



CITY OF SOMERVILLE, MASSACHUSETTS
CLERK OF COMMITTEES

May 2, 2011

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	
Rebekah Gewirtz	Ward Six Alderman	Present	
Thomas F. Taylor	Ward Three Alderman	Present	
Bruce M. Desmond	Alderman At Large	Present	
Sean T. O'Donovan	Ward Five Alderman	Present	
Walter F. Pero	Ward Four Alderman	Present	
Dennis M. Sullivan	Alderman At Large	Present	
William M. Roche	Ward One Alderman	Present	
Joseph Curtatone	Mayor	Present	
Monica Lamboy	Exec. Director, OSPCD	Present	
Anne Thomas	Counsel, OSPCD	Present	
Frank Wright	City Solicitor	Present	
Matt Buckley	Asst. City Solicitor	Present	
Don Briggs	Federal Realty	Present	
Stephen Mackey	Chamber of Commerce	Present	
Tom Bent	Chamber of Commerce	Present	

190977 - Conveying the Assembly Row DIF Consultant Analysis on municipal service impacts.:

RESULT: KEPT IN COMMITTEE

190978 - Conveying the Assembly Row DIF Tri-Party Public Funding Agreement.:

Ms. Thomas reviewed the principle changes to the agreement, as requested by the parties to the agreement, and stated that the parties were presenting it, as is, for an up or down vote.

RESULT: KEPT IN COMMITTEE

190988 - Requesting an appropriation of \$25,750,000 and authorization to borrow \$25,750,000 in a bond for the cost of implementing the Assembly Row DIF District and Development Program.:

Mayor Curtatone informed the members that an agreement has been reached, in principal, among all parties regarding this matter. One document will be executed by the DOT tomorrow and one on Thursday. The Mayor also informed the members that bids for the Assembly Square Orange Line station went out today. Mr. Briggs assured the members that FRIT is actively pursuing businesses to occupy future office and R&D space, noting that the market will drive the effort. Mr. Briggs also outlined FRIT's agreement with Avalon Bay, explaining why FRIT is unwilling to expand its level of risk for Avalon Bay's performance. Public infrastructure capital has changed since the original covenant between the city and FRIT, and Mr. Briggs explained that the covenant contains a provision to deal with such a circumstance. Therefore, the parties are at this juncture of considering the DIF as a source of revenue to make up the shortfall of federal funds for the Orange Line station.

Ms. Lamboy and Ms. Thomas provided answers to questions asked at the previous Finance Committee meeting. Both the city engineer and the developer's engineer are in agreement regarding the reliability of the water outfall system, i.e., that if it doesn't fail during first year, it should last 100 years. Alderman Gewirtz stated that she is still uncomfortable with the storm water conduit warranty.

An executed jobs agreement was introduced and members were told that FRIT would meet with contactors and tenants in an effort to facilitate the hiring of Somerville residents and that the city would have a seat at the table when these discussion ensue. The three points of the jobs agreement are as follows:

- Developer agrees to provide \$100,000 for job training to Somerville Residents,
- Developer will encourage retail and office tenants to hire Somerville Residents,
- Efforts will be made to bring in Somerville businesses on development related construction jobs.

RESULT:	APPROVED
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191351 - Sixty registered voters submitting a "Proposed Ordinance to Ensure that Development Financed with the Sale of DIF Bonds Yields Jobs for Somerville Residents.":

Fred Berman spoke about the petition from 60 residents pertaining to the employment of Somerville residents at Assembly Square and possible payments to a job training fund if agreed to employment targets are not reached. Mr. Berman encouraged the members to incorporate the proposal into an agreement between the city and FRIT. Mr. Wright told the members that this proposal would essentially be a tax upon the developer and would not be legal in its present form. In order to pursue this initiative, a Home Rule petition would need to be passed by the Legislature. Mayor Curtatone stated that he would not support this proposal since it may put the city in a competitive disadvantage by preventing some companies from doing business at Assembly Square.

RESULT: KEPT IN COMMITTEE