



CITY OF SOMERVILLE, MASSACHUSETTS CLERK OF COMMITTEES

March 2, 2017

REPORT OF THE HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE

Attendee Name	Title	Status	Arrived
Mark Niedergang	Chair	Present	
Tony Lafuente	Vice Chair	Present	
Katjana Ballantyne	Ward Seven Alderman	Absent	
Matthew McLaughlin	Ward One Alderman	Absent	
Maryann M. Heuston	Ward Two Alderman	Present	
Robert J. McWatters	Ward Three Alderman	Present	
Lance L. Davis	Ward Six Alderman	Absent	
William A. White Jr.	Alderman At Large	Present	
John M. Connolly	Alderman At Large	Present	
Mary Jo Rossetti	Alderman at Large	Present	
Dennis M. Sullivan	Alderman At Large	Present	

Others present: Michael Glavin - OSPCD, Tom Galligani - OSPCD, Eileen McGettigan - Law, Frank Wright - Law, Joseph Curtatone - Mayor, Tim Snyder - Mayor's Office, Charles Sillari - Clerk of Committees.

The meeting took place in the Committee Room and was called to order at 7:07 PM by Alderman Niedergang and adjourned at 9:04 PM.

Approval of the February 6, 2017 Minutes

RESULT:	ACCEPTED
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202905: That the Administration delay any final vote by the Redevelopment Authority on the Union Square Land Disposition Agreement until a public hearing is held to obtain public input and respond to public questions, and until the Agreement is discussed with this Board.

Mayor Curtatone began the meeting by saying that the goal is to re-launch a conversation about development in Union Square. A great amount of work has been done regarding displacement, social needs, maintaining the rich character of Union Square and the finalization of covenants, (current being worked on). The Mayor wants the community to be engaged and the goals to be fully accomplished by taking on challenges and taking advantage of opportunities.

Ms. McGettigan said the MLDA is a long document and she explained how zoning is tied into it, travelling on a parallel path. She discussed the base line project and maximum development under the current zoning and said that the price of the land will be adjusted based upon the development potential. Alderman White said he feels the city could have moved forward with the process and that he is concerned about the financials and the zoning, noting that the zoning presented to the BOA is very complicated. He asked if it was passed, how it would impact the purchase price and Mr. Glavin said it would be a small difference as the entitlement would cause a slight increase in price. Ms. McGettigan discussed conditions to the closing and said that talks are progressing between the city, the MBTA and US2, adding that US2 needs a building permit for the first phase.

Chairman Niedergang asked why the D2 parcel will not be sold at market value as the D1 parcel was. Mr. Glavin explained that there was a pass through pricing model and that there is still a lot that is unknown, such as judgments on land takings, etc. Mayor Curtatone said the first parcel had the most risk and the city did not want a windfall on the land disposition, but rather, a windfall on jobs potential, etc. Alderman Niedergang feels the city should be getting more for the parcel and the Mayor said the city made it clear that they would get their money back on the first parcel.

Mr. Glavin said Schedule M shows the full proposed investment. The red bridge connection was not in the original \$70 million figure, so a cost of \$40M will be used to solve a major need in the Union Square area. It will help the D2 parcel, but will also help the city. It is a smart investment that will have other returns. Ms. McGettigan said the infrastructure is vitally important for the city in any event and that there is an obligation to begin building within a certain amount of time from taking title. Alderman White said the obligations are only on the D2 parcel and that this deal gives the developer more leeway than expected.

Alderman White said he sees a lot of streetscape work now, but would like to see more details. He wants to see how much prospective developers would be willing to pay for infrastructure and he would like to speak with other potential developers. He said if the economy changes, the developer would lose their \$500,000 deposit, plus costs. He also noted that if the city commits to bond and the developer walks away, the city will be at tremendous risk if there is no developer.

Chairman Niedergang asked why the city accepted so many conditions before US2 would have to purchase the D2 parcel and Ms. McGettigan said she doesn't consider them to be a great deal of conditions, as they are standard conditions that would be in most deals such as this. Chairman Niedergang asked what the execution of the development covenant means and Ms. McGettigan explained that certain payments and obligations are required, such as a Community Benefits Agreement, adding that the BOA doesn't need to pass zoning as a condition.

Chairman Niedergang asked why the developer can't pay the \$25 million for the GLX, like the Northpoint Development and Mr. Glavin explained that, if one looks at the numbers, the contribution of our developers is equitable to the Northpoint contribution. Northpoint is paying ½ of the commitment in Cambridge, or \$12.5 million, not \$25 million.

Alderman Heuston asked about the land reverting back to the SRA and if there should be any additional penalties. She said there is no guarantee there will be a CBA and Mr. Glavin explained that it is a '2 way street'. Mayor Curtatone explained how the CBA will be accomplished. Chairman Niedergang would like to see something stronger than a guarantee to negotiate. Alderman White would like to explain to the community that the developers will

contribute to the GLX based on square footage and the Mayor said that he will make sure that is more clear.

Alderman White referenced the section of the master development agreement that deals with public benefits agreements noting that the public benefits agreement is different than the CBA. Ms. McGettigan said it is probably referring to the development agreement and that the process has changed over time and has morphed into something else. Alderman White asked if the agreement has been amended and Mr. Glavin said it is now a much more transparent and participatory approach than it was originally. There will be covenant execution that is evolving that is much more complimentary to the community.

Chairman Niedergang is concerned about the ratio of residential to commercial development at the start of the project. Alderman Heuston said the Green Line station is the reason for the residential development and she would like to know the rationale behind the negotiations. Alderman White is concerned that the whole agreement can be amended if the GLX doesn't go forward.

Ms. McGettigan explained how the reverter, (which is the strongest remedy to take the land back and remarket it to someone who will complete construction), will work. She said that the use of eminent domain should be a last resort and that the developer should try to negotiate with property owners first. There are many things that must fall into place before eminent domain would happen. The SRA would have to have the money in advance to pay for parcels. Alderman White spoke about the eminent domain process and gave hypothetical scenarios and asked what would happen in those cases.

RESULT:

KEPT IN COMMITTEE

Handouts:

- Memo - MLDA (with 202905)
- Questions - MLDA (with 202905)