



CITY OF SOMERVILLE, MASSACHUSETTS

CLERK OF COMMITTEES

July 10, 2018
REPORT OF THE FINANCE COMMITTEE

Attendee Name	Title	Status	Arrived
William A. White Jr.	Chair	Present	
Mary Jo Rossetti	Vice Chair	Present	
Ben Ewen-Campen	Ward Three Alderman	Present	
Matthew McLaughlin	Ward One Alderman	Present	
Katjana Ballantyne	Ward Seven Alderman	Present	
Jefferson Thomas ("J.T.") Scott	Ward Two Alderman	Present	
Mark Niedergang	Ward Five Alderman	Present	
Jesse Clingan	Ward Four Alderman	Present	
Lance L. Davis	Ward Six Alderman	Present	
Wilfred N. Mbah	Alderman at Large	Present	
Stephanie Hirsch	Alderman At Large	Absent	

Others present: Michael Glavin - OSPCD, Thomas Galligani - OSPCD, Rob King - Capital Projects, Ed Nuzzo - Capital Projects, Oliver Sellers-Garcia - OSE, Eileen McGettigan - Law, Representatives from US2 and the Union Square Neighborhood Council, Annie Connor - Legislative Liaison, Rositha Durham - Clerk of Committees.

The meeting took place in the Aldermen's Chamber and was called to order at 7:15 PM by Chairman White and adjourned at 10:20 PM.

Approval of the May 8, 2018 Minutes

RESULT:	ACCEPTED
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Approval of the May 16, 2018 Minutes

RESULT:	ACCEPTED
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Approval of the May 21, 2018 Minutes

RESULT:	ACCEPTED
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Approval of the May 22, 2018 Minutes

RESULT:	ACCEPTED
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Approval of the May 31, 2018 Minutes

RESULT:

ACCEPTED

206245: Special Counsel submitting Notice of a Settlement in the matter of Prospect Iron v. the Somerville Redevelopment Authority.

Alderman Scott recused himself from all discussion and votes relating to this item and items 204755 and 206154.

Ms. McGettigan addressed the committee. There were discussions about four law suits that were filed in connection with the properties taken by the Redevelopment Authority as part of the Union Square Revitalization Plan. One of the cases recently settled and three are pending. Propsect Iron and its related companies and the Redevelopment Authority agreed that the Redevelopment Authority will pay the owner \$5M in addition to the appx. \$3.1million that was paid when the property was taken. Interest of 5% will run until payment. Payment is due by December 31. As part of the Land Disposition Agreement between the Redevelopment Authority and US2, when US2 closes on its purchase of the property from the Redevelopment Authority the purchase price will include the amounts paid by the Redevelopment Authority to purchase the property plus the amounts of any settlements or judgments entered in the pending cases if they are not settled. Alderman White made clear the fact that if for some reason US2 does not close on its purchase of the real estate, the Redevelopment Authority and then the City of Somerville would ultimately be responsible to pay the settlement and any judgments. The Somerville Redevelopment Authority does not have any funding of its own. Alderman Niedergang asked why the settlement was so much greater than the original amount that was paid. It was stated there was an initial deduction for possible environmental contamination, but the levels of contamination were less than the amount that was originally estimated. Chairman White requested Ms. McGettigan to compile how much has been spent for the taking of the four parcels, and Ald. Campen asked that legal fees be included. There was also discussion about the December 31st deadline for payment of the settlement and that deadline was an important factor in the settlement which will be enforced by the Court.

RESULT:

KEPT IN COMMITTEE

204755: Requesting the transfer of a City-owned parcel (82-D-1) in the North Prospect Block to the Redevelopment Authority.

Mr. Glavin told the committee that this is the last parcel to complete the D2 block and the transfer is a necessary item for US2 to close on its purchase of the property from the Redevelopment Authority, including the payment of the \$5 million settlement to Prospect Iron. US2's plan is to build the housing and lab simultaneously. Mr. Glavin said that there is a timing issue as far as the closing by December 31 and the need to transfer the property to the Redevelopment Authority with a lot at stake. There is the coordination of the T-stop and the building along with ADA accessibility, a different elevation on the T-stop, and integrated designs. The MBTA is anxious to complete the design discussion with elevation of the walkways. Chairman White asked for a critical path document.

The committee approved Alderman Rossetti's motion to take this item up again at the Finance Committee of the Whole meeting on September 12th. Alderman Rosetti explained that the members of the Board of Aldermen had received communications from the Union Square Neighborhood Council asking the Board to hold off approving the transfer in order for the Council to begin negotiations with US2 over the community benefits agreement. Alderman Rosetti explained that she wanted to honor the request of the Council and to delay any vote on the transfer until at least September 12 in order to see the progress.

In response to Alderman Rosetti's motion Alderman Niedergang and others asked the Administration and representatives from US2 whether that delay would have any impact. Alderman Ballantyne asked Mr. Glavin how much time it takes to close on the property. The closing process requires: the issuance of the permit by the City of Somerville, , evidence of the City's funding, a copy of executed construction contract, and the transfer of city owned parcels to the Somerville Redevelopment Authority. Once the pre-closing activities are completed it could take two weeks to close.

US2 and their attorney stated that in their view they would like the transfer approved as soon as possible because of the risk of losing the biotech developer. Chairman White asked them to explain the process of their relationship with the biotech developer. US2 stated that the biotech developer would actually pay for all of the development costs of the building, including engineering, planning and the actual construction. In their view, no one would commit to such expenses without the land transfer being approved, because, if it wasn't approved, there would be no building. US2 expressed concern that they may lose the biotech tenant if this transfer vote was delay until September, but they also stated that would do their best to keep the tenant. Since this transfer is a condition for US2 to close, if this process is delayed too long, then US2 would not be able to coordinate the construction of the residential building with the construction of the T Stop and that could create problems with the T. US2 had stated that in their mind, some of the negotiating delay was due to the time that it has taken to pass the ordinance designating the Council as the group that would be involved in negotiating a community benefits agreement. In response, Alderman Davis stated that he believed that US2 was responsible for much of the delay as they could have easily made the change to the covenant to recognize the council, but that the delay was when they added an additional change about the flow of money due to the City to be reduced based on the community benefits agreement.

The Committee also asked US2 about the Massachusetts Environmental Act waiver that US2 was seeking. Alderman Niedergang asked about the waiver relating to the other parcels. US2 explained that they were seeking a waiver from having to submit an application for the entire site of 7 blocks as many of those parcels will not be development until many years in the future. Instead, they wish to proceed on a development by development permitting basis so that the only environmental review they would need to provide would be for the current D2 blocks that will be developed after closing. US2 believes they have a good application and the waiver should be approved.

RESULT:

KEPT IN COMMITTEE

206154: Union Square Neighborhood Council Board submitting comments re: US2's proposed development of the D2 parcel in Union Square.

RESULT:

KEPT IN COMMITTEE

206003: Requesting approval of an Order of Taking for 90 Washington Street.

Mr. King spoke about the acquisition of 90 Washington Street as the potential new home for the Public Safety Building. The current Public Safety building does not have enough space and the training space is not up to standard. The city hired Weston & Sampson and a representative talked about the space needs assessment. All police staff were interviewed to gain a better understanding of the physical space needs. The police need approximately 78,000 sf of space and Engine 3 needs approximately 6,500 sf, for a total building program of 84,500 sf. The existing public safety building is approximately 66,000 sf. Additional space is needed for public outreach, community police activities and community room. This parcel scored the best out of 6 proposed sites and is ideal because it is currently vacant.

RESULT:

KEPT IN COMMITTEE

206004: Requesting an appropriation and authorization to borrow \$8,745,000 in a bond to purchase land by eminent domain.

Alderman Scott question the valuation of the parcel, whether it should be put to more intense use given its location near a GLX extension stop and the possibility of combining other use in a taller building with public safety use on the first floor, as was done at 125 High Street, in Boston. Alderman Ballantyne also expressed concern about the loss of potential tax revenue from the taking of the property. Ms. McGettigan explained that under existing law, the City could not take the property for a combination of public and private purposes without obtaining a home rule petition authorizing it. Members also expressed concern about the valuation of the property at \$8,745,000 given market values. Ms. McGettigan explained that under the law, the City cannot voluntarily pay more than 125% the average of the prior 3 years assessed valuation. If, however, a lawsuit is filed by the owner, then the City can pay additional amounts if warranted. The timeline is estimated at one year for design and 18-24 months for construction. Alderman Ballantyne reminded departments to provide a debt summary report before asking the BOA to approve borrowing funds.

Chairman White asked that the appraisal be sent to all members. The Committee also expressed a desire for additional information with regard to the funding of the purchase, the amounts at risk and the potential for joint public/private development, so the item and all related items were kept in Committee for further study and discussion.

RESULT:

KEPT IN COMMITTEE

206005: Requesting an appropriation and authorization to borrow \$1,860,000 in a bond for new Public Safety Building design, architectural, engineering, and owner's and contractual project management services.

RESULT:

KEPT IN COMMITTEE

206286: Director of Capital Projects and Planning submitting the Public Safety Feasibility

Study/Programming and Site Evaluation Report (related to #s 206003, #206004, and #206005).

RESULT:	KEPT IN COMMITTEE
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204888: That the Director of Parks and Recreation and the Director of Finance report to this Board how much money was spent per year on girls' programs and boys' programs during FY16, FY17 and FY18 to date.

RESULT:	KEPT IN COMMITTEE
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205109: That the Administration and Director of Parks and Recreation develop a financial policy for programming for persons under 18 years of age that ensures gender equity when using public funds.

RESULT:	KEPT IN COMMITTEE
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205260: That the Director of Finance update this Board's Finance Committee, meeting as a Committee of the Whole, on the mid-year status of the city budget.

RESULT:	PLACED ON FILE
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205477: That the Administration report to this Board when the city will receive payment installments from Federal Realty Investment Trust relevant to the affordable housing waiver.

RESULT:	WORK COMPLETED
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205727: Director of Water and Sewer submitting proposed water and sewer rates for FY19.

RESULT:	PLACED ON FILE
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205728: Director of Water and Sewer submitting proposed fire suppression charges for FY19.

RESULT:	PLACED ON FILE
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205905: That the Director of SPCD provide to this Board, in conjunction with its FY19 budget review, a list of upcoming commercial development and include the square footage and linkage payment projections, with corresponding payment dates.

RESULT:	KEPT IN COMMITTEE
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205951: Requesting a transfer of \$30,000 from the School Custodian Salary Account to the Electrical OT Labor Account to provide sufficient overtime funding for the Electrical

Department.

RESULT:	PLACED ON FILE
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205929: That the Director of Water and Sewer and the Director of Finance include in their upcoming presentation of the proposed Fire Suppression Charge, the fiscal impacts of an owner-occupant exemption, as well as the per-household cost if the fee was evenly split among all households.

RESULT:	WORK COMPLETED
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206283: Requesting acceptance of an \$11,000 grant with no new match required, from the Cambridge Public Health Department to the Health and Human Services Department for participation in the regional prevention collaborative grant.

RESULT:	APPROVED
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204582: Director of Parks & Recreation and City Solicitor responding to #204160, #203889, and #203733 re: nonprofit soccer and football organizations' use of Dilboy Field.

RESULT:	KEPT IN COMMITTEE
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205729: Legislative Liaison updating this Board on the city's recycling costs.

RESULT:	KEPT IN COMMITTEE
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205960: Legislative Liaison responding to #205477 re: Block 8 payments.

RESULT:	KEPT IN COMMITTEE
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205998: 3 residents submitting comments re: #205728, a proposed Fire Suppression Charge.

RESULT:	KEPT IN COMMITTEE
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206100: CPA Manager submitting the FY18 CPA Annual Report and FY19 Community Preservation Plan as supporting documents for the CPA FY19 budget.

RESULT:	KEPT IN COMMITTEE
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206275: Requesting the appropriation of \$60,000 from the Boynton Yards Stabilization Fund for engineering and design work.

RESULT:	APPROVED
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206280: Requesting approval to enter into a net-metering agreement with Sunwealth.

RESULT:	APPROVED
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206281: Requesting approval to enter into a tax agreement with Sunwealth for a solar energy system at 1 Maxwells Green.

RESULT:	APPROVED
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206282: Requesting acceptance of a \$350,000 grant that requires an in-kind match to the Office of Sustainability and Environment from the MA Office of Energy and Environmental Affairs for stormwater system modeling and climate change planning.

RESULT:	APPROVED
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Handouts:

- 07.10.18_New Public Safety Building presentation FINAL
- Public Safety Bldg letter signed 7.9.18