



Attachment D-15: Boston Globe Exxon Site Deal Falls Through 2022

Pictured: Jupiter's Callisto | BESS in Harris County, TX

Prepared For:

Massachusetts Department of Energy Resources

Electric Distribution Companies:

Fitchburg Gas & Electric Light Company d/b/a Unitil

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Deal for nearly 100-acre ExxonMobil property in Everett falls through

The purchase and sale agreement was terminated less than four months after the two parties inked the deal.

By **Jon Chesto** Globe Staff, Updated September 21, 2022, 12:03 p.m.



The Davis Companies had planned to turn 100 acres used by ExxonMobil for fuel storage, into a sprawling mixed use complex in Everett, but the developer has withdrawn from its deal with the fuel company. CRAIG F. WALKER/GLOBE STAFF

A deal between ExxonMobil and a major Boston developer to acquire the fuel company's 95-acre tank farm in Everett has fallen apart.

Last week, Exxon notified a federal judge overseeing an environmental lawsuit over the property that The Davis Companies terminated its purchase and sale agreement on Sept. 13, less than four months after the [two parties inked the deal](#).

The site, which stretches from Route 16 all the way to the Mystic River waterfront, is one of the largest properties in Greater Boston to come on the market in recent years. But it's also heavily polluted from a century of petroleum uses, likely necessitating tens of millions of dollars in environmental remediation before any major redevelopment can take place there.

The details about why the deal fell apart are unclear, as are the next steps for the site, [a crucial piece of Everett's economic renaissance](#). It's possible Exxon could negotiate with Davis for a lower price, revisit other bidders, or put the property back on the market. By the time the deal was initially signed on May 31, Everett had stopped using the property for storing and distributing petroleum products.

A spokeswoman for Exxon declined to comment. All Michael Cantalupa, head of development for Davis, would say by email is that the company does not comment on "ongoing commercial negotiations" — a hint that Davis may not have given up on the property.

The news took officials at Everett City Hall by surprise. Davis and its representatives have been busy in recent weeks making presentations about their plans for the property and kicking off the permitting process. Davis was starting with a 1-million-square-foot first phase that would feature three buildings — 300 to 350 apartments in one, warehouse storage in a second, and advanced manufacturing in the third. Davis envisioned several million more square feet of buildings going up over time, including apartment towers and biomanufacturing plants.



A deal between ExxonMobil and a major Boston developer to acquire the fuel company's 95-acre tank farm in Everett has fallen apart. Before the deal fell through, The Davis Companies worked up preliminary plans for the property. PERKINS&WILL

Everett planning director Matt Lattanzi said at least a dozen potential buyers were involved in the first round of bidding for the site. Eventually, he said, that list was winnowed down to three: DH Property Holdings and Marcus Partners out of New York, and Davis out of Boston. With the sale process in mind, city officials last November rezoned the long-industrial property to encourage other uses.

“There was a lot of interest in the land,” Lattanzi said. “The number one factor was the environmental remediation costs.”

The termination of the Davis-Exxon deal became public because of a lawsuit that the Conservation Law Foundation filed against Exxon in 2016, a suit that remains active in Boston federal court and overseen by US District Judge Mark Wolf. (A trial date has not been set yet.) CLF alleges that Exxon didn't adequately prepare its Everett property for extreme storms and flooding brought about by climate change. CLF is particularly concerned about the petroleum and other chemicals in the soil, and the site's proximity to Boston Harbor.

Exxon has argued in court that the suit should be rendered moot because the company no longer uses the property. CLF, meanwhile, has said the cleanup remains Exxon's responsibility, at least for now.

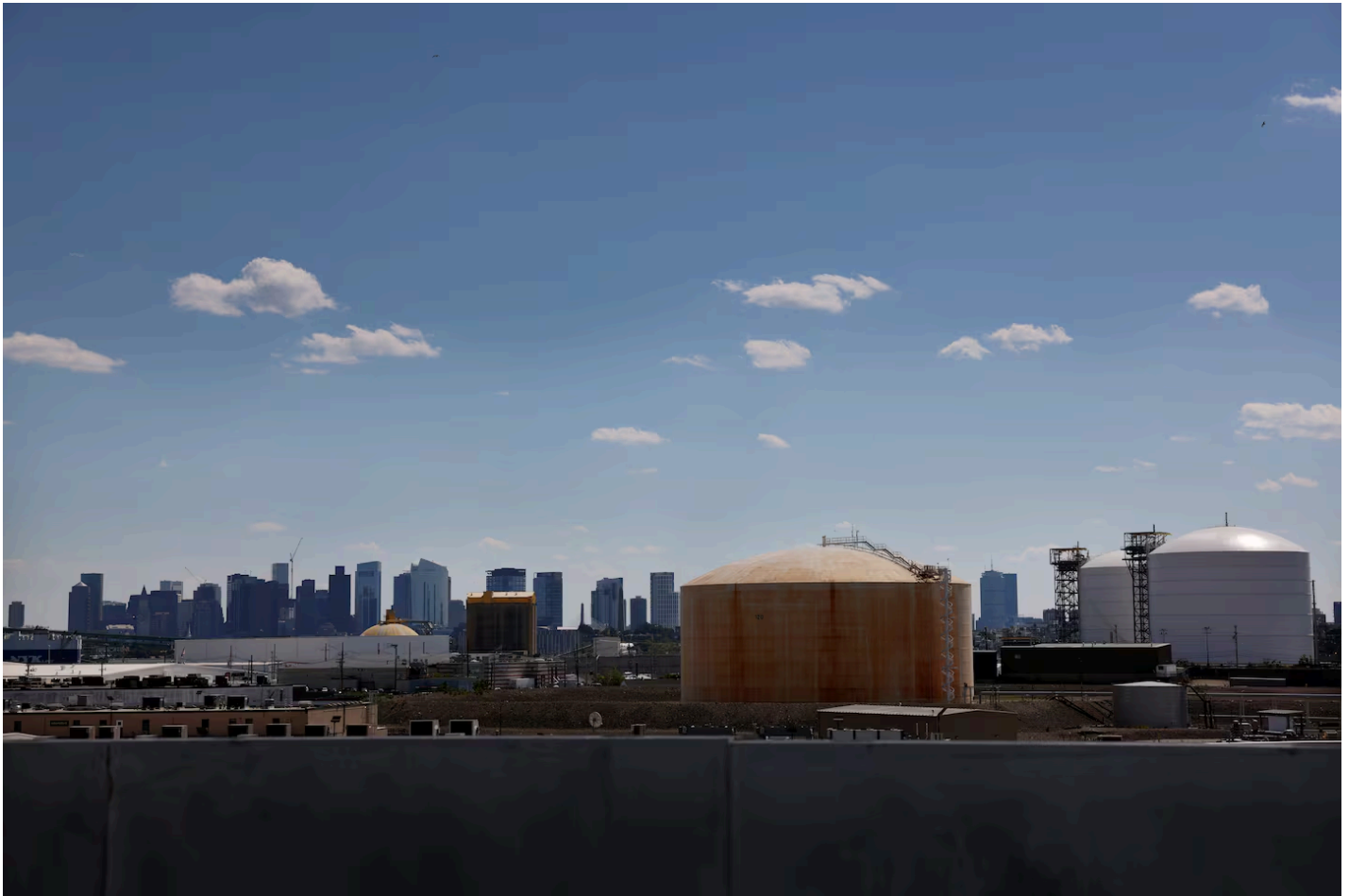
"It's unclear to us whether the sale has collapsed or whether we're seeing some sort of negotiating feint by one side or the other," said Brad Campbell, CLF's president. "Any development that delays the cleanup or gives ExxonMobil the option of reviving the facility ... is problematic."

Campbell said CLF is particularly worried about the water treatment system Exxon continues to maintain at the property.

"Our central concern is the risk to the neighboring communities and the environment from the facility, either when it's in operation or is in its current state," Campbell said. "We'll keep fighting until the facility is made safe and no longer a danger to the community and to Boston Harbor."

Real estate consultant Brendan Carroll says Greater Boston remains a relatively attractive market for global investors, who may be looking for bargains as the economy softens. And large sites that are relatively close to downtown Boston such as the Exxon facility are especially appealing, even if they likely won't be developed for some time. Aside from environmental contamination, another big hurdle for Everett is the lack of a train or subway station, even though commuter rail tracks bisect the city.

"There remains a lot of excitement around Everett," Carroll said. "For certain reasons, most notably a lack of dedicated rail transit ... it just seems this is a later 2020s opportunity, which is still exciting to watch."



The redevelopment of the Exxon site is considered instrumental to Everett officials' long-term plans to revive its Lower Broadway district, on Boston's northern doorstep. CRAIG F. WALKER/GLOBE STAFF

The redevelopment of the Exxon site is considered instrumental to Everett officials' long-term plans to revive its Lower Broadway district, on Boston's northern doorstep. One major goal: to have hospitality and entertainment complexes, anchored by the Encore Boston Harbor casino that opened in 2019, replace the old industrial uses that once lined the thoroughfare.

Another key piece is a 40-plus acre section of Constellation Energy's Mystic power plant complex, across Broadway from the casino and recently put up for sale.

Among the potential uses for the Constellation site is a new soccer stadium for the New England Revolution. But the property would need to be removed from a designated port area, which typically limits new construction to marine industrial uses, for that to happen. Proponents in July sought legislation that would take the property out of the port area and also lift a number of tidelands-related development restrictions, freeing the

property up. But CLF fought back, arguing that such a move should be done in a deliberative public process and not simply as a measure tacked on to a bigger bill without debate on the merits of the port exemption.

The House added the measure to a wide-ranging economic development bill but time ran out on formal sessions for the year before a compromise could be reached with the Senate on the much broader bill; it remains possible that legislative leaders would take the unusual step of holding a special formal session in the coming weeks to finish work on that bill.

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