



CITY OF SOMERVILLE, MASSACHUSETTS

CLERK OF COMMITTEES

August 13, 2012

REPORT OF THE FINANCE COMMITTEE

Attendee Name	Title	Status	Arrived
Maryann M. Heuston	Chair	Present	
William A. White Jr.	Vice Chair	Present	
John M Connolly	Alderman At Large	Present	
Robert C. Trane	Ward Seven Alderman	Absent	
Thomas F. Taylor	Ward Three Alderman	Absent	
Omar Boukili	Administrative Assistant	Present	
Anne Thomas	Counsel, OSPCD	Present	
Frank Wright	City Solicitor	Present	
Elieen McGedigin	Asst. City Solicitor	Present	
Doug Willardson	Budget Analyst	Present	
Michael Glavin	Exec. Director, OSPCD	Present	
Hayes Morrison	Director of Transportation and Infrastructure	Present	
Dana LeWinter	Director of Housing	Present	
David Lutes	Environmental Programs Manager	Present	
Ed Bean	Finance Director	Present	
Don Briggs	Federal Realty Investment Trust	Present	

(ID # 5072) - Requesting approval of a Purchase and Sales Agreement with NStar Electric, for the purchase of NStar-owned street lights.:

The earlier questions raised by the committee were answered, i.e., NSTAR will continue to bear the responsibility for maintaining its utility poles and to inspect them every ten years, as mandated under federal and DPU regulations. The replacement costs for a wooden utility pole is \$1,600 for a new pole and \$500 for a used pole.

RESULT:

APPROVED

(ID # 5817) - Requesting an appropriation of \$30,000 from the Capital Projects Stabilization Fund for a Nexxus Study on Inclusionary Housing Linkage and 20B Trust.:

Alderman White's motion to eliminate the words "inclusionary housing" from the item was approved. The consultant will perform a comprehensive study and the Board of Aldermen will have the opportunity to vote on any changes to the ordinance.

RESULT:**APPROVED AS AMENDED**

(ID # 5819) - Requesting appropriation of \$160,000 from the Capital Stabilization Fund for Appraisals and Relocation Services related to planning activities for the revitalization of Union Square.:

Ms. Thomas explained that the city is requesting this appropriation to fund the appraisals of the properties that will be acquired as part of the revitalization plan. The committee requested that a map of the properties scheduled for taking be provided and that a PowerPoint presentation be prepared on the taking.

RESULT:**APPROVED**

(ID # 5812) - Requesting the appropriation of \$25,000 from the Capital Stabilization Fund to fund house doctor services to produce construction documents associated with the in-house design of Kenny Park.:

RESULT:**APPROVED**

(ID # 5814) - Requesting an appropriation of \$24,000 from the Assembly Square Stabilization Fund for the construction of a new park on Quincy St.:

RESULT:**APPROVED**

193478 - Requesting approval of an Amended Economic Development Proposal for Phase 1 of the I-Cubed funding approved by the Commonwealth.:

Ms. Thomas reviewed an Amended Economic Development Proposal (EDP) for Phase 1 of the I-Cubed funding and explained that following the City's approval, the amended EDP will be submitted to the Commonwealth for approval and permanent issuance of \$10 million in I-Cubed bonds. A revised Phase 1 of the I-Cubed project, consisting of five commercial components, including Development Blocks 1, 2, 3, 4 and 10 at Assembly Row, is expected to support the permanent bond issuance. In anticipation of the Bond Anticipation Notes converting to permanent financing, the developer has submitted an Amendment to demonstrate that Annual Net New Tax Revenues will support the debt service on the \$10 million of I-Cubed bonds. When fully operational in 2014, Development Phase 1 will generate approximately \$950,000 in Annual Net New State Tax Revenues and more than \$5 million of one-time construction tax revenue for the Commonwealth of Massachusetts. Annual debt service for a 30-year general obligation bond

at an assumed interest rate of 5% is estimated at \$647,068. Required annual debt service coverage at 1.5x is approximately \$970,000.

An Independent Consultant Report revising the original Independent Consultant Report, dated July 20, 2009, confirms the ability of the First Phase to anchor the development and support the initial I-Cubed funding. The overall Assembly Row development program that was articulated in the EDP has not changed. Project phasing has changed, and as a consequence, the Developer intends to move forward with the revised First Bond Phase of \$10 million. Additional development will be driven by market demand, and further analysis to support the remaining \$48 million will be provided in future amendment(s).

RESULT:**APPROVED**

(ID # 5841) - Requesting the acceptance of a grant of up to \$15,000 from NStar for the Residential Energy Efficiency Program.:

RESULT:**APPROVED**