

THE BOSTON GLOBE THURSDAY, DECEMBER 16, 2021 | BOSTONGLOBE.COM/BUSINESS

## Dream destination

With new financing on the horizon, Les Otten is upbeat about his longstanding plans to remake the Balsams in Dixville Notch



KEITH BEDFORD/GLOBE STAFF/FILE 2016

LARRY EDELMAN



Les Otten has spent nearly \$19 million and the better part of seven years working to reopen the tumble-down Balsams resort in Dixville Notch, N.H. It's been a difficult, if not quixotic, quest, even for a man who built a ski-

ing empire earlier in his career.

When my Globe colleague Janelle Nanos checked in with Otten in 2016, he was expecting the Balsams to be back in business the following year. But the obstacles were many, including financing setbacks, a painstaking environmental review, and, more recently, the pandemic.

Now, just as it looked like another lonely winter in North Country, Otten has struck a funding deal that might allow him to start construction on a new hotel and conference center as soon as March. Under that scenario, the resort could welcome skiers for the 2023-2024 season and summer guests in 2024.

The Balsams' new investor is Provident Resources Group, a Louisiana nonprofit with the mission of arranging low-cost financing for community-based projects.

Provident raises money by setting up special-purpose entities that are qualified to sell bonds exempt from federal and state taxes. These bonds carry lower borrowing costs than bank loans or taxable bonds while still providing attractive yields for investors.

Since 1999, the organization has put together bond sales for more than 20 college dormitory and student housing complexes — including at the University of Massachusetts campuses in Boston and Dartmouth — and for convention centers in the Texas cities of Irving and Harlingen.

On Monday, the Coos County Commission said it supported a deal under which Provident would sell up to \$125 million in tax-exempt debt to support the Balsams construction. The nonprofit would be the majority owner of a

**BALSAMS, Page D2**



Otten has struck a funding deal that might allow him to start construction on a new hotel and conference center at the Balsams as soon as March.

'No deal is done until it's done. But with Goldman Sachs and Provident working on the transaction, that's proof we've got some energy behind us.'

LES OTTEN, left, of his on-again seven-year attempt to reopen Balsams resort in Dixville Notch, N.H.

## ezCater has new \$1.6b valuation

Shift in pandemic helped spur rebound

By Pranshu Verma  
GLOBE STAFF

When the COVID-19 pandemic started, Stefania Mallett's company seemed like the perfect victim.

Her Boston-based technology firm, ezCater, helped corporations cater food for in-person events. But as workplaces shuttered and employees were forced to work from home, her business seemingly became irrelevant. Its revenue declined significantly, and it laid off nearly half its workers. The company needed to make a crucial decision: Shut down, change course, or double down.

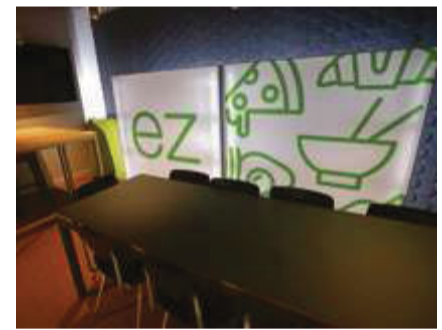
Ultimately, Mallett, the firm's co-founder and CEO, decided to double down, shifting ezCater's customer focus from white-collar firms to factories, warehouse distribution centers, hospitals, and other companies that required in-person work or employed essential workers.

Now, over a year and a half later, her company has started to rebound, announcing on Wednesday \$100 million in new funding, and garnering a \$1.6 billion valuation.

For some, ezCater's resurgence shows the agility of a company that has adapted to the ever-changing pandemic workplace. For others, it shows something deeper — that maybe the alarm bells heralding the death of in-person work are premature, even as uncertainty around the virus persists.

"There's a big chunk of the United States that cannot work from home," Mallett said in an interview. "We can feed those people. They have to eat, too."

Founded in 2007, ezCater was started by Stefania Mallett and David L. Ryan. **EZCATER, Page D4**



DAVID L. RYAN/GLOBE STAFF

ezCater in a WeWork office space. The catering service has bounced back after a pandemic slump.

## INSIDE

COMPUTER CHIPS

BillERICA's Entegris buying rival CMC for \$6.5b **D2**

## J.P. Morgan biotech sessions go virtual again

By Damian Garde and Adam Feuerstein  
STAT

The J.P. Morgan Healthcare Conference, biotech's biggest annual conference, will be virtual, the bank said Wednesday, bowing to pressure from big-name drug companies

that balked at an in-person meeting in San Francisco amid escalating cases of COVID-19.

"The health and safety of our clients and employees is of the utmost importance, and given the ongoing Covid-19 pandemic, we have made this decision," J.P. Morgan said in an e-mail to registered attendees, obtained by STAT. "We were not only hopeful to meet in-person but also understand how much this conference means to the San Francisco community, which we fully support."

The bank's decision follows news that Moderna, Amgen, and other major biotech firms would forgo their coveted slots at the meeting in the name of health and safety. J.P. Morgan had previously insisted that any company wishing to attend must do so in person. **CONFERENCE, Page D4**



ERIN CLARK/GLOBE STAFF/FILE

"Is it reflecting who we're taking care of?" asked Dr. Kevin Churchwell of Boston Children's.

## Hospital boards urged to diversify

More than 80 percent of members are white in Mass.

By Priyanka Dayal McCluskey  
GLOBE STAFF

The Massachusetts Health & Hospital Association is urging hospitals across the state to diversify the membership of their governing boards to better reflect the patients and communities they serve.

Earlier this year the hospital association surveyed its members, which include the vast majority of the state's hospitals, and found that 81 percent of hospital board members are white, while

19 percent are people of color. Thirty-eight percent are women and 62 percent are men, though the numbers vary among hospitals.

The association sent a letter to its members Wednesday calling on hospitals to add more women and people of color to their boards, but stopped short of setting specific targets for increasing diversity.

The boards of trustees for hospital systems typically include doctors and executives from various backgrounds. **HOSPITAL BOARDS, Page D4**

## City OKs dropping parking rules for affordable housing

By Tim Logan  
GLOBE STAFF

A plan to eliminate parking requirements at many affordable housing developments in Boston won its final city approval Wednesday and now heads to Mayor Michelle Wu's desk for her signature.

The proposal — passed by the City Council in October and approved by the Zoning Commission Wednesday morning — applies to new buildings where at least 60 percent of apartments are set aside at below-market rents. They would be exempt from rules that mandate a minimum number of parking spaces per unit in many parts of the city. It's an effort to lower the cost of building affordable housing and to clear a common legal roadblock for such projects.

"We've just made it easier to build affordable housing in the City of Boston without unnecessary and costly delays," said City Councilor Kenzie Bok, who spearheaded the proposal along with Councilor Matt O'Malley. "Today we took action in response to our affordability crisis: We're putting housing for people first, ahead of cars."

In most of Boston, new residential buildings are required to have a certain number of parking spaces per unit — the precise number is determined by neighborhood and proximity to an MBTA station. Developers often seek exemptions to those rules to allow for fewer parking spaces. **PARKING, Page D4**

# Retail sales rose slightly in November

By Coral Murphy Marcos  
NEW YORK TIMES

Retail sales rose for the fourth straight month in November, as consumers in the United States continued to spend even as they faced fast rising prices and an upswing in coronavirus infections.

The 0.3 percent increase in sales last month reported by the Commerce Department was a slowdown from the month before — something that analysts said likely reflected a shift in the start of the holiday shopping season to October. Sales growth in October was revised slightly higher Wednesday to 1.8 percent.

Consumers, motivated by news of product shortages and fast rising prices, began their holiday shopping well before Thanksgiving, which is seen as the traditional start of the shopping season.

“We saw consumers thinking of inflation and supply chains being choked, so the ultimate pantry loading happened in October,” Kathy Gramling, a consumer industry markets consultant for EY.

As overall sales rose, spending — the key drivers of US economic activity — at grocery stores and liquor stores, gas stations, clothing retailers, and home improvement stores increased.

Sales declined in several categories however: Spending at electronics and appliances stores fell 4.6 percent last month, while sales



PHILIP CHEUNG/NEW YORK TIMES

People shopping at the 3rd Street Promenade in Santa Monica, Calif. Consumers began their holiday shopping well before Thanksgiving, which is seen as the traditional start of the shopping season.

at car dealers and general merchandise stores, such as department stores, were down as well. Health and personal care stores, such as pharmacies, also saw a decrease of 0.6 percent.

Gramling said retailers were likely to face logistical issues in January, when consumers come back to stores with returns from the holiday season.

The latest measure of sales — the key driver of economic activity in the United States — comes as consumers are grappling with

high inflation and a predicted surge in coronavirus infections. The sales data for November does not reflect how shoppers might have reacted to the emergence of the omicron variant, which started to make headlines during the Thanksgiving weekend.

But for now, economists expect that sales will continue to rise in December.

A reading on consumer sentiment, measured by a University of Michigan survey on how Americans view the general state of the

economy, increased in December after falling to its lowest level in a decade in early November. Those surveyed pointed to inflation as the most serious problem the country faces, according to preliminary results published Friday.

Also on Friday, the Labor Department reported that consumer prices had risen at their fastest pace in nearly 40 years.

As overall sales rose, spending at grocery stores and liquor stores, gas stations, clothing retailers, and home improvement stores increased.

The consumer price index was up 6.8 percent last month compared with a year earlier as demand for products remained strong and the virus continued to disrupt manufacturing and transportation.

US consumers were not slowed by surging coronavirus cases in November, when more than 30 states saw sustained increases in infections and hospitalizations climbed in areas of the country.



EVYLYN HOCKSTEIN/REUTERS/BLOOMBERG  
SEC Chair Gary Gensler said the plan “will help instill better trust in our capital markets.”

## SEC targets executives' well-timed stock sales

By Matt Robinson  
and Ben Bain  
BLOOMBERG NEWS

Corporate chieftains have long been suspected of skirting rules that are meant to prevent top executives from trading on inside information. Now, the Securities and Exchange Commission is cracking down.

The regulator is addressing a controversial question: When should corporate insiders, who may have access to material non-public information, be allowed to sell stock? Currently, executives can set up sales just days before dumping shares, which Senator Elizabeth Warren and other lawmakers say enables them to front run corporate announcements that can move share prices.

In response, the SEC on Wednesday unanimously proposed new rules that would force company insiders to wait roughly four months from when they schedule a trade before they sell. The agency will now seek public comment before it votes again to finalize the policies after taking into account that feedback.

Recent academic research shows that stock-sale plans are rife with suspiciously-timed transactions.

The current regulations, created two decades ago, were designed to help senior executives sell stock and avoid being accused of insider trading later. But recent academic research shows that stock-sale plans are rife with suspiciously-timed transactions. SEC Chair Gary Gensler said in June that these corporate policies had “led to real cracks in our insider trading regime.”

“The proposal addresses a number of the gaps that we’ve found,” Gensler said in an interview before officials voted to propose the plan. “It will help instill better trust in our capital markets.”

The issue is of keen interest to the SEC’s Democratic commissioners and progressive lawmakers Warren, a frequent critic of Wall Street, called on the agency earlier this year to look into tightening regulations.

Scheduled stock sales, so-called 10b5-1 plans, are common across corporate America. Insiders at more than half of S&P 500 companies have enacted them, according to 2018 data from Morgan Stanley. Despite their popularity, executives don’t have to disclose that they’ve adopted a plan, though some do voluntarily.

The SEC’s new rules would change that. Companies would be required to disclose in regulatory filings whether executives have adopted or made any changes to when they plan to sell stock.

Employees would also be prevented from having multiple plans for trading the same security — a change that could minimize concerns that employees are gaming the system.

Other changes the SEC is considering include:

**Limiting plans** that execute a single trade to once a year.

**Disclosing insider trading policies** and procedures in annual reports.

**Detailing the option grant process** and reporting each grant made within two weeks of the release of material non-public information.

**Attesting that when an executive’s plan to sell is adopted** or amended, the employee is not in possession of inside information.

## Balsams could get another go-round

►BALSAMS  
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new 280-room Lake Gloriette House hotel and adjacent 600-seat conference center.

Otten’s Balsams Resort would be a minority owner of the complex and manage it for a fee, while building out the rest of the property on its own. The plan is to turn the property’s original Dix and Hampshire Houses into 99 condo units; renovate the Donald Ross-designed golf course and clubhouse; expand the Balsams Wilderness Ski Area; and build a Nordic baths spa center and a 235-seat performing arts venue.

Provident would be responsible for paying back bond holders with revenue from the Gloriette complex. Coos County, sparsely populated and poor, would have no financial obligation to investors but stands to benefit from an infusion of jobs and tourist dollars.

“There are a lot of advantages to this setup,” said Coos County commissioner Paul Grenier.

The commission would need to approve a final bond agreement, Grenier said, along with the Coos County Delegation, a group of state legislators who represent the area.

(The Provident bond sale would be separate from a planned \$30 million offering backed by revenue from a special tax assessment financing district.)

The Balsams project has always been a labor of love and redemption for Otten, who started out in the early 1970s as a management trainee for the company that owned Sunday River. He later bought the Maine property, and through acquisitions created American Skiing Co., which at its



DAVID L. RYAN/GLOBE STAFF/FILE 2018

Initially ‘COVID knocked the stuffing out of us. No investor wanted to get near resort communities and hotels.’

LES OTTEN  
On the Balsams project



CHRIS JENSEN

The plan for the rundown Balsams site in Dixville Notch, N.H., would include new residences, a new hotel, a renovated golf course, a new Nordic baths spa center, and a 235-seat performing arts venue.

peak was the country’s largest ski mountain operator. Burdened by debt, Otten eventually lost control of the company.

With Provident on board, and Goldman Sachs lined up as the proposed underwriter of the bonds, Otten, 72, is more confident than ever the Balsams will make it to the finish line.

“No deal is done until it’s done,” he said in an interview. “But with Goldman Sachs and Provident working on the transaction, that’s proof we’ve got some energy behind us.”

Otten said his friend and for-

mer American Skiing colleague Michael Krongel, who later became an investment banker, offered last winter to introduce him to Provident’s chief executive, Steve Hicks.

“He did, and we got on a plane down to Baton Rouge,” Otten said. “In April, they visited the Balsams. In July, the talks got serious.”

Hicks, who before founding Provident was a lawyer specializing in public finance, said the Balsams project is a good fit for the organization’s efforts to help local governments with economic development initiatives.

“It’s exactly what our mission was designed for,” he said.

If there is a silver lining to all the delays that have plagued the Balsams project, it’s the pandemic-sparked boom in second-home buying and outdoor recreation.

Initially, “COVID knocked the stuffing out of us,” Otten said. “No investor wanted to get near resort communities and hotels.”

Now a getaway in the middle of nowhere doesn’t seem so crazy.

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## Billerica computer chip supplier buying rival for \$6.5b

By Aaron Pressman  
GLOBE STAFF

With the demand for computer chips skyrocketing, Billerica-based chip materials supplier Entegris is making a big move to expand its offerings.

Entegris said on Wednesday it will acquire Illinois-based rival CMC Materials for \$6.5 billion. Both companies are among the top suppliers of the raw materials needed to make silicon chips.

“The highly complementary combined portfolio creates the industry’s most comprehensive and innovative end-to-end electronic materials offering,” Entegris CEO Bertrand Loy said in a statement.

The deal, which needs to be approved by regulators and shareholders of CMC, is expected to close in the second half of 2022, Entegris said.

Because of the global chip shortage, which is delaying manufacturing of everything from cars to video game consoles, chip makers are ramping up production and planning to spend tens of billions of dollars on new factories. Entegris’ sales in the first nine months of this year have gained 24 percent to \$1.7 billion. CMC has seen its sales increase 7 percent to \$1.2 billion over the past 12 months.

Entegris said once the deal is completed, it could save \$115



JOANNE RATHE/GLOBE STAFF/FILE

An Entegris employee inspected a high purity roller brush in the firm’s Billerica facility. Entegris said Wednesday it will acquire Illinois-based rival CMC Materials.

million per year in cost synergies. The combined companies would have had about \$3.4 billion of revenue and \$1.1 billion in adjusted earnings before interest, taxes, depreciation, and amortization over the past year if combined, including the projected savings.

Shares of Entegris, which have gained 49 percent so far this year, fell 5 percent in pre-market trading. Shares of CMC, which had fallen 4 percent in 2021, jumped 26 percent.

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