

CITY OF NEWTON  
IN BOARD OF ALDERMEN  
FINANCE COMMITTEE AGENDA

MONDAY, JUNE 27, 2011

7 PM  
Room 222

**ITEMS TO BE DISCUSSED:**

#185-11      HIS HONOR THE MAYOR requesting that the Board of Aldermen accept and authorize the expenditure of fifteen thousand dollars (\$15,000) from the Massachusetts Historical Commission as part of a 50% match of a reimbursable grant to fund the creation of an updated design guidelines booklet for historic buildings and districts. [05-31-11 @ 2:17 PM]

**REFERRED TO ZONING AND PLANNING AND FINANCE COMMITTEES**

#95-11      ALD. HESS-MAHAN proposing an ordinance requiring that a notice of conversion to condominium ownership be filed with the Inspectional Services Department and that the property be inspected to determine compliance with all applicable provisions of the state and local codes, ordinances and the rules and regulations of all appropriate regulatory agencies. [03-24-11 @ 9:30AM]  
**ZAP APPROVED 7-0 on 06/13/11**

**REFERRED TO ZONING AND PLANNING AND FINANCE COMMITTEES**

#102-11      ALD. HESS-MAHAN, JOHNSON, COMMISSIONER LOJEK, AND CANDACE HAVENS requesting an amendment to Chapter 17 to establish a fee for filing a notice of condo conversion. [03-29-11 @ 4:55PM]  
**ZAP APPROVED 7-0 on 06/13/11**

**REFERRED TO PROG & SERV, PUBLIC FACIL. AND FINANCE COMMITTEES**

#367-10      HIS HONOR THE MAYOR requesting authorization to appropriate an amount not to exceed five million dollars (\$5,000,000) from bonded indebtedness for the following:  
(B) installation of up to six modular classrooms at five elementary schools as well as the addition of permanent classrooms and renovations to the core of F.A. Day Middle School. [11/29/10 @ 3:23 PM]  
**367-10(B) WAS SPLIT INTO B1 AND B2**  
**367-10(B2) – \$4,001,625 for renovations to the core of F.A. Day Middle School and sprinkler systems**  
**PROGRAMS & SERVICES HELD 6-0 on 06/22/11**  
**PUBLIC FACILITIES HELD 6-0 on 06/22/11**  
**367-10(B1) - \$923,375 for installation of one modular classroom at Burr Elementary School, one modular classroom at Horace-Mann Elementary School, and two modular classrooms at Zervas Elementary School**

The location of this meeting is handicap accessible, and reasonable accommodations will be provided to persons requiring assistance. If you have a special accommodation need, please contact the Newton ADA Coordinator Kathleen Cahill, 617-796-1125, via email at [KCahill@newtonma.gov](mailto:KCahill@newtonma.gov) or via TDD/TTY at (617) 796-1089 at least two days in advance of the meeting date.

**PROGRAMS & SERVICES APPROVED 4-0-2 (Linsky and Sangiolo  
abstaining) on 06/22/11  
PUBLIC FACILITIES APPROVED 7-0 on 06/22/11**

- #214-10(5) HIS HONOR THE MAYOR requesting the approval of the Economic Development Proposal for the Chestnut Hill Square Project and authorization of the final joint City of Newton and New England Development Corporation application for funding through the Infrastructure Investment Incentive Program (I-Cubed) of the Economic Development Proposal once the developer has received preliminary approval and settled all outstanding issues. [06/13/11 @ 6:05 PM]

**ITEMS NOT SCHEDULED FOR DISCUSSION:**

**REFERRED TO PROG. AND SERVICES AND FINANCE COMMITTEES**

- #373-10 ALD. GENTILE, HARNEY, SANGIOLO requesting amendment to §20-13, *Noise Control*, of the City of Newton Revised Ordinances to prohibit outdoor athletic events from starting before 7 AM and increase the maximum fine to \$300. [12-10-10 @ 12:53 PM]
- #140-11 ALD. HESS-MAHAN requesting acceptance of MGL Chapter 59 §5c which allows communities to shift the tax burden away from homeowners who live in lower than average valued single and multi-family homes to owners of higher valued homes, second homes, and most apartment buildings. {04-15-11 @ 3:07 PM]

**REFERRED TO COMM. ON COMMUNITY PRES AND FINANCE COMMITTEES**

- #192-11 COMMUNITY PRESERVATION COMMITTEE recommending that \$4,000 be appropriated from the open space reserves of the Community Preservation Fund to the control of the Planning and Development Department, for consulting services to speed completion of Newton's next 5-year *Open Space and Recreation Plan*, as detailed in the CPC's funding recommendation to the Board of Aldermen.[05-26-11 @ 11:39AM]

**REFERRED TO PROG & SERV, PUB. FAC. AND FINANCE COMMITTEES**

- #130-11 PAUL COLETTI, ALD. SANGIOLO, DANBERG, & JOHNSON requesting Home Rule Legislation to create a Capital Preservation Fund for the City of Newton modeled on the Community Preservation Fund to address the capital needs of the City. [04/11/11 @9:42 PM]

**REFERRED TO COMMITTEES ON COMMUNITY PRESERVATION & FINANCE**

- #103-11 COMMUNITY PRESERVATION COMMITTEE recommending that \$1,103,500 be appropriated from the fiscal 2011 housing & general reserves of the Community Preservation Fund to the control of the Director of Planning & Development, for a grant to create 4 units of affordable ownership housing in a mixed-income development at 112-116 Dedham Street, as detailed in the Committee's funding recommendation to the Board of Aldermen. [03-21-11 @ 8:48AM]

**REFERRED TO PUBLIC FACILITIES & FINANCE COMMITTEES**

- #89-11 FINANCE COMMITTEE recommending that **Sec. 29-72(b) Same— Assessments upon owners of estates passed by new sewers.** of the City of Newton Rev Ordinances, 2007, be amended to increase the fixed uniform rates assessed upon owners of all estates passed by new sewers to rates that more accurately represent the estimated average cost of installing such sewers. [03-07-11 @9:30 AM]

**REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES**

- #60-11 HIS HONOR THE MAYOR requesting the budget for the Newton North High School construction project be amended by transferring funds from the owner's contingency line item to the construction manager at risk line item for the purpose of funding additional costs related to the demolition phase of the project. [02/10/11 @ 9:18 AM]

**REFERRED TO PUBLIC SAFETY/TRANSPORTATION & FINANCE COMMITTEES**

- #54-11(2) ALD. YATES, CICCONE, HARNEY, FREEDMAN requesting that Chapter 19 MOTOR VEHICLES AND TRAFFIC of the Revised Ordinances be amended by reinstating the Community Parking Program in a manner that charges the participants for the full cost of the program. [05-01-11 @ 10:05AM]

**REFERRED TO PROG. AND SERVICES AND FINANCE COMMITTEES**

- #373-10 ALD. GENTILE, HARNEY, SANGIOLO requesting amendment to §20-13, *Noise Control*, of the City of Newton Revised Ordinances to prohibit outdoor athletic events from starting before 7 AM and increase the maximum fine to \$300. [12-10-10 @ 12:53 PM]  
**PROGRAMS & SERVICES HELD on 02/09/11**

**REFERRED TO PUBLIC SAFETY & TRANS. AND FINANCE COMMITTEES**

- #363-10 ALD. ALBRIGHT & DANBERG proposing a trial of parking meter free Saturdays between Thanksgiving and New Year for the shopping areas to support shopping at local businesses in Newton. [11/15/10 @ 6:30 PM]

**REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES**

- #311-10(A) HIS HONOR THE MAYOR requesting an appropriation in the amount of three million three hundred thirty-five thousand dollars (\$3,035,000) from bonded indebtedness for the purpose of funding the FY 2011 Capital Improvement Plan projects as follows:  
(A) Architectural Design and Engineering/Next Scheduled Fire Station \$400,000  
A-2 - HELD \$270,000 for final design bidding and construction admin  
[11/29/10 @ 3:23 PM]

**REFERRED TO PUBLIC SAFETY & TRANS. AND FINANCE COMMITTEES**

- #311-10(B) HIS HONOR THE MAYOR requesting an appropriation in the amount of three hundred thousand dollars (\$300,000) from bonded indebtedness for the purpose of funding the Manet Road Emergency Communications Radio Tower Replacement, which is included in the FY 2011 Capital Improvement Plan. [11/29/10 @ 3:23 PM]  
**PUBLIC SAFETY & TRANSPORTATION APPROVED 7-0 on 12/08/10**

**REFERRED TO PUBLIC FACILITIES, PROGRAMS AND FINANCE COMMITTEES**

- #312-10 ALD. LENNON, LAPPIN, SCHNIPPER, SANGIOLO requesting a discussion with the School Committee on its plans to address space needs in the Newton public schools. [10-27-10 @ 11:07 AM]
- #259-10 COMPTROLLER transmitting Annual Financial Report for the audit of fiscal year ending June 30, 2010 for Board of Aldermen review/acceptance. [09/13/10 @ 12:26 PM]

**REFERRED TO ZONING & PLANNING AND FINANCE COMMITTEES**

- #391-09(2) ALD. DANBERG, MANSFIELD, VANCE & HESS-MAHAN requesting the establishment of a municipal parking mitigation fund whose proceeds, derived from payments-in-lieu of providing off-street parking spaces associated with special permits, will be used solely for expenses related to adding to the supply of municipal parking spaces, improving existing municipal parking spaces, or reducing the demand for parking spaces.

**REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES**

- #87-09 ALD. SANGIOLO, BRANDEL, FREEDMAN AND HESS-MAHAN requesting a Home Rule Petition to allow the City of Newton to require elected officials to contribute a higher percentage rate for health insurance benefits than is required for other employee groups. [03-10-09 @ 9:17 AM]  
**PROGRAM & SERVICES APPROVED 5-1-1 (Baker opposed; Merrill abstaining; Parker not voting) on 4/15/09**

*Item recommended by full Board on 03/07/11:*

**REFERRED TO FINANCE AND PROGRAMS AND SERVICES COMMITTEES**

- #245-06 ALD. JOHNSON AND HESS-MAHAN requesting an amendment to the City Charter to require the Mayor annually to prepare and submit to the Board of Aldermen a long-term financial forecast of anticipated revenue, expenditures and the general financial condition of the City, including, but not limited to identification of any factors which will affect the financial condition of the City; projected revenue and expenditure trends; potential sources of new or expanded revenues; anticipated municipal needs likely to require major expenditures; and a strategic plan for meeting anticipated municipal needs, to include, but not be limited to, any long or short-term actions that may be taken to enhance the financial condition of the City.

Respectfully submitted,

Leonard J. Gentile, Chairman



Setti D. Warren  
Mayor

**City of Newton, Massachusetts**  
Department of Planning and Development  
1000 Commonwealth Avenue Newton, Massachusetts 02459

**#185-11**  
Telephone  
(617) 796-1120  
Telefax  
(617) 796-1142  
TDD/TTY  
(617) 796-1089  
www.newtonma.gov


Candace Havens  
Director

---

**MEMORANDUM**

**DATE:** June 22, 2011

**TO:** Leonard Gentile, Finance Committee Chair  
Members of the Finance Committee

**FROM:** Candace Havens, Director of Planning and Development   
Brian Lever, Senior Preservation Planner

**SUBJECT:** Acceptance and Expenditure of Grant Funds for Historic Guidelines

**RECOMMENDATION:** Accept grant funds to pay consultant to design and produce Historic Guidelines.

The City of Newton was recently awarded \$15,000 from the Massachusetts Historical Commission (MHC) as part of a 50% reimbursable grant to create a historic preservation design guidelines booklet. The booklet is intended to encourage and support more voluntary preservation by the owners of historic buildings and to help them navigate the City's regulatory preservation review process.

The booklet will be organized by architectural style and provide examples of styles prominent in Newton, as well as a description of their key features. Specific guidance, including photographs, will be provided for the construction and design of additions, exterior siding, replacement windows, and green energy installations. The booklet will also include architectural renderings of hypothetical projects, to illustrate changes to historic buildings that the City's historical commissions are likely to approve or deny, with explanations of the criteria the commissions use to make these decisions. Providing this detailed information in advance to property owners, contractors, architects, and others will make the City's review process more efficient, as well as faster and smoother for applicants.

At present, approximately 830 properties in the City have special preservation regulations (i.e., local historic districts, city landmarks, preservation restrictions). Additionally, the booklet will provide preservation guidance useful to any owner of a historic building regardless of whether or not the City has special purview over the property.

A consultant team will produce the booklet working with the Newton Historical Commission, Newton Upper Falls Historic District Commission, Chestnut Hill Historic District Commission, Newtonville Historic District Commission, and Auburndale Historic District Commission. The team will be responsible for creating the booklet including text, illustrations, photography, graphic design, and printing. The end project is anticipated to be a booklet approximately 50-100 pages in length. The project will be completed in June of 2012.

Final products will include 20 printed & bound copies of the report and two electronic copies, one print-ready and one editable. Printed copies will be placed in the Newton Free Library, the Jackson Homestead, Newton City Hall, and at the Massachusetts Historical Commission. A print-ready electronic copy will be posted on the City website. Both print-ready and editable electronic copies will be stored on the Planning Department’s part of the City’s network. City staff will send letters to owners of properties with preservation regulations informing them of the creation of the booklet, where to find it on the website, and where printed copies are available. The editable copy allows for future updates of the booklet without incurring additional consultant.

Funding breakdown:

CPA administrative funds	\$12,000 (City funds: \$8,736 + 27.2% State match: \$3,264)
Planning Dept. preservation funds	\$3,000 (state funds left from a previous project)
MHC grant:	\$15,000 (new state funds awarded for this project)
<u>Total funding for this project</u>	<u>\$30,000 *</u>

\*Staff is unable to provide a breakdown of estimated costs for printing and consultant work, as these will be proposed by consultants in their responses to the RFP. However, staff anticipates the bulk of this amount will be for labor. Some sample documents and their related production costs will be available at the meeting.

POSSIBLE ACTIONS:

Accept receipt of grant. City staff will draft and distribute an RFP and select a qualified consultant to produce the document as described, for a figure not to exceed \$30,000 including printing and binding costs. Respondents will be asked to provide a breakdown of costs at that time.

Do not accept or take no action on the request. Staff will notify the funders that the monies will not be used so they can be applied to other projects that are approved from those sources.

**DATE:** June 17, 2010  
**TO:** Community Preservation Committee  
**FROM:** Brian Lever, Senior Preservation Planner  
**SUBJECT:** Request for Administrative Funds  
**CC:** Alice Ingerson, CPA Program Manager

---

---

On behalf of the Newton Historical Commission (NHC), I would like to request \$12,000 of administrative funds to develop a set of Historic Buildings Design Guidelines for the City of Newton. The city has deemed the preservation of historic structures important to the community's cultural significance and aesthetic composition. As a critical component to fulfill this mission, the development of Historic Buildings Design Guidelines will serve as a valuable resource and tool to facilitate the preservation of historic structures by the Community Preservation Committee, NHC, local historic district commissions, and other city officials.

The NHC plans to use the \$12,000 of administrative funds requested to leverage \$18,000 in matching grant funds from the Massachusetts Historical Commission (MHC). The MHC Survey and Planning Grant Program is a 60/40 (local share) split. The \$12,000 of administrative funds along with the \$18,000 from MHC would allow the NHC to pursue hiring a consultant to create a set of design guidelines for preserving the historic buildings in our local historic districts and throughout the city. Preservation staff and NHC Commission member time and expertise will also be contributed to reduce anticipated project costs.

A February 22, 2010 memo from the Law Department references that administrative funds can be used to provide for instructional information and guidance. The specific reference was to the Town of Lincoln, which used administrative funds to produce a guide for historic homeowners on preservation restrictions. We believe that this reference is relevant to the situation of the NHC's Historic Buildings Design Guidelines proposal.

The NHC has no funds or budget and is unable to pursue this project without assistance. The Planning Department and Historical Commission have been successful in the past in obtaining grant money from the MHC including a grant award this year of \$16,700 to the Planning Department to survey Newton's oldest buildings, built prior to 1830. Unfortunately, grant money from the MHC alone is insufficient to produce a substantial set of guidelines with architectural drawings and photos specific to Newton's architecture. Therefore, we hope that a combination of funding from CPA and MHC, as well as contributed staff and commission member time and expertise, will allow us to complete the project. If additional grant money from MHC is not obtained, the \$12,000 will of course be returned. If the project is funded, the MHC grant award would be in spring of 2011 with the project completed by June 2012. Should you have any questions please let me know. We also have several examples of design guidelines with their prices that are available to review.

City of Newton



Setti D. Warren  
Mayor

## City of Newton, Massachusetts Community Preservation Committee



### MEMORANDUM

*DATE:* 7 September 2010

*TO:* Newton Historical Commission

*FROM:* Community Preservation Committee

*ABOUT:* **administrative funding commitment for Historic Preservation Guidelines**

#### PROJECT FUNDING & SCHEDULE

At its 19 August 2009 public meeting, Newton's Community Preservation Committee (CPC) voted 5-0 to commit \$12,000 from its fiscal 2011 administrative budget to this project, as proposed by the Newton Historical Commission (NHC) in the attached summary. These guidelines will use Newton-specific examples to illustrate both appropriate and inappropriate changes to historic buildings, by style and period, and will be made available to the general public on the City's website.

**NOTE:** Under guidelines established by the Massachusetts Department of Revenue, the CPC may not carry fiscal 2011 administrative funds forward unless they are encumbered by a contract, grant agreement or purchase order by June 2011. If the required additional funding from other sources is committed by spring 2011, the CPC anticipates committing its administrative funds to this project through a formal Memorandum of Understanding with the NHC. If the required additional funding is not committed by June 2011, the CPC and NHC will cancel the project, while reserving the option to pursue it in the future.

#### PROJECT RATIONALE & GOALS

Create guidelines to

- ◆ assist the CPC and NHC in carrying out their responsibilities under the Community Preservation Act to study Newton's community preservation needs, possibilities and resources; to evaluate the significance of historic resources proposed for funding; and to recommend expenditures from Newton's Community Preservation Fund
- ◆ assist proposal sponsors in meeting the Newton CPC's requirements to apply the Secretary of the Interior's *Standards for the Treatment of Historic Properties* by: evaluating historic significance on a broad basis, including but not limited to architecture and design; identifying historically significant features; and choosing appropriate treatments that preserve significant features while allowing historic buildings to be rehabilitated for new uses

#### PROJECT MANAGEMENT

As staff to the Newton Historical Commission, Senior Preservation Planner Brian Lever will serve as the project manager in

- ◆ finding additional required matching funds (estimated at \$15,000 state grant and \$3,000 from other sources)
- ◆ hiring and overseeing a qualified consultant
- ◆ soliciting and overseeing volunteer services contributed by architects and other members of the NHC, as well as other qualified community volunteers
- ◆ promoting consistency between CPC funding recommendations and the City's regulatory decisions by leading the adoption of these guidelines by Newton's historic commissions, including the NHC itself

*WEBSITE:* [www.ci.newtonma.gov/cpa](http://www.ci.newtonma.gov/cpa)

*CONTACT:* Alice E. Ingerson, Community Preservation Program Manager,  
[aingerson@newtonma.gov](mailto:aingerson@newtonma.gov), 617.796.1144





SETTI D. WARREN  
MAYOR

City of Newton, Massachusetts  
Office of the Mayor

#185-11

Telephone  
(617) 796-1100

Facsimile  
(617) 796-1113

TDD/TTY  
(617) 796-1089

E-mail  
swarren@newtonma.gov

May 31, 2011

Honorable Board of Aldermen  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

Ladies and Gentlemen:

I write to request that your Honorable Board docket for consideration a request to accept and expend the sum \$15,000 from the Massachusetts Historical Commission as part of a 50% match of a reimbursable grant to fund the creation of an updated design guidelines booklet for historic buildings and historic districts in the City of Newton,

Thank you for your consideration of this matter.

Very truly yours,

Setti D. Warren  
Mayor

TI MAY 31 P 2 17  
CITY CLERK  
NEWTON, MA. 02159

1000 Commonwealth Avenue Newton, Massachusetts 02459

[www.newtonma.gov](http://www.newtonma.gov)



DEDICATED TO COMMUNITY EXCELLENCE



Setti D. Warren  
Mayor

**City of Newton, Massachusetts**  
Department of Planning and Development  
1000 Commonwealth Avenue Newton, Massachusetts 02459

**#185-11**  
Telephone  
(617) 796-1120  
Telefax  
(617) 796-1142  
TDD/TTY  
(617) 796-1089  
www.newtonma.gov

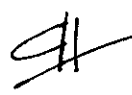
Candace Havens  
Director

---

## MEMORANDUM

May 3, 2011

**TO:** Mayor Setti D. Warren

**FROM :** Candace Havens, Director of Planning and Development  
Brian Lever, Senior Preservation Planner 

**SUBJECT:** Request for acceptance and expenditure of grant funds

**Cc:** Maureen, Lemieux, CFO; Bob Rooney, COO

The City of Newton was recently awarded \$15,000 from the Massachusetts Historical Commission as part of a 50% match reimbursable grant to fund the creation of an updated design guidelines booklet for historic buildings and historic districts in the City of Newton. Local match for this grant consists of \$3,000 of Planning Department historic preservation funds and \$12,000 of CPA administrative funds. As a reimbursable grant, the total project cost of \$30,000 must be expended and project completed before the City can be reimbursed \$15,000 from the state. Therefore the expenditure of \$30,000 must be approved as well as the acceptance of \$15,000.

The goal of this project is to create an updated historic preservation design guidelines booklet available on the City website, at the Library, and at the Jackson Homestead. This booklet will contain advice for homeowners of historic buildings regarding preservation and the City review process for properties in historic districts or with other preservation regulations. The booklet will facilitate an easier review process by providing property valuable information on preservation prior to applying for review. For those property owners not located in historic districts, the information will still provide valuable advice on how to appropriately care for their historic homes. A consultant under contract will create the booklet working with City staff and Commission members.



Setti D. Warren  
Mayor

**City of Newton, Massachusetts**  
**Office of the Mayor**

**#185-11**  
Telephone  
(617) 552-7100  
Telefax  
(617) 965-6885  
E-mail  
swarren@newtonma.gov

May 3, 2011

Honorable Board of Aldermen  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

Ladies and Gentlemen:

I respectfully request your consideration of the following item:

Expenditure of thirty thousand dollars (\$30,000) including twelve thousand dollars (\$12,000) of CPA administrative funds and three thousand dollars (\$3,000) of Planning Department historic preservation funds and (\$15,000) from the City's general fund to be reimbursed to the City upon project completion; and requesting acceptance of fifteen thousand dollars (\$15,000) as part of a reimbursable grant awarded to the City of Newton by the Massachusetts Historical Commission to create a historic preservation design guidelines booklet for historic buildings and districts in the City of Newton.

Very truly yours,

Setti D. Warren  
Mayor

Cc: David Olson, Clerk of the Board of Aldermen  
Robert Rooney, COO  
Maureen Lemieux, CFO

1000 Commonwealth Avenue Newton, Massachusetts 02459

[www.ci.newton.ma.us](http://www.ci.newton.ma.us)



Setti D. Warren  
Mayor

**City of Newton, Massachusetts**  
Department of Planning and Development  
1000 Commonwealth Avenue Newton, Massachusetts 02459

**#95-11 & #102-11**

Telephone  
(617) 796-1120  
Telefax  
(617) 796-1142  
TDD/TTY  
(617) 796-1089  
www.newtonma.gov

Candace Havens  
Director

---

**M E M O R A N D U M**

**DATE:** June 24, 2011

**TO:** Alderman Leonard J. Gentile, Chairman, and  
Members of the Finance Committee

**FROM:** Candace Havens, Director of Planning and Development  
Jennifer Molinsky, Chief Planner for Long-Range Planning  
Seth Zeren, Chief Zoning Code Official

**RE:** Petition #95-11, Ald. Hess-Mahan proposing an ordinance requiring that a notice of conversion to condominium ownership be filed with the Inspectional Services Department and that the property be inspected to determine compliance with all applicable provisions of the state and local codes, ordinances and the rules and regulations of all appropriate regulatory agencies.

Petition #102-11, Ald. Hess-Mahan, Johnson, Commissioner Lojek, and Candace Havens requesting an amendment to Chapter 17 to establish a fee for filing a notice of condo conversion.

**CC:** Mayor Setti D. Warren  
Board of Alderman  
Planning and Development Board  
John Lojek, Commissioner, Inspectional Services Department  
Marie Lawlor, Assistant City Solicitor

---

Petition #95-11 proposes that the Inspectional Services Department (ISD) be notified of conversions of properties to condominium ownership so that ISD can inspect the property and ensure compliance with state and local codes and ordinances. The petition proposes a fine of not more than \$300 per day for anyone converting a property to a condominium who fails to comply with the new ordinance. Petition #102-11 proposes a \$100 fee per unit for filing a notice of condominium conversion. Both petitions were discussed and voted upon favorably by the Zoning and Planning Committee on June 13, 2011.

**Background**

The intent of petitions #95-11 and #102-11 is to require ISD inspections of all properties in the City that are converted to condominiums to ensure that they are code compliant, to establish a fee for doing so, and to establish a fine for violating the new ordinances. The language derives from similar language used in Brookline, where it has been successful in improving code compliance. Commissioner of Inspectional Services John Lojek proposed the \$100 fee to mitigate the staff costs associated with filing and inspecting a converted property. The proposed fine, up to \$300 per day, is consistent with the maximum penalty for violation of a City ordinance, set by State law (GL c.40, sec. 21) as well as by Newton Revised Ordinances, 2007, (Sec. 1-6, General Penalty).

The two petitions, along with petition #94-11, which proposes a zoning amendment, are intended to prevent the recurrence of a problem that happened when a property with a legally permitted accessory apartment (established via special permit) was divided into a condominium and the principal dwelling and accessory apartment sold individually to separate parties. This conversion to condominium split the ownership of the primary dwelling and the accessory apartment, which violates the Zoning Ordinance; as a result, the current owners are unable to sell their units. The potential for this problem to recur on other properties led to petitions #94-11, #95-11, and #102-11. For more information, please refer to the Planning Department memoranda to the Zoning and Planning Committee, dated June 10, 2011.

**Proposed Language**

The proposed language as recommended by the Planning Department and the Law Department is contained in Attachment A. Since the Zoning and Planning Committee approved proposed language on June 13<sup>th</sup>, the Law Department has made some additional suggestions regarding the recommended language to carry out the intent of the petitions. A red-lined comparison of this language with that approved by the Zoning and Planning Committee appears in Attachment B.

**Attachments:**

Attachment A: Draft Board Order

Attachment B: Comparison of Language Approved by ZAP and Presented to Finance

#95-11 Draft

CITY OF NEWTON

IN BOARD OF ALDERMEN

ORDINANCE NO.

March , 2010

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF NEWTON AS FOLLOWS:

That the Revised Ordinances of Newton, Massachusetts, 2007, as amended, be and are hereby further amended as follows:

1. Insert, in Chapter 5, Article II **Inspectional Services Department**, a new Sec. 5-20 **Inspection of Condominiums** as follows:

**Sec. 5-20 Inspection of Condominiums**

- (a) Purpose: The intent of this regulation is to ensure the health and safety of occupants in dwellings that have been converted to condominium and to ensure compliance with applicable state and local codes, ordinances and regulations.
- (b) Within forty-eight hours after the recording of a master deed under G.L. c. 183A in the registry of deeds the owner or owners who create a condominium shall file a copy of the master deed and each unit deed with the inspectional services department of the City of Newton. The inspectional services department shall make an inspection of the property within a reasonable time to determine if it is in compliance with applicable state and local codes, ordinances, and regulations.
- (c) The commissioner of inspectional services shall be responsible for enforcing the provisions of Section 5-20 and may issue orders, promulgate regulations, and create procedures necessary for achieving the purpose in 5-20(a).
- (d) The commissioner of inspectional services shall charge an inspection fee of one hundred dollars (\$100.00) per condominium unit in order to defray the city's costs of conducting inspections under this section.

- (e) Any owner who converts property in violation of section 5-20 or in violation of any order or regulation issued by the commissioner pursuant section 5-20 shall be punished by a fine of not more than three hundred dollars. Each unit converted in violation of this section and each day of continued violation for each unit shall constitute a separate offense.

Approved as to legal form and character:

DONNALYN B. LYNCH KAHN  
City Solicitor

Under Suspension of Rules  
Readings Waived and Adopted

EXECUTIVE DEPARTMENT  
Approved:

(SGD) DAVID A. OLSON  
City Clerk

(SGD) SETTI D. WARREN  
Mayor

#102-11 Draft

CITY OF NEWTON  
IN BOARD OF ALDERMEN

ORDINANCE NO.

March , 2010

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF NEWTON AS FOLLOWS:

That the Revised Ordinances of Newton, Massachusetts, 2007, as amended, be and are hereby further amended as follows:

1. Insert, after Sec. 17-14 of Chapter 17, Article II **Fees for Licensing and Permits**, a new Sec. 17-15 as follows:

**Sec. 17-15 Fee for Inspection of Condominiums**

The fee for inspection of a condominium as required by Sec. 5-20 of these ordinances shall be one hundred dollars (\$100.00) per condominium unit and shall be paid to the inspectional services department at the time of filing with said department a copy of the master deed.

Approved as to legal form and character:

DONNALYN B. LYNCH KAHN  
City Solicitor

Under Suspension of Rules  
Readings Waived and Adopted

EXECUTIVE DEPARTMENT  
Approved:

(SGD) DAVID A. OLSON  
City Clerk

(SGD) SETTI D. WARREN  
Mayor



Item #95-11

Law Department’s suggested revisions to text appearing in Planning Department Memo  
(Deleted language struck through; added language underscored)

**Proposed Text Amendments**

- 1. Insert the following new Chapter 5, Section 20 into Chapter 5, Buildings, Article II, Inspectional Services Department. This creates a requirement for an inspection for Code compliance after condominium creation with associated fees and penalties.

“Chapter 5, Section 20, *Inspection of Condominiums*

(a) Purpose: The intent of this regulation is to ensure the health and safety of occupants in dwellings that have been converted to condominium and to ensure compliance with applicable state and local codes, ordinances and regulations.

**Deleted:** the building code and zoning code, Chapter 30

(b) Within forty-eight hours after the recording of a master deed in the registry of deeds the owner or owners who create a condominium shall file a copy of the master deed and each unit deed with the Inspectional Services Department of the City of Newton. The Inspectional Services Department shall make an inspection of the property within a reasonable time to determine if it is in compliance with state and local codes, ordinances, and regulations.

(c) The commissioner of inspectional services shall be responsible for enforcing the provisions of Section 5-20 and may issue orders, promulgate regulations, and create procedures necessary for achieving the purpose in 5-20(a).

**Deleted:** building department

(d) The commissioner of inspectional services shall charge an inspection fee of one hundred dollars (\$100.00) per condominium unit in order to defray the city’s costs of conducting inspections under this section. Such fee shall be paid to the inspectional services department at the time of filing a copy of the master deed.

**Deleted:** ¶

(e) Any owner who converts property in violation of section 5-20 or in violation of any order or regulation issued by commissioner pursuant to section 5-20 shall be punished by a fine of not more than three hundred dollars. Each unit converted in violation of this section and each day of continued violation for each unit shall constitute a separate offense.”

**Deleted:** ISD

Item #95-11

Law Department's suggested revisions to text appearing in Planning Department Memo  
(Deleted language struck through; added language underscored)

Insert, ~~after Sec. 17-14 of the following into~~ Chapter 17 ~~Section 6, creating~~ a new subsection ~~(d) 17-15 Fee for Inspection of Condominiums "Condominium Conversion,"~~ to levy the appropriate fee for the inspection required above in the proposed Section 5-20.

~~"17-15(d)~~ Fee for Inspection of Condominiums

The fee for ~~an~~ inspection of a condominium as required ~~in~~ by Section 5-20 of these ordinances shall be one hundred dollars (\$100.00) per unit and shall be paid to the inspectional services department at the time of filing with said department a copy of the master deed."

**REFERRED TO ZONING AND PLANNING AND FINANCE COMMITTEES**

#102-11 ALD. HESS-MAHAN, JOHNSON, COMMISSIONER LOJEK, AND CANDACE HAVENS requesting an amendment to Chapter 17 to establish a fee for filing a notice of condo conversion. [03-29-11 @ 4:55PM]

**ACTION:** **APPROVED 7-0; Finance to meet**

**NOTE:** Items #102-11, #94-11, #95-11 were discussed together. Seth Zeren, Chief Zoning Code Official, gave a presentation to the committee about condo conversion. For the details of that presentation please see the attached Powerpoint.

Ald. Yates requested clarification on the benefit of adding a condition to special permits to say that accessory apartments cannot be held in separate ownership from the main dwelling. Ald. Hess-Mahan explained that special permit Board Orders are filed with the registry of deeds; requiring that this be outlined in the special permit will ensure that this information is brought to the attention of the professionals (title examiners, attorneys, etc.) who are involved in the purchase and sale of the property. Informing the correct people will halt the unlawful act of separating ownership between the main dwelling and the accessory unit.

There was a brief discussion about how careful the City must be when crafting the ordinance language for this; it must be clear that the City is not regulating the type of ownership, it is regulating the use, since according to Massachusetts case law, regulating the type ownership is prohibited (see slides 6-8). On the whole, the Committee seemed comfortable with the text proposed as it makes a concerted effort to only regulate use (see attached planning memo). When asked by Ald. Swiston what kind of ownership the City is prevented from regulating, Mr. Zeren explained that the City cannot regulate transactions, it may only regulate use and forms; Marie Lawlor, Assistant City Solicitor, confirmed that this interpretation is accurate.

Ald. Baker moved approval of items #102-11 and #95-11 and also moved the referral of #95-11 to Finance Committee (the action that #95-11 requires is an addition of a fine for noncompliance which must be discussed in Finance). Item #102-11 was initially double referred to ZAP and Finance Committee. Item #94-11 was held in committee; this item requires a change to Chapter 30, for which a public hearing must be held. The public hearing for this item is tentatively scheduled for September 12, 2011. Ald. Baker's motions were carried unanimously by the committee.

#94-11 ALD. HESS-MAHAN proposing an amendment to the accessory apartment ordinance by adding "no accessory dwelling unit shall be separated by ownership from the principal dwelling unit or structure, including, without limitation, conversion to the condominium form of ownership. Any lot containing an accessory dwelling unit shall be subject to a recorded restriction that restricts the lot owner's ability to convey interest in the accessory dwelling unit, except leasehold estates" [03-24-11 @ 9:30AM]

**ACTION:** **HELD 7-0**

**NOTE:** See note for item #102-11

#95-11 ALD. HESS-MAHAN proposing an ordinance requiring that a notice of conversion to condominium ownership be filed with the Inspectional Services Department and that the property be inspected to determine compliance with all applicable provisions of the state and local codes, ordinances and the rules and regulations of all appropriate regulatory agencies. [03-24-11 @ 9:30AM]

**ACTION:** **APPROVED 7-0**  
**REFERRED TO FINANCE 7-0**

**NOTE:** See note for item #102-11

Respectfully Submitted,

Marcia Johnson, Chairman

#367-10(B)

Telephone  
(617) 796-1100

Facsimile  
(617) 796-1113

TDD/TTY  
(617) 796-1089

E-mail  
swarren@newtonma.gov



SETTI D. WARREN  
MAYOR

City of Newton, Massachusetts  
Office of the Mayor

June 17, 2011

Honorable Board of Aldermen  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

11 JUN 17 P 1:15  
CITY CLERK  
NEWTON, MA. 02159

Ladies and Gentlemen:

I write to request that your Honorable Board amend Docket #367-10 *HIS HONOR THE MAYOR requesting authorization to appropriate an amount not to exceed five million dollars (\$5,000,000) from bonded indebtedness for the following: (B) installation of up to six modular classrooms at five elementary schools as well as the addition of permanent classrooms and renovations to the core of F.A. Day Middle School. [11/29/10 @ 3:23 PM]* by bifurcating "parens B" further to enable the Board to take up the discussion and approval of the elementary school modular classrooms independent of the discussion and approval of the permanent renovations of the F.A. Day Middle School.

Thank you for your consideration of this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Setti D. Warren".

Setti D. Warren  
Mayor

1000 Commonwealth Avenue Newton, Massachusetts 02459

[www.newtonma.gov](http://www.newtonma.gov)



DEDICATED TO COMMUNITY EXCELLENCE



# PUBLIC BUILDINGS DEPARTMENT

Stephanie Kane Gilman, Commissioner  
Telephone (617) 796-1600  
FAX (617) 796-1601  
TTY: (617) 796-1089  
52 ELLIOT STREET  
NEWTON HIGHLANDS, MA 02461-1605

Setti D. Warren  
Mayor

June 17, 2011

The Honorable Setti D. Warren  
Mayor  
City of Newton  
1000 Commonwealth Avenue  
Newton Centre, MA 02459

RE: Funding Request for (4) Modular Classrooms for Three Elementary Schools;  
Docket Item # 367-10(2)

11 JUN 17 P 1:18  
CITY CLERK  
NEWTON, MA 02159

Dear Mayor Warren:

The Public Buildings Department on behalf of the School Department, is requesting the sum of \$794,750 to cover the cost of the remaining design, construction and installation of four modular classrooms at three elementary schools. The estimate is based upon \$181,125 per classroom. The elementary schools to receive modular classrooms are Burr (1), Horace-Mann (1) and Zervas (2). These modular classrooms are planned to be in place for Fall 2011.

The breakdown of the estimate is as follows:

Construction and installation	\$695,000
5% Contingency	34,750
Design	<u>140,000</u>
Sub Total:	\$869,750
Less Original Schematic Design Funding	<u>-\$ 75,000</u>
Funding Request	\$794,750

Please do not hesitate to contact me should you have any questions regarding this request.

Sincerely,

Stephanie Kane Gilman  
Commissioner of Public Buildings

SKG:dla

CC: David Fleishman, Superintendent of Schools  
Sandy Guryan, Assistant Superintendent Business/Finance  
Maureen Lemieux, Chief Financial Officer  
Robert Rooney, Chief Operating Officer

City of Newton



Setti D. Warren  
Mayor

**PUBLIC BUILDINGS DEPARTMENT**

Stephanie Kane Gilman, Commissioner

Telephone (617) 796-1600

FAX (617) 796-1601

TTY: (617) 796-1089

52 ELLIOT STREET

NEWTON HIGHLANDS, MA 02461-1605

June 22, 2011

The Honorable Setti D. Warren  
Mayor, City of Newton  
1000 Commonwealth Avenue  
Newton Centre, MA 02459

AMENDED REQUEST

RE: Funding Request for (4) Modular Classrooms for Three Elementary Schools,  
Docket Item # 367-10(B)

Dear Mayor Warren:

The Public Buildings Department on behalf of the School Department, is requesting the sum of \$923,375 to cover the cost of the remaining design, construction and installation of four modular classrooms at three elementary schools. The estimate is based upon an average of \$214,595 per classroom. The elementary schools to receive modular classrooms are Burr (1), Horace-Mann (1) and Zervas (2). These modular classrooms are planned to be in place for Fall 2011.

The breakdown of the estimate is as follows:

Construction and Installation	\$695,000
Green Features	87,500
To Address Storm Water Issues	35,000
5% Contingency	40,875
Design (includes sprinkler design)	<u>140,000</u>
Sub Total:	\$998,375
Less Original Schematic Design Funding	<u>- \$ 75,000</u>
Funding Request	\$923,375

Please do not hesitate to contact me should you have any questions regarding this request.

Sincerely,

Stephanie Kane Gilman  
Commissioner of Public Buildings

SKG:dla

CC: David Fleishman, Superintendent of Schools  
Sandy Guryan, Assistant Superintendent Business/Finance  
Maureen Lemieux, Chief Financial Officer  
Robert Rooney, Chief Operating Officer



City of Newton, Massachusetts  
Office of the Mayor

#214-10(5)

Telephone  
(617) 796-1100

Facsimile  
(617) 796-1113

TDD/TTY  
(617) 796-1089

E-mail  
swarren@newtonma.gov

SETTI D. WARREN  
MAYOR

June 13, 2011

Honorable Board of Aldermen  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

11 JUN 13 P 6:05  
CITY CLERK  
NEWTON, MA. 02159

Dear Ladies and Gentlemen:

As you know, under the Infrastructure Investment Incentive Program ("I-Cubed"), the Massachusetts Development Finance Agency (MDFA) is authorized to issue bonds to finance infrastructure improvements that will support economic development projects. The funds from the bonds may be used to finance the construction of streets, sidewalks, water and sewer service, and similar improvements. Private developers will construct the improvements, and once complete, the infrastructure improvements will generally be turned over to the local municipality. During the construction phase and prior to occupancy, the developer will pay local assessments to the municipality that will be used to finance the debt service on the bonds. After the project is complete and occupied and the infrastructure improvements have been turned over to the local municipality, the Commonwealth takes on the responsibility for paying the debt service.

Approval of a project to be funded by bonds issued pursuant to I-Cubed is a multi-stepped process. First, a developer must apply to a municipality for project approval. Each proposal from a developer must include, among other things, a financial analysis estimating the new state tax revenues to be generated as a result of each commercial component of the development. The municipality must approve the project and agree to participate in its development by a two-thirds vote of the municipality's governing authority. Once the municipality approves a project, the municipality and the developer jointly submit the project to the MDFA and the Secretary of Administration and Finance (A&F). The Secretary of A&F is required to approve, disapprove, request additional information, or request an amendment to the application within sixty days. As part of the approval process, the Department of Revenue (DOR), to the extent practicable, must certify that the amount of new state tax revenues allocable to the project will be at least equal to the projected maximum annual debt service, as determined by A&F, on the bonds to be issued to fund the public infrastructure improvements related to the project. Subsequently, when a commercial component of a project approved by A&F is complete and occupied, the DOR must annually determine and certify the new state tax revenues generated by each such component, after the DOR has received the relevant data necessary to make the determination, and must determine the extent of any resulting surplus or shortfall after comparing new state tax revenues.

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov

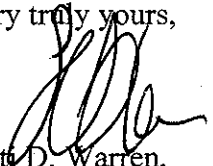


DEDICATED TO COMMUNITY EXCELLENCE



New England Development Corp. is in the process of seeking preliminary approval for the Chestnut Hill Square project as a certified economic development project qualifying for the I-Cubed Program by the Secretary of Administration and Finance. Therefore, I request that your Honorable Board docket for consideration a request to approve the revised Economic Development Proposal for the Chestnut Hill Square Project, and authorize the final joint City of Newton and New England Development Corp application of the EDP once the developer has received preliminary approval and settled all outstanding issues.

Very truly yours,

  
Setti D. Warren,  
Mayor

JUN 13 P 6 05  
CITY CLERK  
NEWTON, MA 02159

June 23, 2011

**BY HAND**

Shawna Sullivan  
Clerk  
Finance Committee  
City of Newton  
City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

Re: Chestnut Hill Square; I-Cubed

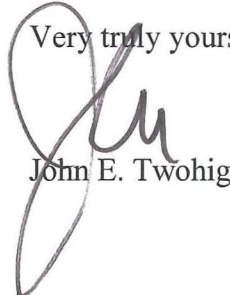
Dear Shawna:

At the request of Alderman Gentile, enclosed please find, for distribution to the Finance Committee, ten (10) sets of a handout booklet, as well as a "Frequently Asked Questions" list, concerning the I-Cubed Program.

Hopefully, the materials will be helpful at our meeting on Monday, June 27, 2011 at 7:00 p.m.

Please call with any questions. Thank you.

Very truly yours,



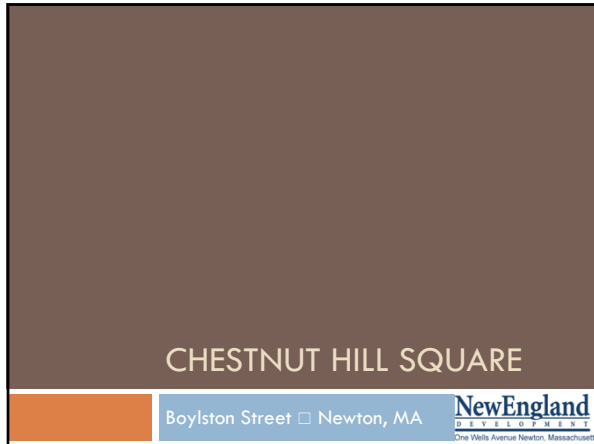
John E. Twohig

JET/klg

Enclosures

Cc: Douglass E. Karp  
William R. Cronin, Jr.  
Sarah T. Lemke, Esq.

GSDOCS\2079270.1



---

---

---

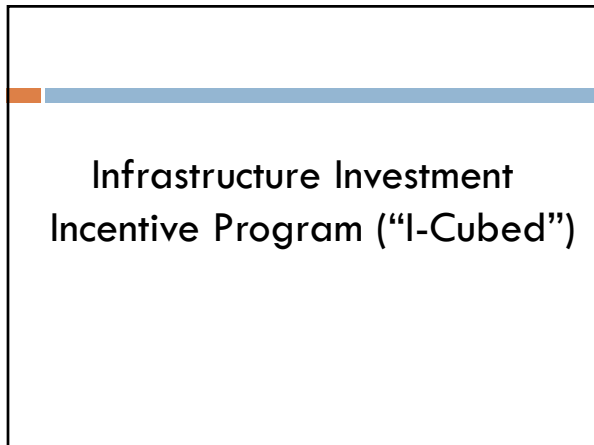
---

---

---

---

---



---

---

---

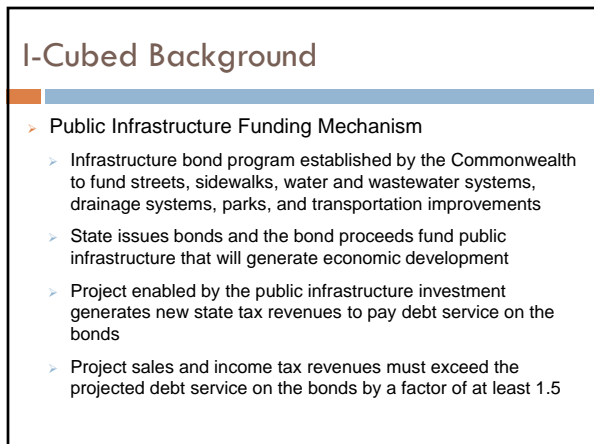
---

---

---

---

---



---

---

---

---

---

---

---

---

### I-Cubed Process

- > Economic Development Proposal ("EDP")
  - > Informal consultation between Developer and the Executive Office of Administration and Finance
  - > Preliminary EDP submitted to the State for peer review and comment (coordination with municipality)
  - > Preliminary approval by Secretary with comments
  - > Revised EDP submitted to municipality for review, hearing and approval by legislative body
  - > Final EDP submitted by the municipality and the developer to the Secretary for approval
  - > Negotiation and Execution of Infrastructure Development Assistance Agreement
  - > Bond Issuance

---

---

---

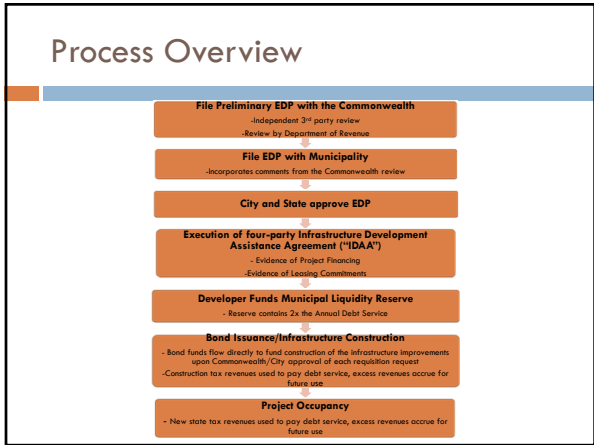
---

---

---

---

---



---

---

---

---

---

---

---

---

### Proposed Project

---

---

---

---

---

---

---

---




---

---

---

---

---

---

---

---

### Proposed Development Program

Use	Size (in Gross Leasable Area)
Retail/Restaurant	85,000 SF
Grocery	47,000 SF
Health Club	28,000 SF
Medical Office	58,000 SF
<b>Total</b>	<b>218,000 SF</b>
Residential	Up to 100 Units

---

---

---

---

---

---

---

---

## Chestnut Hill Square Qualifications

---

---

---

---

---

---

---

---

### I-Cubed Regulatory Compliance

- > This Project is financially feasible, backed by New England Development, which has extensive experience in this type of development and who has a long-standing and proven track record of investing in infrastructure and communities;
- > The Project is consistent with Commonwealth's Sustainable Development Principles by redeveloping a previously existing, degraded site;
- > Project seeks to resolve previously identified, high-priority regional infrastructure issues for the Commonwealth, along Route 9 corridor;
- > The entire Project is anticipated to create approximately 500 short-term construction and over 525 long-term permanent jobs at a variety of wage and skill levels;
- > Project brings a significant amount of net new revenue to the Commonwealth in the form of income and sales tax receipts, totaling over \$2,100,000 on a recurring, annual basis (excluding approximately \$545,000 in sales tax revenue for MBTA and education); and
- > Annual Net New State Tax Revenues are anticipated to exceed by at least 1.5 times the projected debt service on the bonds.

---

---

---

---

---

---

---

---

---

---

What will the I-Cubed funds be used for?

---

---

---

---

---

---

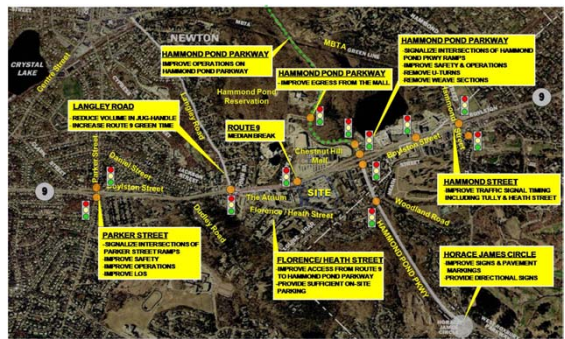
---

---

---

---

### Planned Traffic Improvements




---

---

---

---

---

---

---

---

---

---

### Transportation Benefits

- > Implementation of high-priority regional transportation improvements
- > Route 9 travel time reductions
- > Dramatically improve Langley Road Jug-handle operations
- > Improve egress from The Mall at Chestnut Hill
- > Reduce cut-through traffic on Hammond St. and Florence St. by decreasing travel times along Route 9 and Hammond Pond Parkway
- > Pedestrian improvements along Route 9 and Hammond Pond Parkway
- > Safety improvements at the Parker Street and Hammond Pond Parkway interchanges and at Horace James Circle

---

---

---

---

---

---

---

---

### Application Review and Program Implementation

---

---

---

---

---

---

---

---

### Municipality Safeguards

- > Thorough application review/pre-approval process by the Commonwealth
  - > Independent peer review
  - > Department of Revenue must approve revenue projections
- > Execution of Infrastructure Development Assistance Agreement prior to bond issuance
- > Compliance with IDAA will be required by the Project lender
- > Evidence of financing and leasing commitments required prior to bond issuance
- > Developer establishes a "Municipal Liquidity Reserve" fund as a protection for unlikely revenue shortfall
  - > Developer required to replenish funds drawn from the liquidity reserve
- > Bond funds flow directly to fund construction of the infrastructure improvements upon approval of each requisition request by Commonwealth and City
- > Debt service is paid with new state tax revenues
- > Tax revenues in excess of debt service payments accrue for future use
- > City has the right to lien and assess property in the unlikely event the debt service is not paid
- > In the unlikely event a lien is placed on the property, it will take priority over other security interests

---

---

---

---

---

---

---

---

### Municipality Safeguards (Continued)

- > Bonds are issued by Mass Development, not the City of Newton
- > Bonds are backed by the full faith and credit of the Commonwealth; no impact on City bonding capacity
- > Under the anticipated revenue projection scenario, bonds will be paid in 14 years – any minimal risk will be eliminated in 13 years; even if our revenue projections were off by 50%, bonds will be paid in 23 years.
- > Under the increased displacement/ reduced bond amount projection, bonds will be paid within 22 years
- > City receives needed transportation and water improvements
- > Transportation improvements have been needed for 20 years as outlined in the CTPS Study
- > In approximately 10 years, the City will have received new local tax revenues generated by the Project in excess of bond value

### Anticipated Scenario

Developer & City's obligation expires once total new state tax revenues exceed Bond principal and interest – approximately 14 years

Year	Net Tax Revenue	Debt Service	Remaining Debt Service Obligation	Accrued Surplus	Liquidity Reserve
1	Construction period	\$772,500 (Interest paid by NED)	\$30,418,823	\$0	\$2,062,416
2	Construction period	\$772,500 (Interest paid by NED)	\$29,646,323	\$0	\$2,062,416
3	\$3,342,883 (incl. const. period revenues)	\$1,031,208	\$28,873,823	\$2,311,675	\$2,062,416
4	\$3,407,226 (incl. const. period revenues)	\$1,031,208	\$27,842,615	\$4,687,693	\$2,062,416
5	\$2,275,384	\$1,031,208	\$26,811,407	\$5,931,869	\$2,062,416
6	\$2,343,646	\$1,031,208	\$25,780,199	\$7,244,307	\$2,062,416
7	\$2,413,955	\$1,031,208	\$24,748,991	\$8,627,054	\$2,062,416
8	\$2,486,374	\$1,031,208	\$23,717,783	\$10,082,220	\$2,062,416
9	\$2,560,965	\$1,031,208	\$22,686,575	\$11,611,977	\$2,062,416
10	\$2,637,794	\$1,031,208	\$21,655,367	\$13,218,563	\$2,062,416
11	\$2,716,928	\$1,031,208	\$20,624,159	\$14,894,283	\$2,062,416
12	\$2,798,436	\$1,031,208	\$19,592,951	\$16,661,511	\$2,062,416
13	\$2,882,389	\$1,031,208	\$18,561,743	\$18,512,692	\$2,062,416
14	<b>\$2,968,861</b>	<b>\$1,031,208</b>	<b>\$17,530,535</b>	<b>\$20,450,345</b>	<b>\$2,062,416</b>

### Reduced Revenue Scenario

Assuming a 50% reduction in anticipated tax revenue and denial of request to have construction period revenues applied to debt service payments - Developer & City's obligation expires in approximately 23 years

Year	Net Tax Revenue	Debt Service	Remaining Debt Service Obligation	Accrued Surplus	Liquidity Reserve
1	Construction Period	\$772,500 (Int. by NED)	\$30,418,823	\$0	\$2,062,416
2	Construction Period	\$772,500 (Int. by NED)	\$30,418,823	\$0	\$2,062,416
3	\$1,671,442 (incl. 50% const. rev.)	\$1,031,208	\$29,387,615	\$460,234	\$2,062,416
4	\$1,703,613 (incl. 50% const. rev.)	\$1,031,208	\$28,356,407	\$1,312,599	\$2,062,416
5	\$1,737,692	\$1,031,208	\$27,325,199	\$1,415,123	\$2,062,416
6	\$1,773,822	\$1,031,208	\$26,293,991	\$1,597,238	\$2,062,416
7	\$1,206,978	\$1,031,208	\$25,262,783	\$1,733,508	\$2,062,416
8	\$1,243,187	\$1,031,208	\$24,231,575	\$1,947,487	\$2,062,416
9	\$1,280,483	\$1,031,208	\$23,200,367	\$2,192,762	\$2,062,416
10	\$1,318,897	\$1,031,208	\$22,169,159	\$2,469,631	\$2,062,416
11	\$1,358,444	\$1,031,208	\$21,137,951	\$2,811,707	\$2,062,416
12	\$1,399,218	\$1,031,208	\$20,106,743	\$3,179,717	\$2,062,416
13	\$1,441,195	\$1,031,208	\$19,075,535	\$3,547,719	\$2,062,416
14	\$1,484,431	\$1,031,208	\$18,044,327	\$4,000,942	\$2,062,416
15	\$1,528,963	\$1,031,208	\$17,013,119	\$4,498,697	\$2,062,416
16	\$1,574,832	\$1,031,208	\$15,981,911	\$5,043,321	\$2,062,416
17	\$1,622,077	\$1,031,208	\$14,950,703	\$5,633,190	\$2,062,416
18	\$1,670,740	\$1,031,208	\$13,919,495	\$6,277,722	\$2,062,416
19	\$1,720,862	\$1,031,208	\$12,888,287	\$6,982,314	\$2,062,416
20	\$1,772,488	\$1,031,208	\$11,857,079	\$7,752,656	\$2,062,416
21	\$1,825,662	\$1,031,208	\$10,825,871	\$8,598,110	\$2,062,416
22	\$1,880,432	\$1,031,208	\$9,794,663	\$9,547,334	\$2,062,416
23	<b>\$1,936,845</b>	<b>\$1,031,208</b>	<b>\$8,763,455</b>	<b>\$10,593,971</b>	<b>\$2,062,416</b>



**Increased Displacement/Reduced Bond Amount Scenario**

Assuming a \$10 million I-Cubed grant, a 70% displacement for medical office income tax revenue, and an 80% displacement for retail sales tax and retail income tax revenue - Developer & City's obligation expires in approximately 22 years.

Year	Net Tax Revenue	Debt Service	Remaining Debt Service Obligation	Accrued Surplus	Liquidity Reserves
1	Construction period	\$110,000 (interest paid by HED)	\$20,279,215	\$0	\$1,030,000
2	Construction period	\$110,000 (interest paid by HED)	\$19,764,215	\$0	\$1,030,000
3	\$1,277,798 (incl. cont. period revenue)	\$487,472	\$19,249,215	\$690,326	\$1,030,000
4	\$1,298,638 (incl. cont. period revenue)	\$487,472	\$18,761,243	\$1,401,492	\$1,030,000
5	\$736,989	\$487,472	\$17,874,271	\$1,451,009	\$1,030,000
6	\$739,099	\$487,472	\$17,186,299	\$1,322,636	\$1,030,000
7	\$781,872	\$487,472	\$16,499,327	\$1,617,035	\$1,030,000
8	\$801,508	\$487,472	\$15,811,355	\$1,234,892	\$1,030,000
9	\$829,488	\$487,472	\$15,124,383	\$1,376,907	\$1,030,000
10	\$854,272	\$487,472	\$14,436,911	\$2,044,808	\$1,030,000
11	\$880,004	\$487,472	\$13,749,439	\$2,236,340	\$1,030,000
12	\$906,404	\$487,472	\$13,061,967	\$2,455,271	\$1,030,000
13	\$933,596	\$487,472	\$12,374,495	\$2,701,395	\$1,030,000
14	\$961,604	\$487,472	\$11,687,023	\$2,973,527	\$1,030,000
15	\$990,452	\$487,472	\$10,999,551	\$3,278,107	\$1,030,000
16	\$1,020,148	\$487,472	\$10,312,079	\$3,611,200	\$1,030,000
17	\$1,050,770	\$487,472	\$9,624,607	\$3,974,499	\$1,030,000
18	\$1,082,393	\$487,472	\$8,937,135	\$4,369,320	\$1,030,000
19	\$1,114,932	\$487,472	\$8,249,663	\$4,796,610	\$1,030,000
20	\$1,148,508	\$487,472	\$7,562,191	\$5,257,344	\$1,030,000
21	\$1,183,131	\$487,472	\$6,874,719	\$5,752,523	\$1,030,000
22	\$1,218,799	\$487,472	\$6,187,247	\$6,283,182	\$1,030,000

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

## Anticipated Timeline

### Timeline

- Preliminary EDP application: January 2011
- Preliminary EDP approval: July 2011
- EDP Updates: June 2011
- City Approval of EDP: August 2011
- Final EDP Approval: Sept./Oct. 2011
- Bond Issuance: November 2011

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

Chestnut Hill Square  
I-Cubed Application  
Frequently Asked Questions

1. *What is the timing? When will the I-Cubed proposal be before the Aldermen?*  
A&F (Administration and Finance, the State Agency which administers the State's finances) and its consultant are currently reviewing our Preliminary Economic Development Proposal ("PEDP"). We anticipate receiving preliminary approval from A&F in 4-8 weeks and then will appear before the Aldermen shortly thereafter. We hope to receive a vote of approval from the Aldermen in August. A two-thirds vote of the Aldermen is required.
2. *Who issues the bonds?*  
Massachusetts Development Financing Agency ("Mass Development") issues the bonds on behalf of the Commonwealth.
3. *Do the bonds impact the City's bonding ability or credit status?*  
Mass Development, the state agency that will issue these bonds, has indicated that the bond issuance does not impact a municipality's bonding ability or credit status.
4. *Does this impact property taxes?*  
No, I-Cubed has no impact on local property taxes. I-Cubed approval does not impact local property taxes and in fact contains a restriction that a project not benefit from a local property tax exemption in the form of a Tax Increment Financing ("TIF") Agreement. The land owner will continue to pay local property taxes at full assessment.
5. *How does the "State" pay the bonds?*  
The debt service on the bonds is repaid by the Commonwealth. The Commonwealth reviews the amount of state tax revenue it has received as the result of the project (e.g. wage, sales and meals taxes) and uses those funds to pay back the debt service on the bonds. In the event there is a "shortfall", i.e. that the revenues created are not sufficient to pay the debt service on the bonds, the developer agrees to pay the shortfall amount. If there is a surplus the bonds are paid off sooner.
6. *What are the proposed infrastructure improvements to be funded by the I-Cubed bonds?*  
The applicant is seeking approval for the financing of \$15,000,000 to cover infrastructure improvements required to support the Project and needed along the Route 9 corridor. These improvements are centered on roadway improvements to Route 9, Hammond Pond Parkway and local City of Newton roadways. All of the improvements have been reviewed by the City and established as a regional need.
7. *Will the Project go forward without the I-Cubed?*  
No. The high infrastructure costs associated with the Project make it impractical for the Project to go forward without I-Cubed funding.

8. *What are the expected State tax revenues?*  
The applicant estimates that the project will create over \$2,000,000 a year in net new state tax revenue, well in excess of the approximately \$1,000,000 required to cover the debt service on the bonds on an annual basis.
9. *Who verifies the filings by NED? What agencies approve?*  
The Commonwealth's department of Administration & Finance will review and approve the proposal, along with input from Mass Development, who will issue the bonds, and the Department of Revenue, who will be required to certify the estimates of the amount of taxes likely to be created by the Project.
10. *Will the bonds be issued without the leases and financing in place?*  
No. Final approval will not be given, and bonds will not be issued, until the applicant can show a certain level of leasing and financing in place, giving the Commonwealth comfort that the Project will proceed and create the revenues anticipated.
11. *When are the bonds anticipated to be paid off?*  
The Project is anticipated to create a significant amount of revenue for the Commonwealth, which revenue will exceed the debt service on the bonds to such a degree that the bonds will be paid off in approximately 14 years (well in advance of the 30 year term). Even if our revenue projections were overstated by more than 50%, the bonds would be repaid within 23 years.
12. *What are the job benefits of the Project?*  
The Project is anticipated to create approximately 500 short-term construction jobs and approximately 525 long-term permanent jobs at a variety of wage and skill levels, bringing significant amounts of new wage tax revenue to the Commonwealth.
13. *What is the Infrastructure Development Assistance Agreement?*  
The Commonwealth, the City and the project owner will enter into what's called and Infrastructure Development Assistance Agreement ("IDAA") detailing many of the safeguards discussed above, including the ability to lien property and the landowner's commitment to pay debt service in the unlikely event of a shortfall.
14. *Can the City lien the property if there is, in the unlikely event, an assessment by the State?*  
Yes, the City may lien the property in the unlikely event there is a shortfall and the debt service is not paid by the developer. In addition, there is an approximately \$2,000,000 "reserve account" funded by the Developer representing the debt service required for 2 years of debt service payments.
15. *Does the City assessment on the Project have priority over the financing?*  
Yes. A municipal lien to cover a debt service shortfall will have first position priority over project financing.

16. *Explain why the City should undertake even minimal risk?*

As indicated above, this Project cannot go forward without I-Cubed funding because of the high costs of the infrastructure required. Not only will the City benefit from the construction of this much-needed regional transportation infrastructure, but the Project will bring a large number of permanent and construction jobs and will transform an underutilized site into a site which brings significant revenue to the City of Newton as well, estimated at over \$1,300,000 per year.

17. *Has this ever been done before?*

Yes. To date, one I-Cubed project has been approved in the City of Somerville for Assembly on the Mystic. We understand that numerous other projects are pending approval now, including in the City of Boston.

18. *Simply, what are the “benefits” and what are the “risks” to the City?*

The benefits are the needed transportation improvements, increased local property tax revenue and jobs created; the risks are the obligation to pay the debt service on the bonds in the unlikely event that all built-in safeguards fail.

19. *How does NED make this “risk-free” to the City?*

While there is no way to make this absolutely risk-free to the City, the applicant has agreed to put into place a number and wide variety of safeguards designed to make it unlikely that the City will have any obligation under the bonds. These include a liquidity reserve in the amount of two times the debt service (approximately \$2,000,000) and the developer agreeing to fund the shortfall. Further, because of the significant amount of revenue expected to be created (resulting in an approximately 2.0 debt service coverage ratio) and the surplus generated therefrom, it is likely that the bonds will be repaid in 14 years, well in advance of the 30 year time frame indicated by the statute.

20. *What if the State approves something other than \$15,000,000 in bond financing?*

We have included in the power point a projection of debt service coverage if the state only approved \$10,000,000 in funding. As is clear from the chart, even in the instance where the state applies a higher displacement factor (resulting in less net new revenue) and agrees to fund only \$10,000,000, the Project generates more than adequate revenue to cover the debt service on the bonds and the bonds will be repaid in 22 years.

21. *Will the current status of the Atrium, effect the Project? Security?*

No. The Applicant understands that the owners of the Atrium are taking this opportunity to refocus and reinvigorate this asset and does not believe that these changes are reflective of any uncertainties or undesirability in the marketplace. With regard to the protections afforded to the City of Newton in the very unlikely event of a failure of this project, the City does have the power to lien the property to recover the shortfall and could draw on a liquidity reserve, required to be maintained, at all times, by the applicant in an amount equal to two times the debt service on the bonds.

22. *What is the status of the appeal of the Special Permit?*

The appeal of the Special Permit has been settled and the case is being dismissed.