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[www.somervillechamber.org](http://www.somervillechamber.org)

December 12, 2017

Board of Aldermen  
C/O John Long, Somerville City Clerk  
93 Highland Avenue  
Somerville, MA 02143

**RE: 204399, 204400, 204524, 204525 Zoning Ordinance - project mitigation fees**

Dear Board of Alderman,

Thank you for your careful consideration of linkage fees in light of the growing commercial employment base we aspire to develop in Somerville, most notably in Union Square in the near term. Should commercial development indeed take-hold, the transformative project will deliver on goals identified through decades of planning, contributing to the city's investment in resilient infrastructure, transportation, the public realm, and community benefits among others.

We are encouraged by the commissioning of the Linkage Nexus Study to help inform your decision making but are gravely concerned it fails to take into account the uniqueness of exactions already in place in Somerville, while simultaneously treating Somerville's commercial state as equal to that of Boston and Cambridge. The board has exemplified a commitment to due-diligence throughout this process and in light of the incompleteness of the Nexus Study, we would expect the following to be considered:

1. **The entirety of exactions.** The study considers linkage in isolation without considering the context of all of the other fees and exactions that the city expects of commercial developers. Beyond Somerville's market leading permit fees, the strategic planning of Union Square has resulted in unprecedented exactions on new development. Why were these not quantified?

The study should consider the collective impact of other exactions on rents and market competitiveness, including:

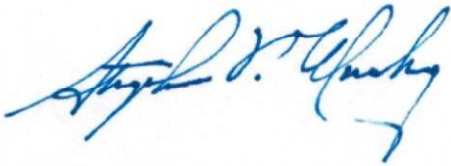
- 1) Market leading permit fees
- 2) 25% open space standards
- 3) Arts and Creative space requirements
- 4) Covenant Requirements: GLX, infrastructure, community benefits

As acknowledged in the Nexus Study, the costs of delivering the project will most likely be passed on to the end users in order account for the cost to deliver the building. Has the Board considered these expectations of developers as expectations of future Somerville Businesses?

**2. The differences between cities.** The report posits that Somerville, Boston and Cambridge are equivalent employment centers and therefore, should expect similar linkage fees. Cambridge and Boston are core markets with robust commercial development, employment and are proven institutional real estate investment markets. Alternatively, Somerville is a frontier market with little commercial development, benefits from little institutional real estate investment and is viewed as a riskier investment than core markets. The idea that the investor market will accept a lower return in a riskier location is a false premise. The report acknowledges that Somerville must provide a 'sizeable' rent discount to Cambridge and Boston to be viable, yet does little to investigate what discount will attract tenants and establish an employment center. Can Somerville risk the perception that the City is not welcoming to employers?

Our expectation is that the years of community planning to transform Somerville into a commercial center becomes a reality. We ask the study be completed to reflect the entirety of what has been asked of developers and the reality that Somerville is not yet Cambridge or Boston. With the extension of the Green Line, we have our opportunity to capitalize on the growth that has occurred around us, we cannot afford to forfeit it by requiring more than what is possible.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stephen V. Mackey". The signature is fluid and cursive, with a large, stylized initial 'S'.

Stephen V. Mackey  
Chamber President/CEO