



PROPOSAL | SEPTEMBER 13, 2024

CITY OF LAWRENCE-OWNED PROPERTIES MERRIMAC PAPER SITE

Prepared for:



LAWRENCE
MASSACHUSETTS
REDEVELOPMENT
AUTHORITY

Prepared by:



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September 13, 2024

Mr. Octavien Spanner
Secretary/Executive Director
Lawrence Redevelopment Authority
25 Essex Street, #3
Lawrence, MA 01840

VIA EMAIL

RE: Development Proposal – 7, 9, and 19 South Canal Street, Lawrence, MA

Dear Executive Director Spanner:

On behalf of Charter Development Company, LLC (Charter), I am pleased to submit this response to the Lawrence Redevelopment Authority's Request for Proposals (RFP) for City of Lawrence-Owned Properties.

The subject of our proposal is the three parcels comprising the former Merrimac Paper Mill site at 7, 9, and 19 South Canal Street.

The site's unique island location between the Merrimack River and the South Canal and its proximity to two planned multi-purpose trails and a potential new commuter rail stop make it a compelling location for a mixed-use project combining 275 units of multifamily housing and 10,000 square feet of ground floor commercial use. Representing an investment of approximately \$110 million, this new development will support Lawrence's ongoing economic resurgence while advancing the community's commitments to diverse housing opportunities, job creation, open space and recreation, environmental justice, and equity.

Under our proposed approach, Charter will acquire the site from the LRA effectively in "as is" condition. Charter will fund and undertake the remaining environmental remediation and site preparation itself. Compared to a development team that is expecting to acquire the site in "shovel ready" condition, Charter's approach will reduce the LRA's risks and costs and greatly compress the development timeline, which we understand is a priority of Mayor DePeña. Please see the table "Benefits of the Charter Approach vs. Traditional Developer Approach" for a more detailed discussion of the advantages of the Charter approach.

Charter has a long-standing connection to the City of Lawrence. We have undertaken seventeen contracting projects in the city over the years and at one time, Charter had an office in the Riverview Business Center next door to the Merrimac Paper site. Currently, we operate an environmental transload facility out of the CSX railyard on Andover Street that we are working to expand with additional trackage. We look forward to furthering our relationship with the City through this project.

I would also note that Charter Development, LLC and its affiliate Charter Contracting Company, LLC are both certified minority business enterprises (MBEs).

Should you have any questions related to this response, please feel free to contact me at estarzec@charter.us or (339) 368-1468.

Sincerely,

Charter Development Company, LLC

A handwritten signature in black ink that reads "Edmund R. Starzec". The signature is written in a cursive style with a prominent initial "E".

Edmund R. Starzec
Director of Development

SECTION 2: FIRM PROFILE

HISTORY & STRUCTURE OF THE FIRM

Charter Development, LLC will be the lead development entity for the project, providing overall project management and serving as master developer. Charter Development has a proven 27-year track record of bringing environmentally impaired sites to regulatory closure and back into productive reuse. For this project, Charter Development will be responsible for land acquisition, entitlements, financing and managing vertical construction. Charter Development will also take the lead on coordination with the Lawrence Redevelopment Authority and the City as well as community outreach. Charter Development is a certified minority business enterprise (MBE) firm.

Charter Contracting Company, LLC is the New England market leader in environmental remediation and civil and marine Construction Solutions, specializing in complex, highly visible projects with multiple stakeholders like Merrimac Paper. Charter Contracting will be responsible for site preparation, environmental remediation, and other heavy civil work activities. Charter Contracting is a certified minority business enterprise (MBE) firm.

Charter's particular areas of expertise include:

- Brownfield Property Acquisition
- Risk Management
- Environmental Liability Transfer
- Environmental Remediation
- Regulatory Knowledge & Relationships
- Redevelopment

ADDITIONAL RESOURCES:

Charter [website](#)



June, 2024 groundbreaking ceremony to celebrate our Lynn Harborpark project, with Mayor Nicholson

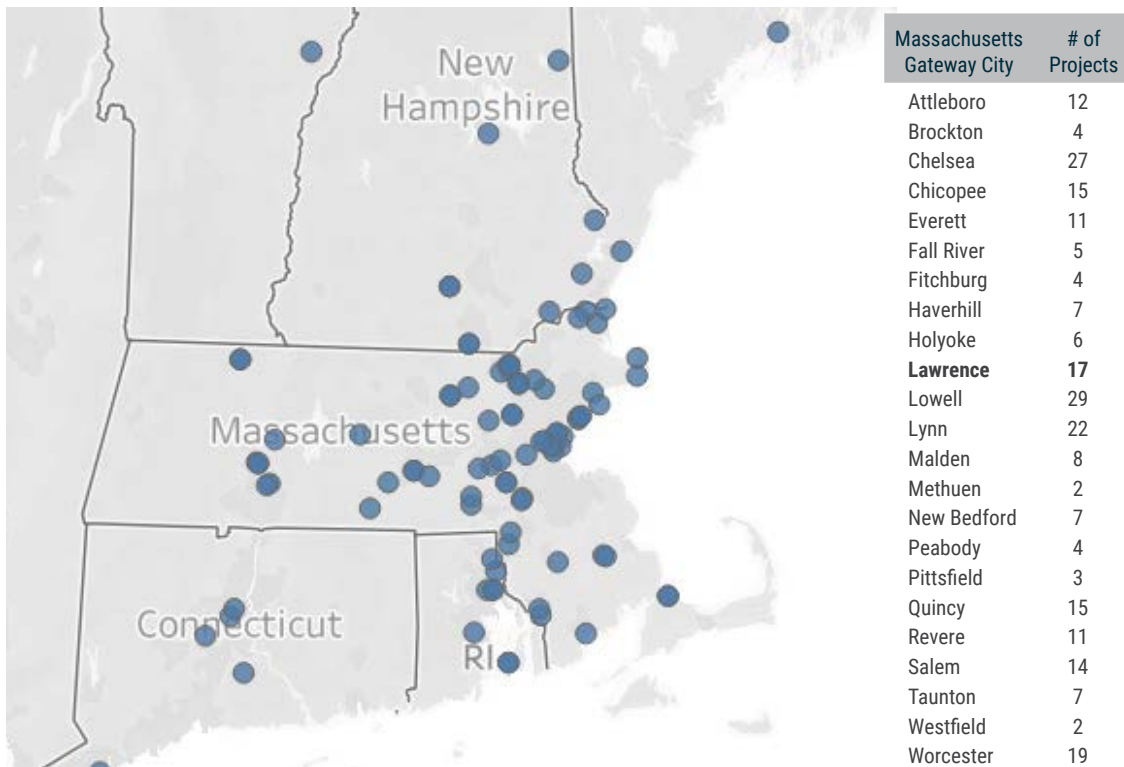
SECTION 2: FIRM PROFILE

RELEVANT EXPERIENCE WITH URBAN REDEVELOPMENT PROJECTS

Charter is a leader in urban redevelopment projects, focused on transforming sites impacted by environmental challenges. Our expertise lies in revitalizing brownfields and working within complex regulatory frameworks at the federal, state, and city levels, to restore these spaces for productive use. We excel in Gateway cities and urban waterfronts where economic development has stalled due to environmental liabilities, offering innovative solutions that ensure equitable risk-sharing and benefits for communities by delivering sustainable redevelopment outcomes.

We take pride in our ability to rejuvenate under-invested areas with a fresh perspective, converting contaminated land into community assets, and unlocking long-term value.

The graphic below illustrates the extent of Charter's experience with redevelopment projects in cities across New England. This includes both development projects and remediation projects in support of development.



SECTION 2: FIRM PROFILE

TEAM ORGANIZATION AND KEY PERSONNEL/CONTRACTORS

Charter Development project staff assigned to this project include:



Robert Delhome, Founder & CEO

Bob is an award-winning real estate development and construction executive, with expertise in civil construction, environmental remediation, and the development of distressed real estate. As Charter's founder and CEO, Bob has led the Charter Companies since its inception. What began as a start-up in 1997 is now a multi-faceted environmental, civil construction, and real estate development firm.



Mason Sandell, Chief Commercial Officer

As a founding member of Charter Development, Mason leads the company's development efforts throughout New England and is responsible for all phases of screening, structuring, closing, and managing Charter's projects in the region. Mason brings 20 years of strategic planning, environmental infrastructure development, and construction experience to the role. He is passionate about sustainable development and is constantly seeking to create projects that spur economic development in gateway cities, while also enhancing environmental justice and equity in those communities. In a prior role, he spent nearly a decade building environmental infrastructure public-private partnerships in developing countries, with a focus on the water/ wastewater and district energy sectors.



Ed Starzec, Director of Development

As Charter's Director of Development, Ed is responsible for sourcing projects on sites that are hampered by significant environmental liability, managing new redevelopment opportunities, and leading our team in all phases of project development. Utilizing a combination of his in-depth regulatory knowledge and technical expertise, Ed's role is to accelerate the redevelopment of underutilized brownfield properties. Before coming to Charter, Ed worked for MassDevelopment's real estate group.



Alasdair Cunningham, Development Project Manager

Alasdair is a project manager for Charter Development and has been at Charter for over ten years, managing a diverse array of projects throughout New England including Lynn HarborPark and Muddy River restoration. Alasdair's responsibilities include quality control, field engineering, estimating, field management, and project management.



Lucas Cowan, Development Associate

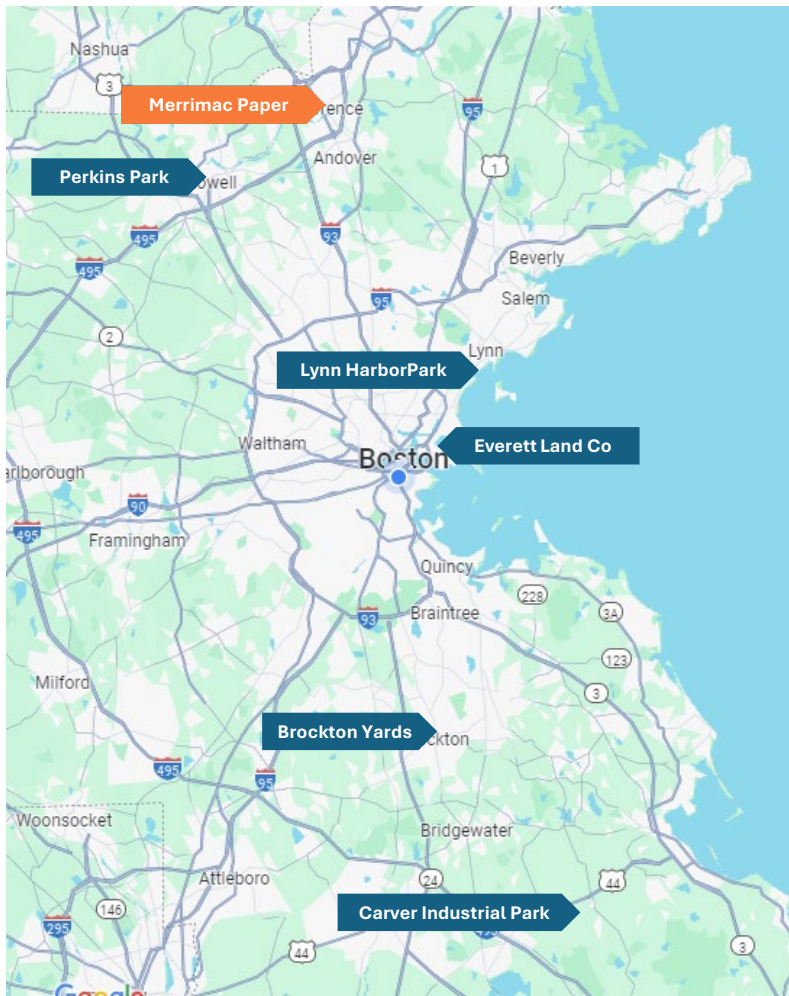
As a Development Associate, Lucas specializes in project management, market analysis, and financial modeling to facilitate successful property developments. With a strong background in real estate and a talent for coordinating complex projects, Lucas is instrumental in driving the growth and profitability of development ventures.

Charter Development has also partnered with **Utile Architecture & Planning** for architecture and urban design and with **GEI Consultants** for environmental services.

SECTION 2: FIRM PROFILE

SIMILAR PROJECTS

Charter is currently in the process of implementing three master development plans in partnership with local redevelopment authorities in Lynn, Carver, and Brockton. An additional example is Perkins Park, which is a completed development project in Lowell. We are also including a write-up on our Everett Land Company work with the Davis Companies. Summaries of each of these projects are provided on the following pages.



SECTION 2: FIRM PROFILE

LYNN HARBORPARK | ENVIRONMENTAL PRIVATE-PUBLIC PARTNERSHIP

Dates: 2019 – present (90% complete)

Project Value: \$39.2m (total investment to date)

Similarities to Merrimac Paper Mill: City partnership, land acquisition, environmental liability transfer, enhanced environmental remediation, multi-agency coordination, public access, and public benefits.

Property: 30+ acres along Lynn waterfront encompassing multiple parcels acquired from National Grid and easements granted by private landowners.

Original State: The legacy of industrial uses on the waterfront in Lynn combined with the impacts of climate change – rising sea levels and increased storm events – made this former landfill an unlikely location for a high-quality public park despite its location overlooking Lynn Harbor.

Opportunity: Lynn is home to 300 acres of waterfront that has remained an untapped asset and inaccessible to the citizens of the City for decades. In acquiring these parcels and taking remediation a step further to redevelop the area into public space, this site will serve as a jumping-off point for further revitalization in the area, enabling additional development opportunities and helping the City of Lynn achieve its vision of creating a significant public asset on the waterfront.

Project: Charter Development successfully negotiated the purchase of the site from National Grid. Nearing completion is a 21-acre Landfill Cap Repair Project along with remediation of MGP-impacted parcels, managing the importation of 540,000 CY of grading and shaping materials, and advancing coastal resiliency measures to protect the land from 100-year storm surges.

Result: Charter has facilitated a planning process, including the City of Lynn, MA-DEP, CZM, MA-EOEEA, and other local stakeholders to convert the assemblage to a signature park. In doing so, the City has also been able to move forward with a 245-acre waterfront master plan, which will address additional adjacent liabilities and unlock follow-on investment opportunities.



Figure 2.1. The Lynn HarborPark approaching completion in September, 2024

SECTION 2: FIRM PROFILE

CARVER INDUSTRIAL PARK | HORIZONTAL REDEVELOPMENT/URBAN RENEWAL

Dates: 2013 – present (15% complete)

Project Value: \$200 million, estimated.

Similarities to Merrimac Paper Mill: Municipal partnership, urban redevelopment plan, land acquisition, environmental remediation, multi-agency coordination, state grants, and public benefits.

Property: The initial property was 188 acres total. Subsequently, the acquisition of 16 properties within the Urban Renewal Plan footprint (each targeted for acquisition in the URP, no eminent domain takings required) resulted in an overall site of 304 acres with approximately 245 acres in the North Carver URP.

Original State: Raw land depleted of its natural resources through a prior sand and gravel operation, further constrained by environmental liabilities (impacted soil and groundwater, a historic landfill) that resulted from legacy, low-level industrial and commercial uses on and around the property.

Opportunity: A recognized need for the Town of Carver to diversify its economy with a vision to redevelop this site into modern commercial uses to support the Town’s long-term economic sustainability. The Town previously invested in a potable water system to provide adequate water supply to the area to attract follow-up economic investment by a private developer.



Figure 2.2. Remediation work underway at the Carver Industrial Park.

Project: Charter acquired the 16-parcel property from multiple owners in 2011 without requiring any takings. Significant remediation activities began in 2013, including the start of up to 1,000,000 tons of soil importation for restoration of the site. The redevelopment team also worked with the Carver Redevelopment Authority to secure approval of an Urban Renewal Plan and a MEPA Certificate. Charter and the Town collaboratively secured a \$3.2 million MassWorks grant which funded a site access road.

Result: The site is fully entitled, pad-ready, and on the market. This desirable location is one of the few sites in Massachusetts able to accommodate up to 1.77M square feet of buildings on a single property or under one roof, making it prime real estate for a state-of-the-art end user.

SECTION 2: FIRM PROFILE

BROCKTON YARDS | HORIZONTAL REDEVELOPMENT/URBAN RENEWAL

Dates: September 2023 – present (in predevelopment)

Project Value: \$400 million, estimated

Similarities to Merrimac Paper Mill: Municipal partnership, urban redevelopment plan, land acquisition, environmental remediation, multi-agency coordination, state grants, and public benefits.

Property: Approximately 45 acres of land adjacent to downtown Brockton and within walking distance of an MBTA commuter rail stop. The site includes eleven parcels with seven owners. A majority of the site (approximately 30 acres) was formerly used as a freight rail yard which ceased operations in the 1980s. A portion of the site was also used for metal recycling.

Original State: Former industrial activities on the site have left a variety of contaminants in the soil including PCBs, lead, and heavy metals. Activity Use Limitations (AULs) restrict residential use on the majority of the site. The Trout Brook, a historic waterway that runs north-south through Brockton and bisects the site, is overgrown with invasive species and clogged with trash and debris.

Opportunity: The City and the Brockton Redevelopment Authority (BRA) created an urban renewal plan for the site and put it out to developer RFP in 2023. Charter was named the BRA’s preferred developer for the site based on the company’s deep experience working on brownfield sites.

Project: Charter is proposing a mixed-use development for the site including approximately 1,300 units of housing (multi-family apartments and connected townhomes) along with two public parks.

The graphic below depicts the "Base Case" buildout scenario for Brockton Yards. The base case also serves as the basis for Charter’s financial modelling. The scenario includes **1,161 multi-family units** in **14 mid-rise buildings** primarily located west of Trout Brook and closer to the **commuter rail platform**. **155 Townhomes** are interspersed throughout the project site but primarily sited east of Trout Brook where they integrate into the street grid of the surrounding neighborhood made up of duplexes and three-family homes.

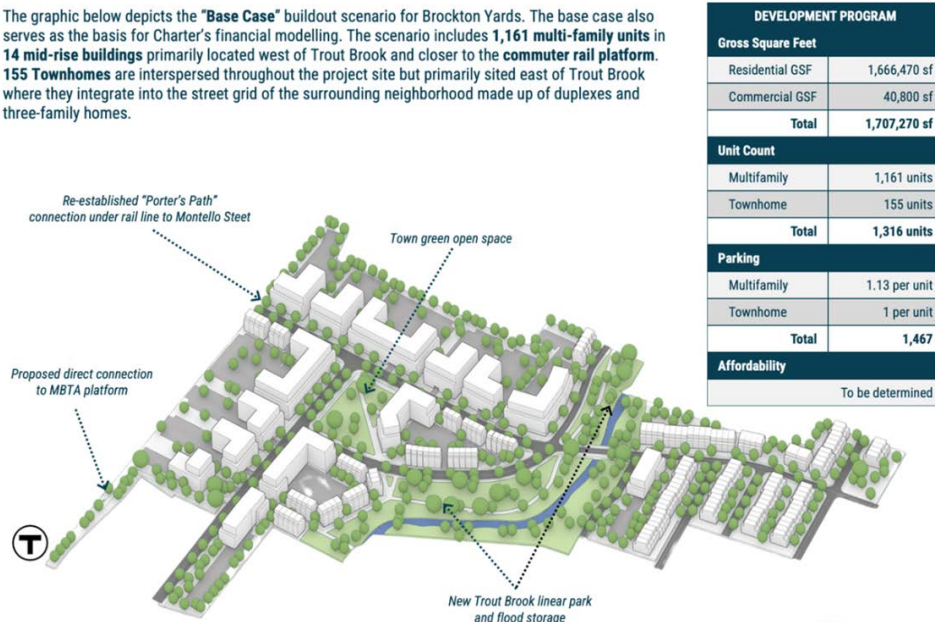


Figure 2.3. A diagram illustrating the proposed ±1,300 unit buildout of the Brockton Yards

SECTION 2: FIRM PROFILE

PERKINS PARK REDEVELOPMENT, LOWELL, MA | BROWNFIELD REDEVELOPMENT

Purchase Date: 2005

Disposition Date: 2016

Value Created: \$61.5 m.

Similarities to Merrimac Paper Mill: City partnership, mixed-income housing, land acquisition, enhanced environmental remediation, multi-agency coordination, and public benefits.

Property: Seven mill buildings & building remnants totaling 350,000 SF, land including a surface parking lot totaling 175,000 SF.

Original State: Once part of the c. 1840 Lawrence Textile Mills, the buildings were abandoned during the decline of the textile industry in the 1980s, and were plagued by fire, vandalism, environmental issues, roof leaks & extensive structural damage. DCAM sold the historic properties to Charter-affiliated entities after deeming them too costly to redevelop.

Opportunity: The surrounding area was undergoing significant investment, development & revitalization, contributing to a revitalized neighborhood, and the proximity of the UMass Lowell campus made it an attractive location.

Project: Following extensive stakeholder collaboration with many permitting agencies, Charter redeveloped this historic property into the Lofts & Residences @ Perkins Park, a mixed-use housing development with complimentary commercial use and structured parking. As historic buildings with no available plans, many unknowns related to design and construction existed. The project team's goal was to be proactive and communicate regularly with residents and businesses in advance of any problems.

Result: At buildout, Perkins Park included 183 loft-style apartments, 41 loft-style townhome residences, a standalone commercial building (the Perkins Administration Building), and a 400-space garage. The project was awarded the Excellence in Historic Preservation award by Lowell National Historical Park & Lowell Heritage Partnership.



Figure 2.4. *The completed Perkins Park development in Lowell. project.*

SECTION 2: FIRM PROFILE

EVERETT LAND ASSEMBLAGE - DOCKLANDS | ENVIRONMENTAL PRIVATE-PUBLIC PARTNERSHIP

Dates: 20204 - present (5% complete)

Project Value: \$100 m (remediation project)



Figure 2.5 Proposed Master Plan

Similarities to Merrimac Paper Mill: City partnership, land acquisition, environmental liability transfer, enhanced environmental remediation, multi-agency coordination, public access, and public benefits.

Property: The site was a 100-acre petroleum products distribution and bulk storage terminal. Active and inactive industrial developments and railways surround the property. Close by are Encore Boston Harbor, the Gateway Center Shopping Area, Mystic Generating Substation, and the New England Produce Center.

Original State: Between 1965 and 2022 the site operated as a petroleum products distribution and bulk storage terminal, leading to the site being heavily polluted.

Opportunity: The development will include an energy storage facility in its first phase and the construction of manufacturing, lab, office, retail, maker, and residential space in the second phase.

Project: This is a multi-year remediation project that will transform an obsolete fuel storage facility into a lively mixed-used facility. Phase 1 includes high-tech manufacturing space, industrial space, lab, and office space. The second phase of the project includes building about 400,000 square feet of industrial space and high-tech manufacturing space, 3.3 million square feet of lab and office space, 240,000 square feet of retail space, 36,000 square feet of maker space, and 2.8 million square feet of residential space, which is about 3,200 residential units, with ancillary roadways, parking, and open space.

SECTION 3: PROJECT APPROACH & METHODOLOGY

INTRODUCTION

The former Merrimac Paper site (7, 9, and 19 South Canal Street) represents a unique opportunity to support the City of Lawrence's ongoing economic resurgence while advancing the community's commitments to job creation, diverse housing opportunities, public recreation and environmental justice, consistent with the approved LawrenceTBD Urban Renewal Plan.

However, due to its prior industrial use, the redevelopment of the site is complicated by a number of environmental issues. Four hotspots associated with previous releases of petroleum and polychlorinated biphenyls (PCBs) have been identified on the western half of the site. In one area (Excavation Area 1), an eight-foot-deep layer of non-aqueous phase liquid (NAPL) was detected approximately 30 feet below the surface. Lastly, petroleum hydrocarbons, lead, and asbestos are present in soils across the site which will need to be carefully handled to avoid public health impacts and minimize offsite disposal costs.



The former Merrimac Paper Mill site in its current condition.

While the City has successfully leveraged federal and state grants to address these issues, the currently available funds do not appear to be enough to completely remediate the site. These unresolved issues will increase risk and costs for potential developers while also delaying while also extending the timeline to groundbreaking, potentially by years..

With a 27-year track record of successful redevelopment and remediation projects on many of New England's most challenging brownfield properties, Charter is uniquely qualified to take on this site in "as is" condition and to address these environmental issues in an integrated manner with site development, resulting in an expedited development timeline with no surprises.

SECTION 3: PROJECT APPROACH & METHODOLOGY

BENEFITS OF THE CHARTER APPROACH VS. TRADITIONAL DEVELOPER APPROACH

	Traditional Approach	Charter Approach
Acquisition Terms	<ul style="list-style-type: none"> Developer acquires site in Year 3-5 after City cleans site City retains liability for years City responsible for securing funds for remediation 	<ul style="list-style-type: none"> Charter acquires site in Year 1 in "as is" condition Charter assumes liability Charter funds remediation
Purchase Price	<ul style="list-style-type: none"> Appraised value or above Excludes remediation costs 	<ul style="list-style-type: none"> Below appraised value Includes remediation costs
Time to Start of Vertical Construction	<p>36 – 60 Months</p> <ul style="list-style-type: none"> Slowed by availability of grant funds & public procurement Loss of momentum 	<p>12 – 16 Months</p> <ul style="list-style-type: none"> Integrated remediation and site preparation Quickest time to closure & vertical construction Private sector efficiencies
Remediation Costs	<p>\$15 Million (estimated)</p> <ul style="list-style-type: none"> Reliant on public funding Public procurement Prevailing wage Cost inflation over 3-5 year period Excludes City staff time & effort 	<p>\$8.9 Million</p> <ul style="list-style-type: none"> Privately funded Self-performed by Charter Remediation coordinated with vertical development Minimizes City staff time & effort
Risks and Benefits	<ul style="list-style-type: none"> Potential for nothing to happen Long term City liability risk Longer timeline to closure Uncertainty regarding grant availability Potential for political complication May not ultimately address environmental liabilities on property 	<ul style="list-style-type: none"> Early transfer of environmental risk Quickest timeline to closure Lowest ultimate cost Streamlined permitting Certainty of outcome Flexibility & adaptability in remedial approach Ultimately addresses environmental liabilities on property

SECTION 3: PROJECT APPROACH & METHODOLOGY

REMEDIATION PLAN.

Charter proposes to acquire the site in essentially “as-is” condition with the understanding that the City will expend its remaining Environmental Protection Agency (EPA) grant funds to address the NAPL issue in Excavation Area 1. Charter will address Excavation Areas 2, 3 and 4 with its own funds, excavating approximately 6,000 cubic yards of contaminated soil and disposing of it offsite in a licensed landfill.

With the highly contaminated material removed, Charter will start preparing the site for vertical development. This task is complicated by the presence of asbestos in soils across the site. While asbestos-contaminated soil can remain on site post development, it needs to be covered by one foot of clean material where it will be located beneath future building foundations or paved areas or by three feet of clean material where it will be located beneath future lawn areas. If not done carefully and in an integrated manner with the design and construction team, this regrading process can lead to project delays and cost overruns. Charter’s integrated design-remediation-construction process will minimize the potential for unanticipated project setbacks.



Looking at the site from across the South Canal

SECTION 3: PROJECT APPROACH & METHODOLOGY

DEVELOPMENT PLAN

Figure 3.1 and Figure 3.2 on the following pages depict Charter’s proposed full buildout for the site including three mid-rise buildings (six stories in height) connected by two elevator cores and a large, landscaped area open to the general public. The familiar mill-like massing of the buildings reflects the site’s industrial heritage which is further reinforced by the use of brick on Buildings 2 and 3. The project’s multi-building configuration also allows for the project to be easily phased and configured to accommodate multiple uses if desired.

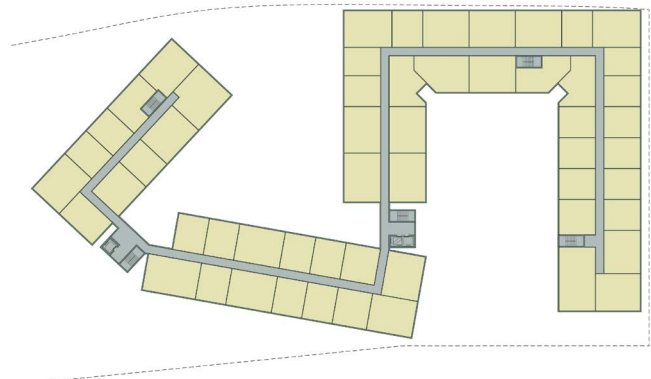
We note that the *LawrenceTBD Urban Renewal Plan* calls for the site to be used for mixed use or industrial uses while Charter’s proposal is primarily residential due to the site’s great location with views along the Merrimack River and South Canal as well as proximity to MBTA commuter rail. Based on our recent experience with industrial uses, at 3.5 acres, the former Merrimac Paper site is not large enough to accommodate an efficient, modern industrial facility including necessary employee parking, loading docks and truck maneuvering areas. Additionally, it is not clear if an industrial project will be economically feasible on the site given the cost of remaining environmental remediation and related construction cost premiums. As a result, Charter has opted to include a smaller commercial component on the ground floor of Building 3 as described below.

Additional details on each building are provided below and in Table 3.1.

- **Building 1:** Located in the eastern portion of the site, will include 146 units of multifamily apartments or condominiums on four levels atop two levels of parking that take advantage of the site’s existing topography. A full six floors of apartments or condominiums would constitute the building’s northern edge facing the Merrimack River. Building 1 is connected to Building 2 via a circulation core accommodating stairs and an elevator.
- **Building 2:** Located in the middle of the site facing Canal Street, includes the central lobby and amenity spaces for the overall project. The building will accommodate 79 units of apartments or condominiums on six levels. Building 2 is connected to Building 1 and Building 3 via a circulation core.
- **Building 3:** Sited in the western portion of the site, Building 3 includes 10,400 square feet of commercial space on the first floor and 59 apartment or condominium units on the upper floors. The commercial space is designed to flexibly accommodate a range of potential uses including small-scale advanced manufacturing and food production. Building 3 is connected to Building 2 via a circulation core.



Ground floor/site plan



Typical upper story plan

SECTION 3: PROJECT APPROACH & METHODOLOGY

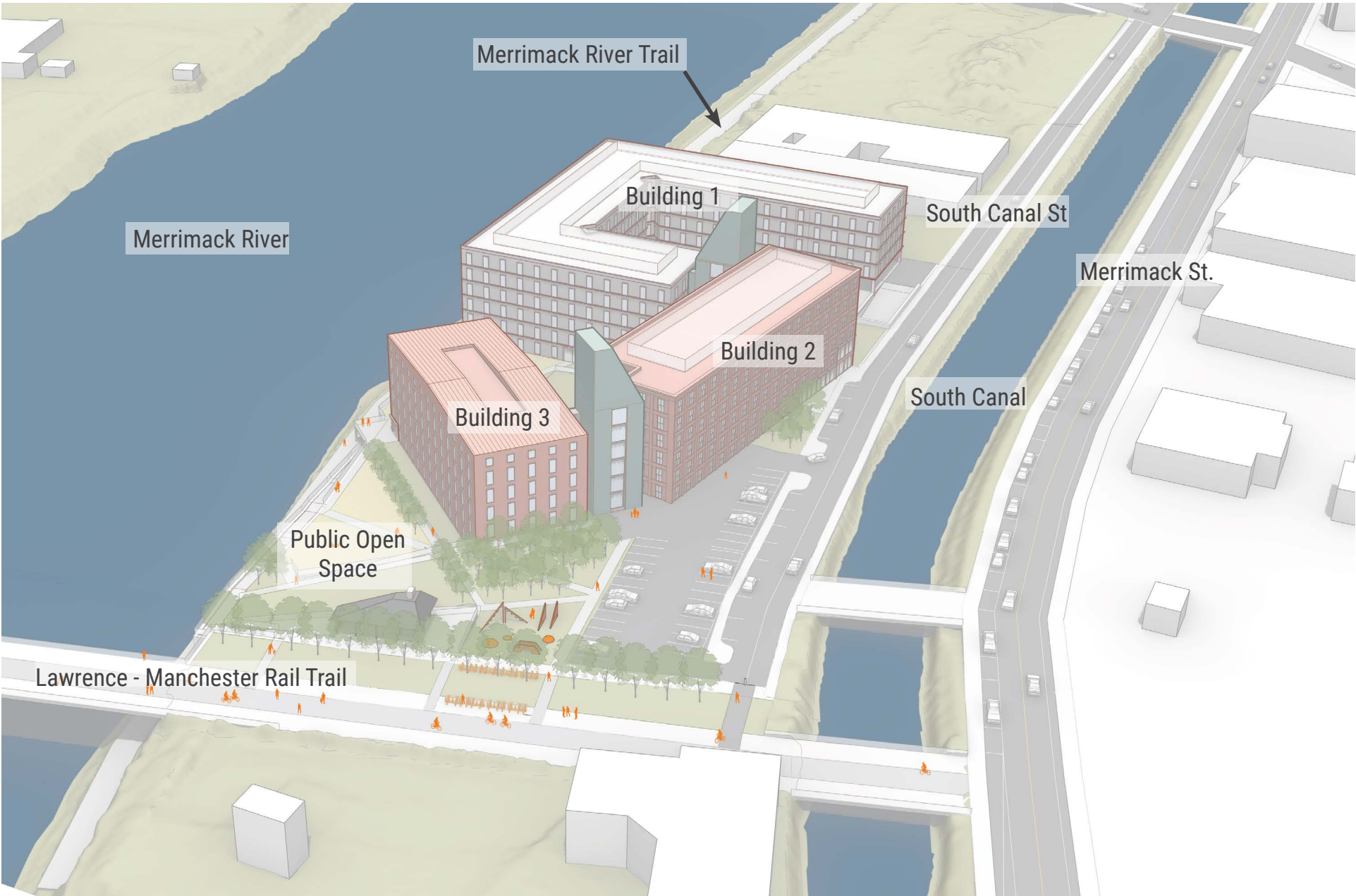


Figure 3.1. The project site viewed from the west, featuring the rail trail and public open space area in the foreground

SECTION 3: PROJECT APPROACH & METHODOLOGY



Figure 3.2. A view of the site from the Northeast.

SECTION 3: PROJECT APPROACH & METHODOLOGY

TABLE 3.1. DEVELOPMENT PROGRAM

	Building 1	Building 2	Building 3	Total
Residential SF	134,156 SF	67,504 SF	44,924 SF	246,584 SF
Lobby/Amenity SF	-	5,697 SF	-	5,697 SF
Commercial SF	-	-	10,400 SF	10,400 SF
Total SF	134,156 SF	73,201 SF	55,324 SF	262,681 SF
Unit Count	146 units	79 units	50 units	275 units
Affordable Units	TBD	TBD	TBD	TBD
Covered Parking	129 spaces	102 spaces	-	231 spaces
Height (incl mechanicals)	66.5 feet	68 feet	70 feet	-

SECTION 3: PROJECT APPROACH & METHODOLOGY

DEVELOPMENT PLAN (CONT'D)

At this point, Charter anticipates providing a mix of market rate and income restricted rental units, likely 75 to 80 percent market and 20 to 25 percent affordable. However, Charter is willing to reconsider these assumptions should the LRA and/or City wish to explore other options.

The site will include 231 parking spaces in total, including 129 spaces beneath Building 1 and 102 spaces in a surface lot in the southwest corner of the site. The surface lot will also include a number of spaces set aside for the public to provide access to the Lawrence Manchester Rail Trail and the Merrimack River Trail.

SITE IMPROVEMENTS

Charter will repair or reconstruct the retaining wall along the site's Merrimack River frontage. This will improve site resiliency by reducing the potential for flooding and create a strong foundation for the Merrimack River Trail. This retaining wall will also provide a tremendous opportunity for a large-scale public art installation. Charter has previously worked with the group Beyond Walls on our project in Lynn and would seek to potentially involve them or a similar community-based arts group in discussions around the future of this wall.

The site's northwest corner is the where the future Lawrence Manchester Rail Trail (running north-south along the site's western edge) and the Merrimack River Trail (running along a strip of land between the site and the Merrimack River) will meet. These trails represent tremendous asset for the site and will connect it to downtown Lawrence, the Riverwalk district and points beyond, reintegrating the site into the fabric of the city.

In coordination with the City, Charter will seek state funding to develop an ADA-compliant ramp connecting the Merrimack River Trail to the Lawrence Manchester Rail Trail in the site's northwest corner (see the lower right-hand corner of Figure 3.3). This connection would replace the January 2022 ramp design by The Engineering Corp (TEC) and Lemon Brooke Landscape Architects that took up a significant amount of space on site and would create the need for expensive soil export.

Approximately 0.75 acres of the 3.5 acre site will be set aside as public open space in the western portion of the site, loosely bounded by Building 3, the Lawrence Manchester Rail Trail and the Merrimack River Trail. This welcoming space will be available for use by the general public and is envisioned to include a small playground area, seating areas and landscaping. Charter envisions constructing a modest shade structure along the site's western edge to provide a covered area for events.

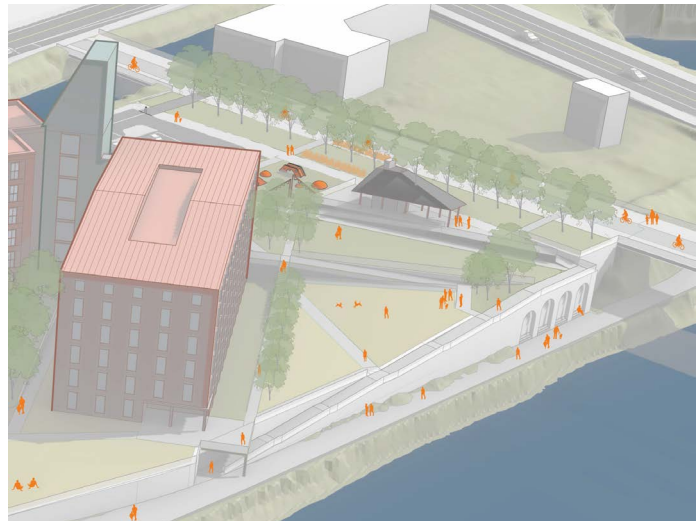


Figure 3.3. A zoomed in view of the northwestern corner of the site highlighting the ramp connection between the two trails, the public open space and playground and the shade structure. Building 3 is visible to the left

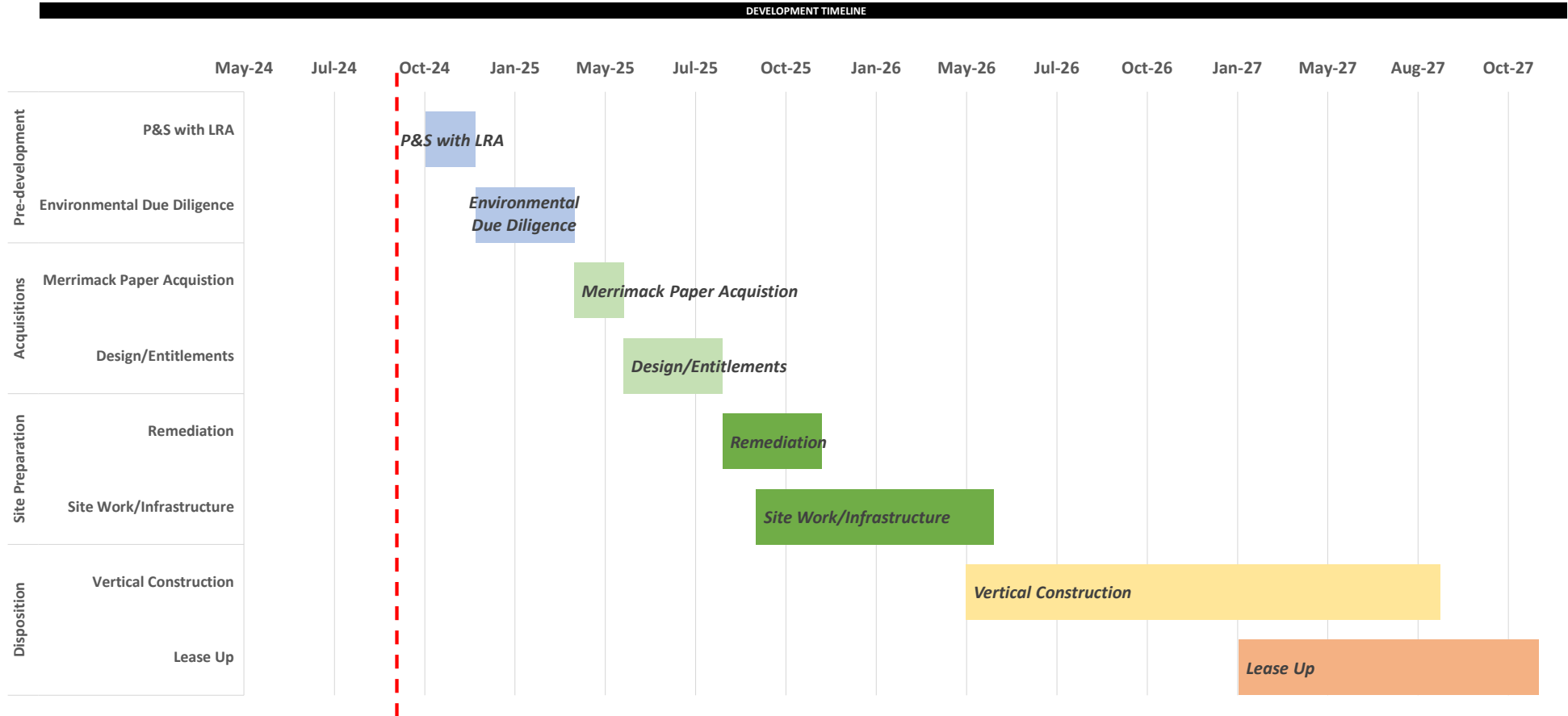
SECTION 3: PROJECT APPROACH & METHODOLOGY

		2025				2026				2027			
Sources		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Horizontal Private Capital	\$7,358,000	\$2,841,000	\$3,380,000	\$776,000	\$361,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EPA (managed by City)	\$1,360,000	\$1,360,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MassWorks/Housing Works	\$1,196,000	\$ -	\$ -	\$950,000	\$246,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Loan	\$62,149,200	\$ -	\$ -	\$ -	\$ -	\$3,587,200	\$15,516,000	\$16,033,000	\$16,258,000	\$5,329,000	\$5,382,000	\$ -	\$ -
Vertical Private Capital	\$42,194,800	\$ -	\$ -	\$15,255,000	\$15,210,000	\$11,774,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$114,258,000	\$4,201,000	\$3,380,000	\$16,936,000	\$15,817,000	\$15,362,000	\$15,516,000	\$16,033,000	\$16,258,000	\$5,329,000	\$5,382,000	\$0	\$0

		2025				2026				2027			
Uses	Total	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Design/Permitting													
LSP Services	\$700,000	\$588,000	\$112,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$700,000	\$588,000	\$112,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Remediation/Deconstruction													
Remediation of Area 1-4	\$2,420,000	\$1,375,000	\$836,000	\$209,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Race Way	\$779,000	\$ -	\$779,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Site Prep	\$1,091,000	\$873,000	\$218,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Riverside Retaining Wall	\$2,786,000	\$1,393,000	\$1,393,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Green Space Retaining Wall	\$992,000	\$ -	\$ -	\$992,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ACM Placement & Encapsulation	\$831,000	\$83,000	\$208,000	\$415,000	\$125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$8,899,000	\$3,724,000	\$3,434,000	\$1,616,000	\$125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Vertical Construction/Finishes													
Vertical Construction	\$103,507,000	\$ -	\$ -	\$15,210,000	\$15,210,000	\$15,362,000	\$15,516,000	\$15,671,000	\$15,828,000	\$5,329,000	\$5,382,000	\$0	\$0
Rail Trail/River Walk Connector	\$151,000	\$ -	\$ -	\$113,000	\$38,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Canal Street Reconstruction	\$208,000	\$ -	\$ -	\$ -	\$208,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
On Site Finishes	\$727,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$362,000	\$365,000	\$ -	\$ -	\$ -	\$ -
Playground	\$65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$65,000	\$ -	\$ -	\$ -	\$ -
Subtotal	\$104,658,000	\$ -	\$ -	\$15,323,000	\$15,456,000	\$15,362,000	\$15,516,000	\$16,033,000	\$16,258,000	\$5,329,000	\$5,382,000	\$ -	\$ -
Total	\$114,258,000	\$4,312,000	\$3,546,000	\$16,939,000	\$15,581,000	\$15,362,000	\$15,516,000	\$16,033,000	\$16,258,000	\$5,329,000	\$5,382,000	\$ -	\$ -

SECTION 3: PROJECT APPROACH & METHODOLOGY

PROJECT TIMELINE



SECTION 3: PROJECT APPROACH & METHODOLOGY

SUSTAINABILITY APPROACH

The proposed project will incorporate numerous sustainable development, and resiliency features to ensure that the project represents a net environmental benefit for the City of Lawrence and the Commonwealth of Massachusetts. More detailed sustainability commitments will be developed as project design advances.

- **Focus on Redevelopment:** Remediating a long-neglected brownfield and putting it back into productive use is fundamentally sustainable and will help minimize urban sprawl and greenfield development in northeastern Massachusetts. Redevelopment projects also require less investment in new infrastructure to accommodate.
- **Concentrate Development:** The proposed project is compact (with a proposed residential density of approximately 80 units per acre), walkable to downtown and transit and will create a sense of place where none exists today.
- **Restore and Enhance the Environment:** The project involves the restoration of an industrial brownfield that has been off-limits to the public for decades. Site cleanup and preparation will result in the removal of petroleum, PCB and NAPL-contaminated soils from the site as well as the encapsulation of asbestos-containing soils. These steps will result in immediate benefits for the Merrimack River ecosystem as well as for the environmental justice neighborhoods surrounding the site.
- **Maximize Renewable Energy:** The former Merrimack Paper Mill was powered by turbines driven by water flowing from the South Canal to the Merrimack River. There are at least five raceways running under the site. While Charter expects to fill most of the raceways, we are investigating the possibility of reactivating one or more of them to provide clean power to the project. Charter looks forward to discussing the feasibility of such an arrangement with Patriot Hydro. Charter further anticipates that much of the project's roof space would be suitable for solar panel installations. We are currently in discussions with New Leaf, a solar development company, about a significant solar installation for Charter's Carver project. Leveraging our existing business relationship, we aim to expand their efforts to include the Merrimack Paper site as well.
- **Enhance the Natural Landscape:** A substantial amount of the site will be set aside for public open space purposes. The proposed landscape design will make use of native, non-invasive species that are well adapted for this riverine site and require minimal use of irrigation.
- **Construct Energy Efficient Buildings:** Charter anticipates that the project's three buildings will be designed to meet high targets for building efficiency, with a focus on reducing energy consumption by constructing a tight building envelope and utilizing energy-efficient fixtures throughout. At a minimum, Charter expects that the proposed buildings will be eligible for silver certification under the Leadership in Energy and Environmental Design (LEED) rating system.

SECTION 3: PROJECT APPROACH & METHODOLOGY

REQUESTED CITY INCENTIVES

While on-site due diligence will be required in order for Charter to further refine its development proforma and better understand the financial feasibility of the project, at this point we would expect to request the following City incentives:

- Charter anticipates acquiring the site for less than the LRA's appraised value in order to offset the costs of the considerable remaining environmental remediation to be addressed prior to development.
- Charter expects that the City will use its remaining EPA grant funds to address the NAPL issue in Excavation Area 1
- Charter anticipates requesting property tax relief from the City during the remediation and construction period to offset the cost of environmental remediation
- Charter would expect to coordinate with the City of Lawrence on state grant applications to pay for public infrastructure items such as the ramp connecting the Merrimack River Trail to the Lawrence Manchester Rail Trail and improvements (if needed) to South Canal Street.



Looking west along the Merrimack River Rail trail towards the former rail bridge that will carry the Lawrence Manchester Rail Trail

SECTION 3: PROJECT APPROACH & METHODOLOGY

PROPOSED COMMUNITY BENEFITS

The redevelopment of the Merrimac Paper site will create numerous public benefits for the City of Lawrence, its residents and the surrounding region. Estimated financial benefits are based on the proposed development program and best available information. These estimates are subject to change as more information on underlying environmental conditions is developed or made available.

- **New Property Tax Revenues:** The fiscal year 2024 assessed value of the Merrimac Paper site (all three parcels) is \$764,300. As a municipally owned property it pays no taxes. When redeveloped, Charter estimates that the site will have an assessed value of approximately \$37.5 million and will result in approximately \$350,000 in net new property tax revenues annually.
- **New Motor Vehicle Excise Tax Revenues:** The Merrimac Paper site does not generate any motor vehicle excise taxes today. Assuming that the 231 proposed parking spaces are occupied by resident vehicles at buildout, this would represent new annual excise tax revenue of approximately \$83,000 for the City.
- **Construction Jobs and Local Employment:** The remediation of the site and vertical construction will create an estimated 300 full-time equivalent jobs (i.e., enough work to keep one worker employed for a full year). Consistent with the Lawrence Local Employment Preference Policy, Charter expects that a minimum of 30 percent of its project workforce will be Lawrence residents.
- **Permanent Jobs:** Charter anticipates that 20-40 permanent jobs will be created between the commercial space on the ground floor of building three and in building management. The exact number of permanent jobs to be created will depend on the nature of the commercial use.
- **Affordable and Market-Rate Housing Supply:** The project will result in the creation of approximately 275 new apartments or condominium units. This additional supply will help increase the inventory of available housing in the tight City Lawrence market.
- **Environmental Cleanup:** The redevelopment of the former Merrimac Paper site will result in the resolution of long-standing environmental issues on the site, a direct benefit for the environmental justice neighborhoods in the vicinity of the site as well as for the Merrimack River ecosystem.
- **Open Space and Trail Connections:** The project will provide space for the critical connection between the Lawrence Manchester Rail Trail and the Merrimack River Trail in addition to 0.75 acres of public open space in the western portion of the site.

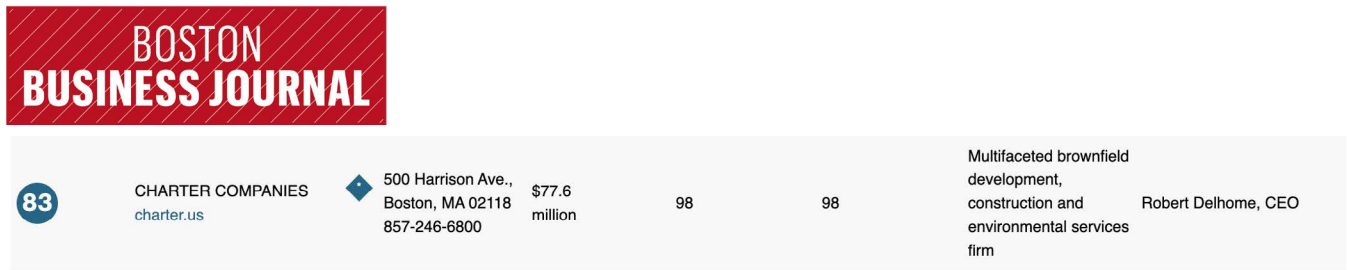
SECTION 4: FINANCIAL CAPABILITY

Charter is experienced at designing and implementing funding plans appropriate for complex, risky brownfield redevelopment projects like Merrimac Paper. Traditional sources of debt and equity capital are often reluctant to participate in the early stages of a complex project such as these, due to the inherent risks: lack of infrastructure and underlying environmental liabilities with complex pathways to regulatory closure are all impediments to attracting conventional sources of capital. Charter has a tailored approach, bringing risk-tolerant sources of capital to bear early in the project and transitioning to more traditional sources as the project approaches vertical construction.

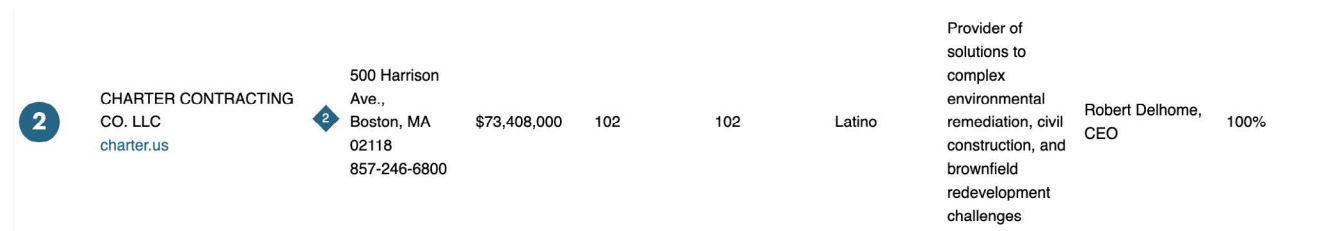
As a 27-year New England market leader in brownfield redevelopment, environmental remediation, and civil and marine construction, Charter has access to significant internal capital that it can deploy quickly to close on individual transactions ranging from \$5 million up to \$50 million. This is patient capital that we can commit on a long-term basis, without the constraint of current return expectations or requirements.

The Boston Business Journal named Charter as the 83rd largest privately held company in Massachusetts with \$77.6 million in 2023 revenue. The BBJ also named Charter as the second-largest minority-owned business and the largest Latin American-owned business in Massachusetts based on 2022 revenue.

Charter would be pleased to provide additional evidence of our financial capability upon request.



Boston Business Journal, 2024 Largest Private Companies in Massachusetts



Boston Business Journal, 2024 Largest Minority-Owned Businesses in Mass.

SECTION 4: FINANCIAL CAPABILITY

SOURCES

Charter has a tailored approach to financing, bringing risk-tolerant sources of capital to bear early in the project, and transitioning to more traditional sources as the project approaches vertical construction.

- **Private Capital:** Charter raises private equity by approaching investors who have a higher appetite for risk and are seeking significant returns on their investments. These investors are often familiar with our track record, having successfully invested in previous projects we've completed. By showcasing our past successes, strong project pipeline, and the potential for high returns, we can attract these investors to commit capital. In return, they gain equity stakes in the project and share in the profits upon its successful completion or sale.
- **EPA Funding:** Charter anticipates that the City would use its remaining U.S. EPA grant funds to address the on-site contamination associated with Excavation Area #1.
- **MassWorks:** Grants are designed to provide financial support for public infrastructure projects in Massachusetts that spur economic growth, development, and housing production. These grants are typically used by municipalities to fund improvements like roadways, water and sewer systems, and public transportation, enhancing the capacity for new businesses, housing developments, and overall community revitalization.

For this project specifically we will be using this funding mechanism to support the construction of infrastructure improvements including the connection between the Lawrence Manchester Rail Trail and the Merrimack River Trail.

- **Construction Loan:** Vertical development will be primarily financed through a construction loan from a bank with an approximate 60% loan-to-construction ratio, which means the bank will cover 60% of the total construction costs, while private investor capital will provide the remaining 40% through equity or other funding sources. This financing structure allows us to responsibly manage the development, ensuring we have sufficient capital to complete the project while also demonstrating our own investment in its success. Once the construction is finished, Charter will either refinance the loan into a permanent mortgage or pay it off through other means, ensuring the project's financial stability.

SECTION 5: LEGAL AND COMPLIANCE INFORMATION

Charter is pleased to provide evidence of the following licenses and certifications:

Charter Development

- Commonwealth of Massachusetts Certificate of Good Standing
- Greater New England Minority Supplier Development Council MBE Certification

Charter Contracting

- Commonwealth of Massachusetts Certificate of Good Standing
- Greater New England Minority Supplier Development Council MBE Certification
- Asbestos Contractor Certificate

Charter is not aware of any legal or regulatory issues.

SECTION 5: LEGAL AND COMPLIANCE INFORMATION



William Francis Galvin
Secretary of the
Commonwealth

The Commonwealth of Massachusetts
Secretary of the Commonwealth
State House, Boston, Massachusetts 02133

September 5, 2024

TO WHOM IT MAY CONCERN:

I hereby certify that a certificate of organization of a Limited Liability Company was filed in this office by

CHARTER DEVELOPMENT COMPANY, LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **August 2, 2016**.

I further certify that said Limited Liability Company has filed all annual reports due and paid all fees with respect to such reports; that said Limited Liability Company has not filed a certificate of cancellation; that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156C, § 70 for said Limited Liability Company's dissolution; and that said Limited Liability Company is in good standing with this office.

I also certify that the names of all managers listed in the most recent filing are: **ROBERT L. DELHOME**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **ROBERT L. DELHOME**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **ROBERT L. DELHOME**



In testimony of which,
I have hereunto affixed the
Great Seal of the Commonwealth
on the date first above written.

William Francis Galvin

Secretary of the Commonwealth

Processed By:mqc

SECTION 5: LEGAL AND COMPLIANCE INFORMATION

THIS CERTIFIES THAT

Charter Development Company, LLC



* Nationally certified by the: **GREATER NEW ENGLAND MINORITY SUPPLIER DEVELOPMENT COUNCIL**

*NAICS Code(s): 237210

* Description of their product/services as defined by the North American Industry Classification System (NAICS)

08/19/2024

Issued Date

GN19843

Certificate Number

08/31/2025

Expiration Date

A handwritten signature in black ink, appearing to read "Ying McGuire".

**Ying McGuire
NMSDC CEO and President**

A handwritten signature in black ink, appearing to read "Peter F. Hurst, Jr.".

Peter F. Hurst, Jr., President and CEO

By using your password (NMSDC issued only), authorized users may log into NMSDC Central to view the entire profile: <http://nmsdc.org>

Certify, Develop, Connect, Advocate.

* MBEs certified by an Affiliate of the National Minority Supplier Development Council, Inc.®

SECTION 5: LEGAL AND COMPLIANCE INFORMATION



William Francis Galvin
Secretary of the
Commonwealth

The Commonwealth of Massachusetts
Secretary of the Commonwealth
State House, Boston, Massachusetts 02133

September 5, 2024

TO WHOM IT MAY CONCERN:

I hereby certify that a certificate of organization of a Limited Liability Company was filed in this office by

CHARTER CONTRACTING COMPANY, LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **October 29, 2014**.

I further certify that said Limited Liability Company has filed all annual reports due and paid all fees with respect to such reports; that said Limited Liability Company has not filed a certificate of cancellation; that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156C, § 70 for said Limited Liability Company's dissolution; and that said Limited Liability Company is in good standing with this office.

I also certify that the names of all managers listed in the most recent filing are: **NONE**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **ROBERT L. DELHOME, ROBERT J. CALLAHAN**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **ROBERT L. DELHOME, ROBERT L. CALLAHAN**



In testimony of which,
I have hereunto affixed the
Great Seal of the Commonwealth
on the date first above written.

William Francis Galvin
Secretary of the Commonwealth

Processed By:mqc

SECTION 5: LEGAL AND COMPLIANCE INFORMATION

THIS CERTIFIES THAT

Charter Contracting Company, LLC



* Nationally certified by the: **GREATER NEW ENGLAND MINORITY SUPPLIER DEVELOPMENT COUNCIL**

*NAICS Code(s): 562910; 237990; 238910

* Description of their product/services as defined by the North American Industry Classification System (NAICS)

03/13/2024

Issued Date

04/30/2025

Expiration Date

GN10948

Certificate Number

A handwritten signature in black ink, appearing to read "Ying McGuire".

Ying McGuire
NMSDC CEO and President

A handwritten signature in black ink, appearing to read "Peter F. Hurst, Jr.".

Peter F. Hurst, Jr., President and CEO

By using your password (NMSDC issued only), authorized users may log into NMSDC Central to view the entire profile: <http://nmsdc.org>

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* MBEs certified by an Affiliate of the National Minority Supplier Development Council, Inc.®

SECTION 5: LEGAL AND COMPLIANCE INFORMATION

THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT
DEPARTMENT OF LABOR STANDARDS
100 CAMBRIDGE STREET, BOSTON, MA. 02114

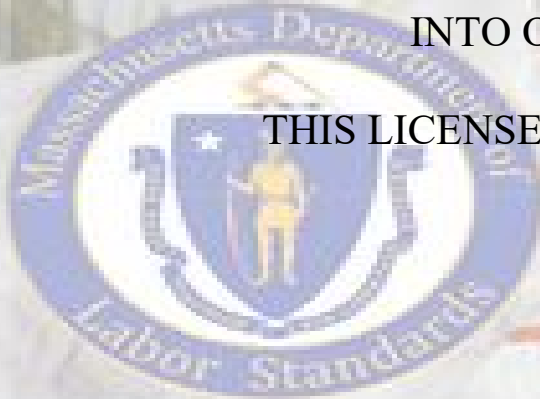
ASBESTOS CONTRACTOR CERTIFICATE

CHARTER CONTRACTING COMPANY, LLC
500 Harrison Avenue, Suite 4R
Boston, MA 02118

LICENSE: AC000877 EXPIRES: Saturday, March 1, 2025

IN ACCORDANCE WITH MGL CH. 149 § 6B AND 454 CMR 28.00
THIS CERTIFICATE IS ISSUED BY THE DEPARTMENT OF LABOR STANDARDS TO THE
CONTRACTOR ABOVE FOR THE PURPOSE OF ENTERING
INTO OR ENGAGING IN ASBESTOS WORK.

THIS LICENSE IS VALID FOR A PERIOD OF ONE (1) YEAR.



Michael Flanagan
MICHAEL FLANAGAN, DIRECTOR

SECTION 6: REFERENCES

Charter is pleased to provide the LRA with the following references:

1. For the Lynn HarborPark project:

Jay Walsh
City Council President
City of Lynn
John.Walsh@lynnma.gov

2. For Perkins Park Redevelopment (Lowell, MA)

Adam Baacke
Commissioner
Division of Capital Asset Management and Maintenance (DCAMM)
Adam.baacke@mass.gov

Note: Mr. Baacke was employed by UMass Lowell during his involvement with the Perkins Park project.