

CITY OF SOMERVILLE
INTEROFFICE MEMORANDUM

To: Members of the Board of Aldermen

From: Edward O'Donnell, Director of Economic Development

Re: Anticipated Budget for D-2 North Prospect Block vs. Actual Expenses

Date: August 22, 2014

This memorandum is to update the Board on the expenditures to date by the City on behalf of the Somerville Redevelopment Authority in connection with site acquisition, relocation, and site preparation activities in Block D2, the North Prospect Block, under the Union Square Urban Revitalization Plan.

From Table 4-8; Anticipated Budget for Transformation Area #1, "Items 6,7,10, 11 & 15- These figures comprise the proposed \$8 Million General Obligation Bond."

<u>Item#</u>	<u>Activity</u>	<u>Proposed</u>	<u>Spent/Enc. to date</u>
6	Land Assembly	\$3,700,000	\$4,425,000
			4 Milk Place \$ 75,000
			26-30 Prospect St. \$ 385,000
			40 Bennett St. \$1,320,000
			51 Allen St. \$ 800,000
			50 Prospect St. \$1,845,000
7	Relocation	\$800,000	\$1,883,321.77
			4 Milk Place Tenants:
			Damion Cotter \$ 2,706.00
			Gregory Kinneman \$ 2,640.00
			Will Toothaker \$ 2,116.67
			Star Lab Recording Studio \$ 47,400.00
			Empire Marble & Granite \$ 145,586.10
			Prospect Iron & Steel Corp \$ 752,873.00*
			Anestis Metal Corp. \$ 280,000.00*

A-1 Plumbing & Heating \$ 650,000.00*

*The SRA also anticipates additional relocation benefits claims from Anestis Metal and Prospect Iron, as well as relocation claims for Francis Fahey and Robert Walter, who are living in the dwelling at 30 Prospect Street. In addition, an appeal is pending before the Commonwealth of Massachusetts Department of Housing and Community Development regarding the amount of relocation benefits due former tenant Rezz Electric. The SRA also requires additional funding for the continued efforts of its relocation consultant, Peter W. Sleeper, in what has been a very challenging relocation process.

10	Site Preparation	\$500,000	\$731,779.84
			S&R Corporation (Demolition Contractor) \$699,000.00 Environmental Compliance Services (Pre-demolition environmental assessment of buildings) \$ 32, 729.84
11	Engineering	\$2,000,000	\$937,945.00
			Parsons Brinckerhoff (Infrastructure Design)\$ 937,945.60
15	Reserve	<u>\$1,000,000</u>	\$106, 251.50
			Foley Hoag LLP (outside counsel) \$ 76,031.50 Peter W. Sleeper Assoc. (relocation) \$ 30,220.00
	Total G.O. Bond	\$8,000,000	\$8,084,298.11

As mentioned, we are expecting additional relocation benefit claims from Anestis Metals and Prospect Iron, settlement of the relocation benefits appeal of Rezz Electric, as well as relocation claims for Francis Fahey and Robert Walter who reside at 30 Prospect Street. The extent of those claims is as yet unknown. Additional costs are expected for the City's relocation consultant and outside legal counsel.

Finally, it should be noted that funds originally allocated for the Parsons and Brinkerhoff engineering and design contract were re-allocated toward a more pressing matter, that of site preparation and demolition. It is expected that at some point, those funds would need to be identified and secured.