



City of Methuen, Massachusetts

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FOR IMMEDIATE RELEASE

MAYOR NEIL PERRY ANNOUNCES DESIGNATION OF SAI GROUP FOR THE REDEVELOPMENT OF 54 OSGOOD STREET AND SURROUNDING PARCELS IN METHUEN'S HISTORIC CENTER

Concept plans call for the transformation of long-blighted and contaminated City-owned property and adjacent parcels into a vibrant residential and commercial development that includes new construction of market-rate and affordable apartments and the restoration and re-use of the historic nineteenth century Methuen Company Storehouse

METHUEN, MA: Today, Methuen Mayor Neil Perry announced that the City will begin formal negotiations with SAI Group, based in Salem, NH, on a proposal for the sale of 54 Osgood Street, a City-owned parcel of contaminated land that has been vacant and blighted since 1994. SAI Group's concept plans, which were presented to the City in response to a Request for Proposals that the City issued in May, encompass not only the City-owned parcel, but also the surrounding adjacent parcels on the same block. The project includes new construction of 76-88 attractive market-rate and affordable residential units, and the adaptive re-use of the historic Methuen Company Storehouse into retail/restaurant space.

"The positive impact that a project like this will have in Methuen cannot be overstated," Mayor Perry stated. "The conceptual plans check off nearly every box the City could possibly hope for when it comes to historic preservation, blight removal, environmental cleanup, new tax growth, affordable and market-rate housing, commercial investment, downtown revitalization, and access to transportation and recreation amenities like the Rail Trail, Spicket Falls, and nearby parks. We have a process ahead of us to be sure, which will include support from the City Council and our land-use boards, but today clearly marks a major step forward in a decades-long effort to clean up this major eyesore right in the center of our community."

Acknowledging Mayor Perry's support, SAI Group President Anton J. Miller stated, "It was clear from the RFP process that the City of Methuen is committed to not just selling 54 Osgood Street, but to having a partner and advocate in transforming this long-neglected area that is so rich in history and centrally located. SAI Group appreciates the opportunity to be that partner. We appreciate Mayor Perry's comments on our proposal, and we also acknowledge the efforts and support of the entire Department of Economic &

Community Development. We are confident that our proposal is worthy of its location in the downtown district.”

54 Osgood Street is a .25-acre parcel of vacant and underused land situated at the junction of Osgood Street and River Street in Methuen. The parcel, which was taken by the City through the tax title process in December 2002, had been the location of Precise Circuit Tech, a plating company in operation from 1974 to 1994. The business was destroyed by fire in January 1994 at which time the Massachusetts Department of Environmental Protection (DEP) performed initial containment and removal activities as part of an Immediate Response Action (RAO). The City utilized public funds to demolish the remainder of the building and the parcel has remained vacant and blighted ever since. In 2012, as a result of testing under a federal Brownfields Cleanup Grant, the City accepted the recommendation to restrict exposure to the contaminated soils at the Site through an Activity and Use Limitation (AUL). This AUL allows for the development of multi-family and mixed use of the site. In addition to the 54 Osgood Street parcel, which SAI will be conducting additional environmental testing on as a condition of their purchase, the total development area includes 1.5 acres of adjacent property that is presently owned by SAI Group.

From a financial benefit standpoint, the project will have a substantial positive impact on new real estate tax growth in the City. The entire project site, which is made up of two parcels in addition to 54 Osgood Street, presently generates less than \$15,000 annually in real estate tax revenue for the City. Once fully built, the proposed development may generate an estimated average of \$150,000 annually, nearly ten times the current annual tax revenue.

Methuen Economic & Community Development Director Jack Wilson acknowledged the many years of support from EPA, MA DEP and the Merrimack Valley Planning Commission to get to this point. “If you think about it, we are talking about the City of Methuen going from being the unfortunate owner of a blighted brownfields site that is generating zero tax dollars to being the beneficiary of a first-rate mixed-use development, and all the economic and tax benefits that will follow. This could not happen without our partners in government.”

As for the sale price of the City-owned contaminated parcel, SAI Group submitted a bid in the amount of \$134,900, which, pursuant to an agreement between the City and DEP, will ensure that the City will no longer be liable to the DEP for the fire response costs that DEP incurred in the aftermath of the 1994 fire.

A copy of the conceptual plans is available on the City of Methuen website at <https://www.methuen.gov/>

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