



Mayor Joseph A. Curtatone
City Hall
93 Highland Avenue
Somerville, MA 02143

Re: Release of Escrowed Community Benefits Contribution

Dear Mayor Curtatone:

Under the terms of the Development Covenant between the City of Somerville (the “City”) and Union Square Station Associates LLC (“US2”) (“Covenant”), US2 deposited \$214,000 into escrow in June 2017, representing one-third of the total Community Benefits Contribution estimated to be due for the first building on the D2 parcel (“Escrowed Funds”). The Covenant stipulated that these funds were to be held in escrow until US2 received its first building permit.

In addition, the Covenant stated that US2’s Community Benefit Contribution, upon release from escrow, was to be deposited into a stabilization fund and disbursed for purposes and amounts determined by the Community Benefits Committee, as guided by the Neighborhood Council, and approved by the City Council. While a stabilization account has been established, the Community Benefits Committee has not yet been created.

In the interim, the Union Square community has been hard hit by the Covid-19 pandemic and the closure of all non-essential businesses, with small businesses and their workers being particularly impacted by this public health emergency. Construction is on hold in order to safeguard the public, and US2’s own D2 project has been delayed, preventing the issuance of its initial building permit.

To this end, the City, US2, and the leaders of the Neighborhood Council met to discuss accelerating the release of the Escrowed Funds in order to fund priority items consistent with the Community Benefits Agreement dated as of August 13, 2019, by and between US2 and the Neighborhood Council (the “CBA”). The Neighborhood Council representatives identified the Union Square Main Streets and Somerville Community Corporation First Source programs as time-sensitive funding priorities in this unprecedented crisis. The CBA specifically identified the following items which are consistent with the time-sensitive funding priorities:

- US2 community benefits Covenant contributions would support wages and benefits for a new staff person at Union Square Main Streets, at a contribution not to exceed \$70,000 per year.
- US2 community benefits Covenant contributions would support wages and benefits for a new staff person at Somerville Community Corporation’s First Source Jobs Program, at a contribution not to exceed \$100,000 per year.

A project by [Union Square Station Associates LLC \(US2\)](#)

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In light of this critical need, US2 will agree to release the Escrowed Funds to be deposited into the stabilization account, to be disbursed to aid the community response to the pandemic, upon a favorable vote of the City Council and with the understanding that such Escrowed Funds will be credited towards US2's obligations set forth in the CBA.

Your agreement and acceptance below certifies that the City Council has voted to approve the disbursement of the funds in the absence of the creation of the Community Benefits Committee, provided that the funds are disbursed in amounts and for purposes as set forth in Appendix A of the CBA.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'G. Karczewski'.

Gregory Karczewski
President

Agreed and accepted:

Joseph A. Curtatone, Mayor