programs. (This is especially true of ESL clients who are skilled but lack language ability).
- c. Skills Training: Skills training programs are designed to provide the training necessary to qualify for and hold employment in a specific occupation. Provided by a variety of community and public organizations, EEPA funded skills training programs take place in the classroom and on the job.

The classroom training programs offer specific skills, orientation to the world of work, and personal motivation. Of importance in preparing clients for employment at O'Connell Seafood are the courses offered by the Job Training Center (JTC), which is located at the BMIP. The JTC was established last year by EDIC, with assistance from EEPA. The Center

offers six month training courses in Marine-related trades, and is designed to provide skilled workers for BMIP tenants and other Boston industries. The following is a list of courses offered at the JTC that meet the needs of O'Connell Seafoods:

<u>Occupation</u>	<u>Graduates per year</u>
Machine Tool Set-up	40-50
Maintenance Mechanic	40-50
Maintenance Repairer	50-60
Combination Welding	40-50

The On-the-Job Training Program, run by EEPA, provides skills training in a work rather than class setting. The OJT program reimburses employers who agree to employ and train participants for the extra costs that they incur by providing the training. In a contract between the employer and EEPA, the OJT slot is established for a period determined by the complexity of the occupation involved. A participant is then placed in this slot, and works as a new employee of the company. At the end of the OJT period, the employer then hires the participant as a regular employee.

Besides the programs under Title II B, EEPA administers a variety of other employment and training programs under Titles II D, IV, and VI. Of importance as possible sources of works for O'Connell Seafood are the Public Service Employment (PSE) programs under Titles II D and VI, and the youth programs funded through Title IV.

PSE provides employment to the cyclically unemployed in public and private new-profit agencies. There are a number of PSE participants who have the skills needed for the jobs at O'Connell. As described below, those PSE participants that are qualified will be referred to the available jobs.

The youth programs administered by EEPA prepare economically disadvantaged 16-24 year olds to make the transition from school to work. Through a range of programs, youth are exposed to work, given career counseling and labor market information; taught to search for a job, trained to act as responsible employees, and encourages to remain in or return to school. These programs prepare youth who are likely to experience difficulty to enter the labor force as productive employees. Youth ready to enter the labor market will be referred to the entry level jobs available at O'Connell.

3. EXTENT OF LINKAGE:

Of the total of 210 permanent jobs, it is estimated that 60, or 30%, can be filled either by placement of CETA participants or direct referral of the long term unemployed. By occupational category and source of referral, the table below disaggregates this total:

	<u>New Jobs</u>	<u>Title IIB Participants</u>	<u>PSE & Youth Participants</u>	<u>Direct Referrals</u>	<u>Total</u>	<u>%</u>
Clerical	6	3	1	-	4	66
Crafts	38	10	4	5	19	50
Unskilled	<u>160</u>	<u>5</u>	<u>12</u>	<u>20</u>	<u>37</u>	<u>23</u>
TOTAL	204	18	17	25	60	30

It is estimated that approximately 15%, or 9, of the construction jobs will be filled by CETA participants or the long term unemployed.

4. LINKAGES PROGRAMS:

EEPA will work with the Job Training Center, EDIC, and the employer to meet the employment needs of O'Connell Seafood. EEPA's central job development unit, which receives job orders from employers, distributes the order to the various assessment centers and program operators, and coordinates the referrals back to employers, will be the point of the contact for O'Connell. Based upon their employment needs, the job development unit will coordinate referrals of: 1) skilled PSE participants, qualified direct referrals, and skill training graduates (especially from the JTC) to more skilled positions, and 2) youth participants, pre-vocational training clients, and unskilled direct referrals to entry level jobs. Through the use of the job development unit, O'Connell Seafoods can receive referrals from a variety of employment and training programs and the Boston labor force that match their employment needs.

In addition to employment referral, EEPA will make available to O'Connell funds for On-the-Job Training. The OJT Unit will contact O'Connell and discuss the possibility of establishing OJT slots for entry level jobs in more advanced occupations. If agreement is reached, EEPA will reimburse O'Connell up to 50% of the wages and training costs for the participants in the OJT slots.

5. RESOURCES:

With the exception of the OJT contract mentioned above, no funds will be spent specifically on this program.

6. CONCURRENCE OF TRAINING PROVIDER AND PRIVATE EMPLOYER:

Attached is Exhibit 16, a joint letter signed by EEPA and O'Connell, confirming their mutual intention to establish a relationship as described above.

7. TIMETABLE:

Design and establishment of the program will begin upon receipt of UDAG approval, enabling work to begin.

EXHIBIT 16:

JOINT O'CONNELL-EEPA LETTER ON EMPLOYMENT PROGRAM

January 30, 1980

Mr. Cordish
Director
Office of Action Grants
Department of Housing
and Urban Development
415 7th Street, S.W.
Washington, D.C. 20410

Dear Mr. Cordish:

The Economic Development and Industrial Corporation (EDIC), Employment and Economic Policy Administration (EEPA), and O'Connell Seafood, Inc. are committed to the goals of Boston's resident hiring program. In order to achieve the City's goal that 50% of new private sector jobs created through public-private cooperation will be filled by Boston residents, O'Connell Seafood will use EEPA as its first source employment recruiter.

EEPA will refer persons it finds through its City-wide network of Intake Centers to O'Connell for possible placement. These persons will either have received training from a job training program or be previously employed or trained persons from the City's labor force.

O'Connell will provide EEPA with a detailed listing of job needs, by number and description. If On-The-Job-Training funds are used, O'Connell will provide employment to EEPA referrals, with EEPA paying 50% of the employees wages while the person is being trained. Every effort will be made to provide employment to low and moderate income persons, women, and minorities.

O'CONNELL SEAFOOD

ECONOMIC DEVELOPMENT &
INDUSTRIAL CORPORATION

EMPLOYMENT AND
ECONOMIC POLICY
ADMINISTRATION

James H. Norton, Jr.
General Counsel, For

John O'Connell
President

Brian F. Dacey
Acting Director

George Bennett
Administrator

SECTION F

Record of Applicant

III. F. RECORD OF APPLICANT

Reference Source: Community Development Block Grant
Grantee Performance Report (March 26, 1979)

Refer to: Form HUD - 4070 Progress on Planned Activities

<u>No.</u>	<u>Description</u>	<u>Page</u>
4	Clearance of abandoned, unsafe, and dangerous buildings	3
16-18	Acquisition of Real property	9
25	Parks	13
26	Lights - Residential	13
28	Tree Planting	15
29	Street Reconstruction	16
30	Sidewalks	17
119	Clearance of Unsafe, abandoned buildings	37
124	Business District Site Improvements	47
133	Lighting	52
134	Tree Planting	53
136	Sidewalk/Highway Reconstruction	55
137	Street Resurfacing	56
137	Parks and Playgrounds	56
201	Clearance of unsafe, abandoned buildings	71
206	Business District Amenities, Site Improvements	78
209	Lighting	80
210	Sidewalk Reconstruction	81
211	Street Reconstruction	81
212	Tree Planting	82
216	Parks and Playgrounds	83
240	Demolition/Boarding	100

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

B-AA-73-10-1.13

B-AA-73-10-1.13

B-AA-73-10-1.14

B-80-AA-25-0027

DATE OF REVIEW 10/1/80

BY SP-6 J. L. [REDACTED]

FOR THE DIRECTOR, FBI

CTIP Parcel 2/Healthco

SECTION A

Technical Requirements

IV.A. PROJECT APPROVAL INFORMATION TECHNICAL REQUIREMENTS

Item 1

Does this assistance request require state, local, regional, or other priority rating?

No

Item 2

Does this assistance request require federal, state, or local advisory, historic preservation, educational or health clearance?

No.

Item 3

Does this assistance request require clearinghouse review in accordance with OMB Circular A-95?

Yes, Mass. Office of Communities & Development; Metropolitan Area Planning Council

Item 4

Does this assistance request require state, local, regional or other planning approval?

No

Item 5a

Is the proposed project covered by an approved comprehensive plan?

Yes, Boston's Comprehensive Economic Development Strategy (CEDS), Sept. 1978. Also, the Economic Development Plan for the Boston Marine Industrial Park, approved by the City Council in June 1976.

b.

Does the applicant have a locally approved Community Development (CD) plan and Housing Assistance Plan (HAP)?

Yes; both documents were approved by HUD in September, 1979.

Item 6

Will the assistance requested serve a Federal installation?

No

Item 7

Will the assistance requested result in improvements on Federal land or to a Federal installation?

No

Item 8

Will the application require an Environmental Impact Statement (EIS)?

No

On what date was the level of clearance finding made?

Date: January 31, 1980

Item 9

Will the assistance requested cause the displacement of individuals, families, businesses, or farms?

One 5-employee business, which occupies part of the site on a tenant-at-will basis. This is not a formal relocation matter.

Item 10

Has other related governmental assistance on this project been approved or applied for? Will any other be applied for?

Not directly; several other projects are related substantively.

Item 11

Is the project in a designated flood hazard area?

No

Item 12

Will the proposed project result in the relocation of industrial or commercial facilities from one metropolitan or non-metropolitan area to another?

No

Item 13

Does the proposed project involve the jurisdiction of more than one municipality?

No

SECTION B

Citizen Participation, Civil Rights, Equal Employment and Housing Opportunity

IV.B. CITIZEN PARTICIPATION, CIVIL RIGHTS, EQUAL EMPLOYMENT AND
HOUSING OPPORTUNITY

Item 1a

Is there a written Citizen Participation Plan describing the process for citizens to take part in the development of the application as required in 24 CFR Part 570.456 (c)(i)(A) of the Regulations?

Yes

b.

Did actual citizen participation in the development of the application equal or exceed that expected in the Citizen Participation Plan or the requirements as stated in the Regulations?

Yes, See attached page.

Item 2

If the project is residential or "neighborhood" in nature, are neighborhood groups or community organizations involved in developing the application or in carrying out a component of the project?

N/A

Item 3

Does the applicant have any unresolved issues arising from civil rights compliance reviews, citizen participation allegations, lawsuits or other allegations against the proposed or any other federally assisted project (or funding) administered by the applicant?

Yes, See attached page.

Item 4

Is the applicant under investigation by any federal office enforcing equal opportunity laws and regulations?

No, See attached page.

Item 5

Has the applicant submitted Form EEO-4 or comparable data to the HUD Area Office as of the preceding July 31 as a certification of continuing eligibility?

The City of Boston, as part of its compliance with the conditions of the Community Development Block Grant conditions for Year IV, has supplied the HUD Area Office with comparable data on a monthly basis.

1b. According to the City's UDAG Citizen Participation Plan, as established by the Office of Public Service, a public hearing was held in South Boston, the project area neighborhood, on January 28. Written invitations were sent to community groups and appropriate public officials, and notification was published in neighborhood and city-wide newspapers. A City Council hearing is being scheduled for February 5, 1980.

3. The City of Boston does have two issues in this area currently. The Community Development Block Grant contract for Year IV does contain contract conditions in the equal opportunity area. The City has provided monthly reports to the HUD Area Office on its progress under the conditions. The City is also aware of the HUD Regional Office review under Section 109, Title I, Housing and Community Development Act of 1974 and Title VI Civil Rights Act of 1964.

The City, at this time, is unaware of any other allegations, lawsuits, or civil rights compliance reviews in progress at the time of application for UDAG funding.

4. The City of Boston, is unaware of any investigations by federal enforcing equal opportunity laws and regulations, unless those investigations are of the activities mentioned in Section B, Item 3.

V. ASSURANCES AND CERTIFICATION

The applicant hereby assures and certifies with respect to the grant that:

- (1) It possesses legal authority to apply for the grant, and to execute the proposed program.
- (2) Its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and designating the authorized representative of the applicant to act in connection with the application and to provide such additional information as may be required.
- (3) It has complied with all the requirements of OMB Circular No. A-95 as modified by 24 CFR Part 570.310 and that either
 - (i) any comments and recommendations made by or through clearinghouses are attached and have been considered prior to submission of the application; or
 - (ii) the required procedures have been followed and no comments or recommendations have been received.
- (4) Prior to submission of its application, the applicant has:
 - (i) prepared a written citizen participation plan, which:
 - (a) provides an opportunity for citizens to participate in the development of the application, encourages the submission of views and proposals, particularly by residents of blighted neighborhoods and citizens of low- and moderate-income, provides for timely responses to the proposals submitted, and schedules hearings at times and locations which permit broad participation;
 - (b) provides citizens with adequate information concerning the amount of funds available for proposed community development and housing activities, the range of activities that may be undertaken, and other important program requirements;
 - (c) provides for public hearings to obtain the views of citizens on community development and housing needs; and
 - (d) provides citizens with an opportunity to submit comments concerning the community development performance of the applicant.
 - (ii) followed this plan in a manner to achieve full participation of citizens in development of the application. The applicant shall also follow this plan to achieve full citizen participation in all other stages of the program.

- (5) Its chief executive officer or other officer of applicant approved by HUD:
 - (i) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 insofar as the provisions of such Act apply to the applicant's proposed program pursuant to 24 CFR 570; and
 - (ii) is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.
- (6) The Community Development Program has been developed so as to give maximum feasible priority to activities which will benefit low-and moderate-income families or aid in the prevention or elimination of slums or blight.
- (7) It will comply with the regulations, policies, guidelines, and requirements of OMB Circular No. A-102, Revised, and Federal Management Circular 74-4 as they relate to the application, acceptance, and use of Federal funds under 24 CFR 570.
- (8) It will administer and enforce the labor standards requirements set forth in Section 570.605 and HUD regulations issued to implement such requirements.
- (9) It will administer and enforce the labor standards requirements set forth in 24 CFR 570.605 and HUD regulations issued to implement such requirements.
- (10) It will comply with all requirements imposed by HUD concerning special requirements of law, program requirements, and other administrative requirements, approved in accordance with OMB Circular No. A-102, Revised.
- (11) It will comply with the provisions of Executive Order 11296, relating to evaluation of flood hazards and Executive Order 11298 relating to the prevention, control, and abatement of water pollution.
- (12) It will require every building or facility (other than a privately owned residential structure) designed, constructed, or altered with funds provided under 24 CFR 570 to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1-R 1971, subject to the exceptions contained in 41 CFR 101-19.604. The applicant will be responsible for conducting inspections to insure compliance with these specifications by the contractor.
- (13) It will comply with:
 - (i) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the regulations issued pursuant thereto (24 CFR Part I), which provides that no persons in the United States shall on

the grounds of religion, race, color, sex, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

- (ii) Title VIII of the Civil Rights Act of 1968 (P.L. 90-284) as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing; and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and provision of brokerage services within the applicant's jurisdiction.
- (iii) Section 109 of the Housing and Community Development Act of 1974, and the regulations issued pursuant thereto (24 CFR 370.601), which provides that no person in the United States shall, on the grounds of religion, race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with Title I funds under 24 CFR 370.
- (iv) Executive Order 11063 on equal opportunity in housing and non-discrimination in the sale or rental of housing built with Federal assistance.
- (v) Executive Order 11246, and all regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60), and Section 4(b) of the Grant Agreement, which provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of Federal or Federally-assisted contracts. Contractors and subcontractors on Federal or federally assisted construction contracts shall take affirmative action to insure fair treatment in employment, upgrading, demolition, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training and apprenticeship.

(14) It will comply with:

- (i) Section 3 of the Housing and Urban Development Act of 1968, as amended, requiring that to the greatest extent feasible opportunities for training and employment be given lower-

income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project.

(15) It will:

- (i) to the greatest extent practicable under State law, comply with Section 301 and Section 302 of Title III (Uniform Real Property Acquisition Policy) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and will comply with Sections 303 and 304 of Title III, and HUD implementing instructions at 24 CFR Part 42; and;
- (ii) inform affected persons of their rights and of the acquisition policies and procedures set forth in the regulations at 24 CFR Part 42 and Part 570.602(b).

(16) It will:

- (i) comply with Title II (Uniform Relocation Assistance) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and HUD implementing regulations at 24 CFR Part 42 and Part 570.602(a);
- (ii) provide relocation payments and offer relocation assistance as described in Section 205 of the Uniform Relocation Assistance Act to all persons displaced as a result of acquisition or real property for an activity assisted under the Community Development Block Grant Program. Such payments and assistance shall be provided in a fair and consistent and equitable manner that insures that the relocation process does not result in different or separate treatment of such persons on account of race, color, religion, national origin, sex, or source of income;
- (iii) assure that, within a reasonable period of time prior to displacement, comparable decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of their race, color, religion, national origin, sex, or source of income; and
- (iv) inform affected persons of the relocation assistance, policies, and procedures set forth in the regulations at 24 CFR Part 42 and 24 CFR Part 570.602(a).

(17) It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

- (18) It will comply with the provisions of the Hatch Act which limits the political activity of employees.
- (19) It will give HUD and the Comptroller General through any authorized representative access to and the right to examine all records, books, papers, or documents related to the grant.
- (20) It will insure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify HUD of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be utilized in the project is under consideration for listing by the EPA.
- (21) It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, approved December 31, 1973. Section 103(a) requires, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.
- (22) It will, in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), Executive Order 11593, and the Preservation of Archaeological and Historical Data Act of 1966 (16 U.S.C. 469a-1, et. seq.) by:
 - (i) consulting with the State Historic Preservation Officer to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the proposed activity; and
 - (ii) complying with all requirements established by HUD to avoid or mitigate adverse effects upon such properties.
- (23) It certifies that it has not knowingly and willfully made or used a document or writing containing any false, fictitious, or fraudulent statement or entry. 18 U.S.C. 1001 provides that whoever does

so within the jurisdiction of any department or agency of the United States shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

Signature

Jan. 30, 1980

Date

Mayor, City of Boston

Title

A favorable general public hearing about plans and projects in the Boston Marine Industrial Park was held on January 10, 1980. A favorable public hearing about this project was held January 10, 1980. The Boston City Council will vote on the project on February 6, 1980. This was the first date the Boston City Council could vote because Sub-Committee assignments for the newly elected council were not made until January 16, 1980. The appropriate Sub-Committee must first review a proposal and a 10-day notice period is required prior to their review.

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