

Good Afternoon,

Thank you for reaching out regarding the events that took place between the City of Gardner, the Gardner Redevelopment Authority, and Just Dance! Performing Arts Center.

Firstly, I feel it is important to differentiate that the property that housed the Just Dance! Performing Arts Center was owned by the Gardner Redevelopment Authority. Per the Commonwealth's General Laws, Redevelopment Authorities are separate, quasi-governmental organizations whose purpose is to assist in an area's economic development endeavors. The GRA is overseen by a board who is partially appointed by me and confirmed by the City Council and one member who is appointed by the Governor and confirmed by the Governor's Council.

As you are aware, the Gardner Redevelopment Authority purchased the properties at 42-50 and 52 Parker Street from Mr. Dean Marcus in August of 2017. The purchase prices were \$250,000 for 43-50 Parker Street (which houses Just Dance!) and \$125,000 for 52 Parker Street. The cost of this purchase was funded completely through a grant from MassDevelopment. At this time, Ms. Wilson was informed of the sale, informed that she could remain in the building but that the property was acquired for the purpose of being marketed for redevelopment and that a sale could occur at any time. This was acknowledged and the GRA and Just Dance! Entered into a new lease agreement.

**Just Dance! Paid the GRA a monthly rent of \$1,300/month for two commercial store fronts equaling 3,700 square feet, equating to a rent of \$0.35/Square Foot, far below the average rent in Downtown Gardner, let alone in the current market. FURTHERMORE, Just Dance! rents a storage space in the rear of the building with a total area of 2,200 square feet for which she receives free rent.** The agreement also stated that Just Dance! Would cover all electricity costs for their use of the property, but that the GRA would completely cover all other costs including gas, water, sewer, trash, property maintenance, insurance, and others, without extra charge to Just Dance!. From August 2017 to May 2022, the GRA expended \$261,688.92 on the property. In the same time period, Just Dance! Paid the GRA a total of \$73,000.

Just Dance! Also received the Microenterprise Assistance Grants that we distributed for Pandemic Assistance for businesses with 5 or less employees. On April 29, 2021, they were **awarded \$19,967.14.** (see attached) Then, when we had funds remaining in the account, we obtained approval from the Commonwealth's Department of Housing and Economic Development to increase award amounts from \$20,000 per business to \$25,000. As a result of this, on October 28, 2021, they received an **additional awarded a grant in the amount of \$5,032.86.** (see attached) This brought them up to the full \$25,000 amount that any business was eligible for. Now, these grants have a stipulation that if a business received these funds but then decides to move out of Gardner, they owe a portion of the funding back to the City. In the case of Just Dance! this would be 20% of the \$25,000 that was awarded which would be \$5,000. While our goal is to have Just Dance! remain in Gardner, this section of the grant agreement has been waived for Just Dance! to fully ensure they are able to find a place to remain in business and continue providing services to the community.

On September 28, 2021, the City received the embargoed notification that the City was going to be awarded \$900,000 from the Underutilized Property Grant Program. "The Underutilized Properties Program was created through the Economic Development Legislation signed into law by Governor Charlie Baker in January 2021. The program targets underutilized, abandoned, or vacant properties by supporting efforts that eliminate blight, increase housing production, support economic development projects, or increase the number of commercial buildings accessible to individuals with disabilities." (Mass.gov) We were told however, that we could not release this information and that it would remain embargoed until the Lt. Governor was able to come to Gardner to announce all awards statewide, since Gardner was receiving the largest award out of anywhere else in the Commonwealth Executive Office of Housing and Economic Development that this information must remain embargoed and not made public until the Lt. Governor could come to Gardner and announce this, as Gardner was receiving the highest award amount out of all other award winners in Massachusetts. However, we did receive the okay to inform the North Central MA Association of Realtors at their annual Mayor's Meeting that they host. This was presented on October 26<sup>th</sup> via zoom.

One of the realtors who had participated in this zoom screen recorded the meeting and sent it to Ms. Wilson. She then emailed myself and Director

Beauregard from the Community Development and Planning Department inquiring about the sale (see attached) I met with Ms. Wilson personally in my office on November 15, 2021 to discuss the sale of the property that was going to take place as a result of the grant and the initial plans for the building. I also informed Ms. Wilson about how the City would be providing her with a relocation specialist that would assist in trying to find locations for her.

The grant was finally made public at a press conference in Perry Auditorium on November 30<sup>th</sup>, 2021. This was then posted in a press release that was sent to local media outlets and posted on the Governor's website, the City's website and social media pages, and the website and social media pages of MassDevelopment and the Executive Office of Housing and Economic Development.

Massachusetts General Law severely regulates how a Government Entity (like the City) or a quasi-government agency (like the GRA) can sell property and land. In both cases, it cannot simply be sold to whoever gives the highest price, but must be sold to whoever submits a plan for the best use of the property, including the financial capital and capability of bringing the property to its best and most effective use, as well as history and reference checks with regard to past construction projects to provide data and evidence that the plans for renovations are actually feasible and able to be done to the quality presented in the sale proposal. Just Dance! Had reached out inquiring about potentially purchasing the building but did not include a plan to rehabilitate the full structure (see attached). To reiterate as well, both the building the houses the Dance Studio (commonly referred to as the Ryan Block) and the building next to it (commonly referred to as Temptations) are connected with a shared wall. Mass Ave Realty, who was eventually awarded the sale, provided a full plan on renovating both buildings, utilizing this \$900,000 grant as well as \$4.2 million of their own money into the project.

Following the announcement of the grant and the awardance of the sale to Mass Ave Realty, the GRA met with Mr. Gary Lorden of Mass Ave Realty asking him for the Dance Studio to stay in the building. However, Mr. Lorden informed the GRA that it wouldn't work due to the hardships of trying to rent apartments above, below, and around the dance studio. There were some additional plans looked at to provide additional sound proofing insulation around the studio to help but they were to cost prohibitive and the additional apartment spaces that would be

added to the space brought the equity in the project up to a point where the building could have 100% market rate apartments with no affordable or low-income units. As you know, this is a decision that any landlord can make with any tenant that is pre-existing in a building they purchase. That is their right as a landlord after all.

However, to help make it so Just Dance! Had enough time to figure everything out, the GRA informed Mass Ave Realty that they would delay closing on the property until June 1<sup>st</sup>, in order to make sure Just Dance! Had until May 31<sup>st</sup> to find a new location. This is why the deed has not been recorded on the property yet as the GRA wanted to make sure there was no way Just Dance! Could be removed without sufficient time.

On December 10, 2021, I submitted a **Free Cash Appropriation Request in the amount of \$80,000** to be used for hiring a relocation specialist for Just Dance! To help them find a new location. (see attached) This was approved by vote of the City Council at their meeting on December 20, 2021. Since then, the relocation specialist, Mr. Stephen Mollica out of Leominster, has shown Ms. Wilson close to 30 properties in the City, many of which the City provided to Mr. Mollica, some he brought forward, and some Ms. Wilson had in mind. These areas included Timpany Crossroads, the old Gardner News Building, PWCA, and others. (see attached 2 documents)

On May 5, 2022, MS. Wilson notified the GRA in writing that she would be requesting a pay out of the remaining relocation costs and would continue with the process on her own without the assistance of the GRA. The GRA agreed to issue a **one-time lump sum payment of \$69,500.00** to assist in relocation and fit out costs. Ms. Wilson emailed Director Beauregard on Wednesday, May 25, requesting to pick up the check, but Director Beauregard informed her that the check would be given to her at the final inspection of the property, which ironically is scheduled for this afternoon at 2:30pm.

I am of the understanding that Just Dance! Is now currently looking at the property located at 69 Lincoln Street but first needs a variance for the parking requirements from the Zoning Board of Appeals and there are some questions as to whether or not such a use of the property would require that the building have

a sprinkler system installed pursuant to the Commonwealth's Fire and Building Codes. These actions and questions are still ongoing.

I should say I have not seen the post that supposedly caused all of this controversy as I have been blocked by the site administrators of the Gardner Massachusetts What's Going on Page from seeing, commenting, or participating in anything that is posted. However, if it is true that Just Dance! is saying that the City has done nothing to help them, I would find this very unprofessional and untrue. Especially considering that when you add up the amount of funding both the GRA and the City have provided to her, it **FAR** exceeds the total amount in rent she has paid to the GRA since they became her landlord. Also to claim that Just Dance! did not know about the sale of the property until December is also simply a lie, as there is public record, documented proof that they knew of what was going to happen in October and met with me in my office to go over everything including the May 31<sup>st</sup> timeline in early November before the project even became fully public. I think the City has done a quite a fair amount for Just Dance! and has soon we were and still are willing to work with them to help them find a place in Gardner and continue their work.

Please let me know if there is any further information you would like and my office and administration would be happy to provide you with it.

Respectfully,

Mike Nicholson

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