

AN ACT Establishing the Lowell Development Corporation.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. In this act, unless the context otherwise requires, the following words shall have the following meanings:-

"Central business district", that area in the ~~city of~~ <sup>Greater Lowell</sup> within the boundaries of the following streets: Beginning at the intersection of Appleton and Gorham Streets; thence southwesterly by Appleton Street to Thorndike Street; thence northwesterly by Thorndike-Fletcher Streets to Suffolk Street; thence northerly by Suffolk Street continuing from the northern end of Suffolk Street on a line parallel to the Western Canal; <sup>to the Merrimack River</sup> thence southeasterly by the Merrimack River to the confluence of the Concord and Merrimack Rivers; thence southerly by Fayette Street to Church Street; thence westerly by Church Street to the Concord River; thence southerly along the Concord River to Charles Street; thence westerly by Charles Street to Gorham Street; thence northerly by Gorham Street to the intersection of Appleton and Gorham Streets, the point of beginning.

"Corporation", Lowell Development Corporation, created by section three.

"Financial institution", any banking corporation or institution, trust company, savings bank, co-operative bank, savings and loan association, insurance company, or related corporation, partnership, foundation or other institution engaged primarily in lending or investing funds.

"Members of the corporation", Ex officio members: the city manager of the city of Lowell. The President of the Greater Lowell Chamber of

Commerce; the President of the Lowell Downtown Merchants Association and all shareholders in the Lowell Development Corporation. The members shall also constitute the incorporators.

"Greater Lowell", the municipalities of Lowell, Dracut, Tewksbury, Chelmsford, Tyngsborough, Dunstable, Townsend, and Westford.

SECTION 2. It is hereby declared that unused, decadent or blighted areas exist in parts of Greater Lowell; that each such area constitutes a serious and growing menace, injurious and inimical to the safety, health, morals and welfare of the residents of the city; that each such area constitutes an economic liability, substantially impairs or arrests the sound growth of the city, and retards the economic well-being of the commonwealth; that each such area decreases the value of private investments and threatens the sources of public revenue; that redevelopment of each such area in accordance with an economic development plan for the elimination of such substandard conditions and prevention of their recurrence is necessary to retain existing commercial enterprises, attract new commercial development and promote the sound economic growth of the city; that the existence of such unused, decadent or blighted areas makes persons unwilling to do business in Greater Lowell; that the menace of such unused, decadent or blighted areas is beyond remedy and control solely by regulatory process in the exercise of the police power and cannot be dealt with effectively by the ordinary operations of private enterprise, without the aids herein provided; that the acquisition of property for the purpose of eliminating unused, decadent, substandard, or blighted conditions therein, preventing recurrence of such conditions in the area, improvement of sites for commercial uses, the disposition of the property for redevelopment incidental to the foregoing, the exercise of powers by the corporation and



any assistance which may be given by the city, or any other public body in connection therewith are public uses and purposes for which public money may be expended; and that the acquisition, planning, clearance, development, rehabilitation, or rebuilding of such unused, decadent and blighted areas for commercial purposes are public uses and benefits for which private property may be regulated by wholesome and reasonable orders, law and directions and for which public funds may be expended for the good and welfare of the city and of this commonwealth.

It is hereby further found and declared that there exists in Greater Lowell a condition of substantial and persistent unemployment and underemployment which causes hardship to many individuals and families, wastes vital human resources, increases the public assistance burdens, impairs the security of family life, impedes the economic and physical development of the ~~xxxxxx~~ Greater Lowell and adversely affects the welfare and prosperity of the people; that unemployment and underemployment have been caused in substantial part by commercial companies moving from Greater Lowell, that many existing commercial facilities within Greater Lowell are obsolete and inefficient; that such facilities are underutilized or vacated, thereby creating additional unemployment; that such obsolescence and abandonment of existing facilities are causing serious injury to the economy of the ~~xxxxxx~~ Greater Lowell; that the commercial sector of the economy provides one of the best opportunities for jobs at higher wages for inhabitants of the ~~xxxxxx~~ Greater Lowell; that new commercial sites are required to attract and house new commercial development, and to retain existing commercial operations in need of expansion space; that the unaided efforts of private enterprise have not provided and cannot provide the necessary commercial sites within the urban environment due to problems encountered

in the assembly of suitable building sites, the provision of adequate public services, the unavailability of private capital for development and the inability of private enterprise alone to plan, finance and coordinate commercial development projects.

SECTION 3. The members of the corporation are hereby constituted a body corporate under the name of Lowell Development Corporation, hereinafter called the corporation. The corporation shall be subject to and have the powers and privileges conferred by the provisions of chapter one hundred and fifty-five, sections eighteen, twenty-seven, thirty-one, thirty-three, and thirty-four of chapter one hundred and fifty-six and the provisions of chapter one hundred and fifty-six B and section four of chapter one hundred and eighty of the General Laws, except insofar as said provisions are inconsistent with or otherwise restricted or limited by the provisions of this act.

SECTION 4. The principal office of the corporation shall be located in the city of Lowell.

SECTION 5. The purposes of the corporation shall be, to correct the conditions found to exist in the <sup>Greater</sup> ~~city of~~ Lowell set forth in section two, promote the common good and general welfare of the <sup>Greater</sup> ~~city of~~ Lowell, improve the living standards of the citizens thereof by fostering the improvement of their employment opportunities, solicit, encourage and induce business organizations and educational institutions to locate in the <sup>Greater</sup> ~~city of~~ Lowell, assist and promote the development and expansion of business activity and business organizations in the <sup>Greater</sup> ~~city of~~ Lowell, in general, and, in particular to rehabilitate and restore the central business district in a manner consonant with the historical theme of the State heritage park and the proposed urban national park as determined by the design review subcommittee



at the Lowell Center Cities Advisory Committees which shall be named by the chairman of said committee for that purpose and develop an association of public spirited business, professional and technically trained citizens to accomplish said purposes.

In furtherance of said purposes and in addition to the powers conferred on the corporation under section three, the corporation shall, subject to the restrictions and limitations hereinafter contained, have the following powers:

(a) To accept, acquire, receive, and hold by bequest, devise, grant gift, purchase exchange, lease, transfer, judicial order or decree, or otherwise, for any of its objects and purposes, any property within Greater Lowell, both real and personal, from any source, including grants, loans or advances for or in aid of the purposes of the corporation from any federal agency or agency of the commonwealth or any political subdivision thereof;

(b) To sell, convey, mortgage, lease, transfer, exchange or otherwise dispose of, any such property within Greater Lowell, both real and personal, that the objects and purposes of the corporation may require, subject to such limitations as may be prescribed by law;

(c) To borrow money, and, from time to time, to make, accept, endorse, execute, and issue bonds, debentures, promissory notes, bills of exchange, and other obligations of the corporation for monies borrowed or in payment for property acquired or for any of the other purposes of the corporation, and to secure the payment of any such obligations by mortgage, pledge, deed, indenture, agreement, or other instrument of trust, or by other lien upon, assignment of, or agreement in regard to all or any part of the property, rights or privileges of the corporation, whether now

owned or hereafter to be acquired;

(d) To make loans to any person, firm, corporation, joint stock company, association or trust located, or to be located in Greater Lowell for the purpose of promoting and developing business activities of all kinds, provided such business activities tend to increase employment opportunities or reduce employment within Greater Lowell.

(e) To acquire improved and unimproved real estate for the purpose of constructing retail, commercial and residential or other business establishments thereon, or for the purpose of disposing of such real estate to others for the construction of retail, commercial or other business establishments as the objects and purposes of the corporation may require;

(f) To acquire, construct, reconstruct, alter, maintain, sell, convey, transfer, mortgage, lease, or otherwise dispose of retail, commercial, industrial, residential or business establishments as the objects and purposes of the corporation may require;

(g) To acquire, subscribe for, own, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the bonds, debentures, notes or other securities and evidences of interest in, or indebtedness of, any person, firm, corporation, joint stock company, association or trust, and while the owner or holder thereof, to exercise all the rights, powers, and privileges of ownership;

(h) To cooperate with and avail itself of the facilities and programs of the Small Business Administration of the United States, the Massachusetts Business Development Corporation, the department of commerce and development, the ~~Lowell Development Corporation~~, the United States Department of Commerce and any similar governmental agencies, the local chamber of commerce, trade



organizations, employment agencies and similar organizations; and to cooperate with and assist, and otherwise encourage organizations of ~~the city~~<sup>Greater</sup> of Lowell in the promotion, assistance, and development of the business prosperity and economic welfare of Greater Lowell. ~~Any request for financial assistance grants, however, shall be made through and by the city of Lowell with the consent of the council;~~

(i) To receive stocks, bonds, donations, gifts and otherwise raise money for the above outlined purposes;

(j) To elect, appoint and employ officers, agents and employees; to make contracts and incur liabilities for any of the purposes of the corporation;

(k) To employ consultants;

(l) To promote Greater Lowell as a regional retail, commercial, professional and financial center; and

(m) To do all things and acts necessary or convenient to carry out the powers expressly granted in this act; provided, however, that the purposes shall not include the right to apply for a license to sell alcoholic beverages; and that no part of the funds, property or net earnings of this corporation shall inure to the benefit of any member, stockholder other than ~~the city of~~<sup>Greater</sup> Lowell, officer of the corporation or private individual, and no member, officer of this corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation except to the extent that stockholders are entitled to participate in the distribution of the corporation's assets upon dissolution under section seventeen, nor shall the corporation allow any of its property to be used directly or indirectly in carrying on, nor shall any of the activities of the corporation

consist of the carrying on, of propaganda, or otherwise attempting to influence legislation. The corporation shall not participate in or intervene in any political campaign on behalf of any candidate for public office or publish or distribute any statements with respect thereto. Notwithstanding any other provision herein contained, neither the members, directors, officers, stockholders, nor the corporation shall participate in any of the "prohibited transactions" as defined in Section 503 of the Internal Revenue Code, as the same may, from time to time, be amended, nor shall the corporation accumulate income or engage in any activities if the accumulation of income or the activities so engaged in are or would be within the prohibitions of Section 504 of the Internal Revenue Code as the same may be, from time to time, amended, nor shall the corporation be operated at any time for the primary purpose of carrying on a trade or business for profit.

SECTION 6. The authorized capital stock of the corporation shall consist of twenty thousand shares of nonvoting, non-dividend-paying common capital stock with a par value of one hundred dollars each. The members may at any time by majority vote<sup>\*</sup> the members may delegate to the directors the power by majority vote to issue any part or all of said stock upon such terms as they shall determine. An individual, corporation, estate, trust, company or partnership shall be entitled to purchase the same from the corporation, from time to time, as long as the latter has in its treasury authorized common capital stock not distributed. Such stock may also be purchased from other individuals, corporations, estates, trusts, companies or partnerships. None of the earnings or profits of the corporation shall accrue to or be paid to the stockholders of common capital stock as dividends or profits in any form.

\*issue any part or all of said stock upon such terms as they shall determine or by majority vote



SECTION 7. Notwithstanding any rule at common law or any authorization, limitation or any such other provision of any general or special law, or any provision in their respective charters, agreements of association, articles of organization, or trust indentures, all domestic corporations organized for the purpose of carrying on business within the commonwealth, including without implied limitation any electric or gas company as defined in section one of chapter one hundred and sixty-four of the General Laws, railroad corporations as defined in section one of chapter one hundred and sixty of the General Laws, financial institutions, trustees and the city of Lowell are hereby authorized to acquire, purchase, hold, sell, assign, transfer, or otherwise dispose of any stocks, bonds, securities, or other evidence of indebtedness of the corporation and to make contributions to the corporation, all without the approval of any regulatory authority of the commonwealth; provided, that in so acquiring the capital stock of the corporation or in making contributions thereto, no life insurance company shall expend, in the aggregate, in any one year an amount greater than one half of one per cent of its net gain from operations before dividends to policyholders and before federal and foreign income taxes for the next preceding fiscal year; and no other financial institution shall expend, in the aggregate, in any one year an amount greater than one half of one per cent of its income for the next preceding fiscal year; and provided, further, that such acquisitions or contributions may be made over a period not to exceed five years.

Any contribution made under this section to the corporation shall be in addition to any contributions authorized by section twelve C of chapter one hundred and fifty-five, section sixty-eight of chapter one hundred and sixty-eight and section thirty-five of chapter one hundred and seventy of the General Laws, and by other provisions of general or special law.

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*22* SECTION 8. In order to carry out the purposes and powers of the

corporation the city of Lowell may raise and appropriate, or may borrow in aid of the corporation, such sums as may be necessary to purchase shares of stock in the corporation; provided, that such sums shall not exceed private investment in the corporation; and, provided further, that the city shall not borrow, nor agree to borrow as aforesaid, unless authorized by a vote of two thirds of all the <sup>Lowell</sup> city councillors passed only after two separate readings and by two separate votes, the second of such readings and votes to be had not less than fourteen days after the first. Indebtedness of the city authorized under this section, if approved by the department of commerce and development, shall be outside the limit of indebtedness prescribed in section ten of chapter forty-four of the General Laws, and shall be payable within twenty years and otherwise subject to sections sixteen to twenty-seven, inclusive of said chapter forty-four; provided, however, that the total amount of indebtedness of the city outstanding at any one time under this section and clauses (1), (2), and (4) of section twenty of chapter one hundred twenty-one B of the General Laws shall not exceed five percent of the city's equalized valuation as defined in section one of said chapter forty-four. Indebtedness incurred under this act shall be subject to approval under section twenty-two of said chapter one hundred twenty-one B in like manner as indebtedness incurred under said section twenty.

SECTION 9. The members shall have the following powers of the corporation: (a) to elect directors as provided in section ten; (b) to exercise such other powers of the corporation as may be conferred on the members by the by-laws.



SECTION 10. The business and affairs of the corporation shall be managed and conducted by an executive committee elected by and from the board of directors ~~executive committee~~ consisting of seven members of which one shall be city manager of Lowell and three shall be elected from among the representatives of those participating financial institutions who have bought shares in the corporation in the amount of one half of one per cent of their saving and checking account deposits. The remaining three executive committee members shall be elected at large by and from the board of directors, with each director casting one vote. The board of directors shall consist of twenty-five members of which one shall be the manager of the City of Lowell, one shall be the president of the Chamber of Commerce, and one shall be the president of the Lowell Downtown Merchants Association. The remaining twenty-two directors shall be elected by the members, casting one vote per share owned. There shall be elected by the board of directors and from the executive board a president, treasurer, and secretary/clerk.

Directors and officers shall not be responsible for losses unless the same shall have been occasioned by the willful misconduct of such directors and officers.

SECTION 11. The corporation shall not deposit any of its funds in any banking institution unless such institution has been designated as a depository by a vote of a majority of the directors present at an authorized meeting of the board of directors, exclusive of any director who is an officer or director of the depository so designated. The corporation shall not receive money on deposit.

SECTION 12. The corporation shall be subject to the examination of the commissioner of commerce and development, and shall make reports of

its condition not less than annually to the city of Lowell and said commissioner, who in turn shall make copies of such reports available to the commissioner of insurance and to the commissioner of banks, and the corporation shall also furnish such other information as may, from time to time, be required by the commissioner of commerce and development. In addition the president or executive vice-president of the corporation shall appear in person before the council of the city of Lowell less than three times in each calendar year to report the status and plans for the development of the central business district and any real estate owned by the corporation.

SECTION 13. The first meeting of the corporation shall be called by a notice signed by three or more of the incorporators, stating the time, place and purpose of the meeting, a copy of which notice shall be mailed or delivered to each incorporator at least five days before the day appointed for the meeting. Said first meeting may be held without such notice upon agreement in writing to that effect signed by all the incorporators. There shall be recorded in the minutes of the meeting a copy of said notice or of such unanimous agreement of the incorporators.

At such first meeting the incorporators shall organize by the choice, by ballot, of a temporary clerk, by the adoption of by-laws, by the election by ballot of directors and by action upon such matters within the powers of the corporation as the incorporators may see fit. The temporary clerk shall be sworn and shall make and attest a record of the proceedings until the clerk has been chosen and sworn. Eight of the incorporators shall be a quorum for the transaction of business.

Whenever the certificate required by section thirteen of chapter



one hundred and fifty-five of the General Laws has been filed in the office of the state secretary, said secretary shall issue and deliver to the incorporators a certified copy of this act under the seal of the commonwealth, and said corporation shall then be authorized to commence business, and stock thereof to the extent herein or hereafter duly authorized may, from time to time, be issued.

#### SECTION 14. DISCUSSION OF TAX INCENTIVES PENDING

Any stockholder, or holder of any securities, evidences of indebtedness, or shares of the capital stock of the corporation who realizes a loss from the sale, redemption, or other disposition of any securities, evidences of indebtedness or shares of the capital stock of the corporation, including any such loss realized on a partial or complete liquidation of the corporation, and who is not entitled to deduct such loss in computing any of such stockholder's, or holder's taxes to the commonwealth, shall be entitled to credit against any taxes subsequently becoming due to the commonwealth from such stockholders or other holders, a percentage of such loss equivalent to the highest rate of tax assessed for the year in which the loss occurs upon mercantile and business corporations as referred to in section two of chapter sixty-three of the General Laws.

SECTION 15. The provision of chapter one hundred and ten A of the General Laws shall not apply to the shares of the capital stock, bonds, debentures, notes, evidences of indebtedness, or any other securities of this corporation.

SECTION 16. The period of duration of the corporation shall be fifty years, subject, however, to the right of the members to dissolve the corporation prior to the expiration of said period as provided in section seventeen.

SECTION 17. The corporation may, upon the affirmative vote of two thirds of its members and petition for its dissolution by order of the supreme judicial or superior court, in the manner provided in section fifty of chapter one hundred and fifty-five of the General Laws. Upon any dissolution of the corporation the stockholders, if any, shall be paid on a pro rata basis that percentage of the assets of the corporation in excess of the obligations of the corporation which the amounts paid into the corporation for all the stock bears to the sum of (1) such amounts paid into the corporation for all the stock and (2) the amounts of all donations made to the corporation; provided, that in no event shall a stockholder be paid upon such dissolution more than the amount paid into the corporation for his stock.

SECTION 18. If the corporation shall fail to commence operations within three years from the effective date of this act, then this act shall become null and void.

SECTION 19. The provisions of this act are severable, and if any of its provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not impair any of the remaining provisions.