

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE AGENDA

WEDNESDAY, OCTOBER 12, 2011

7 PM
Room 222

ITEMS TO BE DISCUSSED:

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #269-11 HIS HONOR THE MAYOR requesting authorization to appropriate and expend \$200,000 for the purpose of funding additional appropriations in the School Department. This amount reflects an increase in the State Chapter 70 Education Funding. [09/12/11 @4:39 PM]
PROGRAMS & SERVICES APPROVED SUBJECT TO SECOND CALL 5-0 (Baker not voting) on 10/05/11

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #268-11 HIS HONOR THE MAYOR requesting authorization to appropriate and expend \$470,292 from FY12 Free Cash for the purpose of funding additional appropriations in the School Department. The amount reflects an increase in the Medicaid Direct Services reimbursements. [09/12/11 @4:39 PM]
PROGRAMS & SERVICES APPROVED SUBJECT TO SECOND CALL 5-0 (Baker not voting) on 10/05/11
- #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]

REFERRED TO PUBLIC FACILITIES, PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #312-10 ALD. LENNON, LAPPIN, SCHNIFFER, 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]

REFERRED TO PROGRAMS & SERVICES, PUBLIC FACILITIES 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]

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, contact the Newton ADA Coordinator Trisha Guditz at 617-796-1156 or tguditz@newtonma.gov or via TDD/TTY at (617) 796-1089 at least two days in advance of the meeting.

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.

ITEMS NOT SCHEDULED FOR DISCUSSION:

- #267-11 COMPTROLLER transmitting the Budgetary Basis Annual Financial Report for fiscal year ending June 30, 2011 for Board of Aldermen review/acceptance. [09/09/11 @ 2:05 PM]

REFERRED TO PUBLIC SAFETY & TRANS. AND FINANCE COMMITTEES

- #262-11 HIS HONOR THE MAYOR requesting amendments to Chapter 17 of the City of Newton Ordinances, 2007 to increase fees for permits issued by the Fire Department. [08/29/11 @ 3:50 PM]
- #241-11 ALD. HESS-MAHAN, FREEDMAN & FULLER requesting a discussion concerning the adoption of the provisions of An Act Relative to Municipal Health Insurance , Ch. 69 of the Acts of 2011, which will allow cities and towns to avoid an estimated \$100 million in health insurance increases, while guaranteeing a role for municipal unions at every step of the process. [07-18-11 @9:08 AM]
- #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 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 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 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]

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]
Note: Seventy-five thousand dollars (\$75,000) of the \$5 million was approved on December 20, 2010 for site plan design work for modular classrooms at Horace Mann, Zervas, and Burr Elementary Schools and \$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 was approved on July 11, 2011.
367-10(B2) – \$4,001,625 for renovations to the core of F.A. Day Middle School and sprinkler systems -HELD

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 FACIL., PROG. & SERV. & FINANCE COMMITTEES

- #8-09 ALD. HESS-MAHAN LINSKY, ALBRIGHT, FREEDMAN, MANSFIELD, JOHNSON, HARNEY & VANCE proposing an ordinance requiring that the installation of synthetic in-filled turf athletic fields on city-owned property shall use sustainable, recyclable, lead-free, non-toxic products to the maximum extent feasible. [12/30/08 @9:55 AM]

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
Office of the Mayor

Telephone
(617) 796-1100

Facsimile
(617) 796-1113

TDD/TTY
(617) 796-1089

E-mail
swarren@newtonma.gov

11 SEP 12 4:39
CITY CLERK
NEWTON, MA. 02159

September 12, 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 amend the Adopted FY2012 Municipal Budget as follows:

- Increase the FY2012 Newton Public School appropriation by \$200,000 to \$171,820,000

The Adopted FY2012 Municipal Budget included \$13,304,221 for Chapter 70 Education Funding. The final approved state aid for education in the Commonwealth's adopted FY2012 budget included an additional appropriation in the amount of \$200,000 for the City of Newton. Allocation of this additional revenue to the Newton Public School Department is in keeping with the Administration's commitment to direct any additional education funding to the schools.

Thank you for your consideration of this matter.

Very truly yours,

Setti D. Warren,
Mayor

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



DEDICATED TO COMMUNITY EXCELLENCE



SETTI D. WARREN
MAYOR

City of Newton, Massachusetts
Office of the Mayor

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(617) 796-1100

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E-mail
swarren@newtonma.gov

September 12, 2011

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

11 SEP 12 4:39
CITY CLERK
NEWTON, MA 02159

Ladies and Gentlemen:

I write to request that your Honorable Board docket for consideration a request to appropriate the sum \$470,292 from FY12 Free Cash to the Newton Public School Department. As a result of a change in the distribution of "Medicaid Direct Services" reimbursements, the City of Newton received this amount in FY11 Net Unanticipated Revenue. This request honors the Administration's commitment to appropriate excess education revenue to the Newton Public Schools.

As you know, Free Cash was certified on September 7, 2011 in the amount of \$6,793,864.

Thank you for your consideration of this matter.

Very truly yours,

Setti D. Warren,
Mayor

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



DEDICATED TO COMMUNITY EXCELLENCE

Rebecca Smith

From: "Maureen Lemieux" <mlemieux@newtonma.gov>
To: rsmith@newtonma.gov
Date sent: Sun, 02 Oct 2011 15:36:52 -0400
Subject: (Fwd) (Fwd) Items in Prog/Serv
Priority: normal

fyi

----- Forwarded message follows -----

From: Maureen Lemieux <mlemieux@newtonma.gov>
To: Sangiolo Amy
Subject: (Fwd) Items in Prog/Serv
Copies to: Rooney Robert, Costello Megan
Date sent: Sun, 02 Oct 2011 15:35:42 -0400

Ald Sangiolo,

I understand you requested that I attend the Programs & Services meeting on Wednesday. Unfortunately, I am not able to attend and Bob has not been involved in these 2 docket items.

In reference to docket #268-11 - the City of Newton was informed in the late spring that we would receive additional medicaid reimbursements for direct services that had been provided to the student population. The actual allocation was \$543,487.40, however, the school departments reimbursements for Mdeicaid Administrative Services as well as Charter Tuition Revenues did not meet budgeted expectations. Therefore, the Mayor has requested that the amount of \$470,292 be transferred to the school department. It is the net amount that actual school department revenues exceeded school dept budgeted revenues.

Th\$543K was posted on June 16th. Therefore, because of the timing, we thought it was most appropriate to allow the funds to be certified as Free Cash, with the intention, of then transferring the money to the school department.

In reference to docket #269-11 - the Governor's budget as proposed included a Chapter 70 allocation of \$13,504,221 for the school department - an amount that was more than \$100K over the FY11 Chapter 70 allocation. Therefore, to remain conservative, we prepared the budget projecting \$200,000 less than the Governor's budget. It has been out intent all along to allocate any excess Chapter 70 aid to the school department once it was finalized.

In the end - the Governor's budget for Chapter 70 aid remained unchanged, therefore, the Mayor is requesting that \$200,000 be added to the school department FY12 budget.

If you have any questions regarding either of these two items - please do not hesitate to call me - 796-1100 - is the best way to reach me - Megan always knows where I am.

Again, i apologize for not being able to attend on Wednesday night - and hope this provides any info you need from a financial perspective.

Maureen

----- Forwarded message follows -----

From: "Rebecca Smith" <rsmith@newtonma.gov>
To: rrooney@newtonma.gov,
mlemieux@newtonma.gov
Date sent: Fri, 30 Sep 2011 12:15:25 -0400
Subject: Items in Prog/Serv
Priority: normal

Bob and Maureen,

The Programs and Services Committee will be taking up the following item for which your attendance is requested.

Please let me know if one/both of you will be able to attend.

Thank you.

-Becca

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#268-11 HIS HONOR THE MAYOR requesting authorization to appropriate and expend \$470,292 from FY12 Free Cash for the purpose of funding additional appropriations in the School Department. The amount reflects an increase in the Medicaid Direct Services reimbursements. [09/12/11 @4:39 PM]

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#269-11 HIS HONOR THE MAYOR requesting authorization to appropriate and expend \$200,000 for the purpose of funding additional appropriations in the School Department. This amount reflects an increase in the State Chapter 70 Education Funding. [09/12/11 @4:39 PM]

----- End of forwarded message -----

Attachments:

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----- End of forwarded message -----

MEMORANDUM

TO: Alderman Leonard Gentile, Chairman, Newton Finance Committee

CC: Board of Aldermen

FROM: John E. Twohig

DATE: September 30, 2011

SUBJECT: I-Cubed

Enclosed for review by the Finance Committee of the Newton Board of Aldermen are the following documents in connection with the Preliminary Economic Development Proposal (the "Proposal") for the Chestnut Hill Square Project (the "Project"):

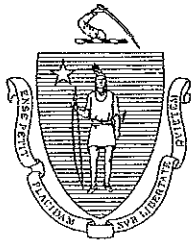
1. Preliminary Approval Letter issued by the Secretary of the Executive Office for Administration and Finance;
2. Summary of the provisions of the Infrastructure Development Assistant Agreement ("IDAA") to be entered into by the City, the Commonwealth and the Developer; and
3. Draft IDAA.

We are pleased to provide you with the enclosed Approval Letter, which declares that the application for funding to support the Project's proposed public infrastructure improvements (the "Public Infrastructure Project"), has been preliminarily approved for \$10 million and certifies the total value of the Public Infrastructure Project costs to be approximately \$14.6 million as detailed in the Independent Consultant Analysis and confirmed by the Massachusetts Development Finance Agency.

The Approval Letter establishes that at least \$10 million of Project Costs are eligible for final approval. However, it is important to note that the Department of Revenue also confirmed that the displacement values and other supporting economic data can justify a final approval of up to \$12 million. Accordingly, we anticipate that the final approved Economic Development Proposal will include \$10 - \$12 million of Project Costs. We are hopeful that the remaining Public Infrastructure Project costs will be paid for, in part, by \$2 million of funding requested in a Mass Works application submitted to the Commonwealth earlier this month.

We also look forward to working with the City to prepare the documentation required by the Approval letter and the IDAA in order to receive approval of the final Economic Development Proposal. As you will note, the documentation includes, but is not limited to, a jointly filed Economic Development Proposal, required certificates and reports, sufficient documentation of financial commitments to pay costs not funded by the Bonds, and certification of the establishment of a Municipal Liquidity Reserve. A draft IDAA has been provided to the City Solicitor's office and a copy is enclosed herewith for the Committee's review, together with a summary of the key provisions.

We look forward to reviewing these documents with the Finance Committee on October 11, 2011 and responding to any questions. Thank you.



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR
ADMINISTRATION AND FINANCE
STATE HOUSE • ROOM 378
BOSTON, MA 02133

DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

JAY GONZALEZ
SECRETARY

TEL: (617) 727-2040
FAX: (617) 727-2779
www.mass.gov/eoaf

September 12, 2011

Douglass E. Karp
Manager
NED Chestnut Hill LLC
One Wells Avenue
Newton, Massachusetts 02459

Dear Douglass E. Karp:

The purpose of this letter is to inform you that the Preliminary Economic Development Proposal (the "Proposal") for Chestnut Hill Square Project (the "Project") submitted by NED Chestnut Hill LLC. (the "Developer") for funding to support public infrastructure improvements (the "Public Infrastructure Project") under Sections 5 to 12A of Chapter 293 of the Acts of 2006, as amended by Chapter 129 of the Acts of 2008 ("the Act"), is hereby preliminarily approved for \$10 million.

The process and requirements for approval of an Economic Development Proposal are set forth in regulations adopted under the Act. This letter addresses the four requirements for preliminary approval set for the in 801 CMR 51.08. Unless otherwise defined, terms in this letter shall have the meanings assigned to them in the Act and in 801 CMR 51.02.

1. Requirements of 801 CMR 51.08(1)

Preliminary Approval requires that the Secretary of Administration and Finance (the "Secretary") determine that the Proposal is eligible for approval and that it is reasonably likely that the Proposal will satisfy the criteria identified in 801 CMR 51.03. Based solely and in reliance upon the Preliminary Economic Development Proposal, the Independent Consultant Analysis, the Preliminary Certificate of the Commissioner, and the Preliminary Certificate of the Agency, I find that the Proposal is eligible for approval, subject to the conditions identified below, and that it is reasonably likely that the contemplated Proposal will satisfy the criteria for approval identified in 801 CMR 51.03.



Pursuant to 801 CMR 51.03(4), the Proposal may not be approved if the Developer applies for any other state infrastructure assistance funded by the Commonwealth, unless the Secretary approves of any such application. I hereby waive the restriction on other funding outlined in 801 CMR 51.03(4) to the extent that it applies to the MassWorks Infrastructure Program.

2. Requirements of 801 CMR 51.08(2)

The Preliminary Approval Letter must also state the conditions that must be satisfied and confirmed prior to final approval of the Economic Development Proposal by the Secretary.

Prior to issuing final approval of the Secretary confirming that the Secretary has approved the funding for each phase of the Economic Development Proposal, pursuant to 801 CMR 51.13(2)(f), the following conditions must be satisfied separately for both the Initial Bonds and any Additional Bonds:

- (A) The Developer and the Municipality shall have jointly filed an application to the Secretary and the Agency for approval of the Economic Development Proposal and the application shall satisfy the requirements of 801 CMR 51.11 and 51.12;
- (B) The Secretary shall have received copies of or, where applicable, shall have issued, each of the certificates and reports required under 801 CMR 51.13;
- (C) The Developer shall provide sufficient documentation that the Developer has funding or financial commitments satisfactory to the Secretary sufficient to fund the Costs of the Economic Development Project, exclusive of any Costs of the Public Infrastructure Improvements to be financed by Bonds to be issued by the Agency. These commitments shall include the commitment of the Developer's construction lender or lenders, on terms and conditions acceptable to the Secretary, to advance loan proceeds on the Developer's behalf to pay for the costs of completing Public Infrastructure Improvements that are not being funded from proceeds of the Bonds, whether or not the construction lender's loan with the Developer is in default, or such other security or assurance as the Secretary has determined to be acceptable;
- (D) The Developer shall provide sufficient documentation of the Developer's plan (1) to secure the obligations of its selected contractor or contractors to complete each of the Project Components and the Public Infrastructure Improvements with payment, performance and lien bonds which, in the case of the Public Infrastructure Improvements being funded in whole or in part from the proceeds of the Bonds, provide for the Developer and the

Agency to be co-obligees under such bonds, and (2) to secure its own obligation to complete the portion of the Public Infrastructure Improvements not funded by Bonds under the Act, or to provide other security satisfactory to the Secretary. The Secretary's approval of the Economic Development Proposal will be made conditional upon such security having been obtained prior to the issuance of the related Bonds;

- (E) The Developer shall provide certification that the Municipality has established a Municipal Liquidity Reserve for the benefit of the Commonwealth for each Assessment Parcel within the Economic Development Project and has funded or has provided for the funding of such Reserve in an amount equal to twice the total maximum annual Debt Service due on the Bonds allocable to said Assessment Parcel; and
- (F) The Developer shall provide documentation that it has established Commitments, as defined in 801 CMR 51.02, sufficient to generate the New State Tax Revenue required to meet Debt Service associated with the eligible Project Costs identified in Section 1. above;
- (G) The Developer shall provide confirmation that no litigation or administrative proceeding is pending or, to the knowledge of the Developer, threatened which is likely to (1) prevent, delay or interfere in any material respect with the development of the Economic Development Project and the construction and completion of the Public Infrastructure Improvements as contemplated by the Economic Development Proposal, or (2) materially adversely affect the power and authority of the Developer to perform its obligations with respect to the Economic Development Project and the Public Infrastructure Improvements or (3) materially adversely affect the financial position of the Developer;
- (H) Developer shall provide confirmation that all environmental and other permitting required to carry out the Public Infrastructure Project has been obtained; and
- (I) The Developer shall provide confirmation that the Project has not received or will not receive additional forms of public assistance as identified in 801 CMR 51.03(4), other than those identified and expressly permitted in this letter, or a written request for waiver if the Developer intends to receive such public assistance

3. Requirements of 801 CMR 51.08(3)

This Preliminary Approval Letter incorporates by reference the related Independent Consultant Analysis; the Preliminary Certificate of the Commissioner, attached as Exhibit A, confirming the estimated state tax revenues, New Revenues and New State

Tax Revenues to be realized from the Economic Development Project; and the Preliminary Certificate of the Agency, attached as Exhibit B, confirming the estimated Project Costs for the Public Infrastructure Improvements that may be supported by New State Tax Revenues in accordance with 801 CMR 51.00.

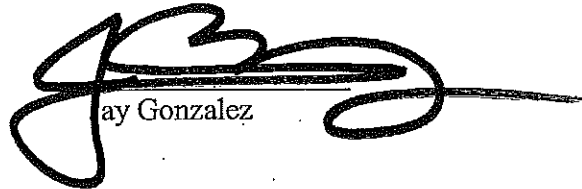
4. Requirements of 801 CMR 51.08(4)

Pursuant to 801 CMR 51.08(4), I hereby declare that \$10 million in Project Costs be eligible for final approval, based on the analysis contained in the Preliminary Certificate of the Agency.

This Preliminary Approval Letter of the Secretary is being provided to and may be relied upon by the Developer and the Municipality solely for the purpose of determining whether the Preliminary Economic Development Proposal meets the conditions for preliminary approval by the Secretary. This Preliminary Approval Letter of the Secretary may not be relied upon by any other party without the express prior written consent of the Secretary.

This Preliminary Approval of the Secretary may be updated one or more times prior to the approval of the Economic Development Proposal in accordance with the provisions of the Acts of 2006 and of 801 CMR 51.00 *et seq.*

Signed on this __12th__ day of _____ September _____, 2011.


Jay Gonzalez

MEMORANDUM

TO: Alderman Fuller

CC: Finance Committee

FROM: New England Development/NED Chestnut Hill Square LLC (the "Petitioner")

DATE: October 7, 2011

SUBJECT: Chestnut Hill Square (the "Project")

By email dated October 3rd, you asked the Petitioner to provide additional information for your review and consideration. Set forth below are the Petitioner's responses to each of your I-Cubed questions.

1. *The developer asked for \$15 million. The state has approved \$10 million. The developer thinks they will get \$11 - \$12 million ultimately. The developer is hopeful that they will receive an additional \$2 million from Mass Works. If the developer only receives either \$10 million or \$12 million, will they still move ahead with the project? Will they still do all the projects or will they try to reduce the scope of infrastructure improvements?*
 - **The Department of Revenue confirmed that the displacement values and other supporting economic data can justify a final approval of up to \$12 million. We anticipate that the final approved Economic Development Proposal will include \$10-\$12 million of Project Costs and are hopeful that the remaining Project costs will be paid for, in part, by \$2 million of funding requested in a Mass Works application submitted to the Commonwealth. We fully expect to undertake the full scope of the proposed infrastructure improvements without any material reduction.**
2. *When will the developer be releasing the names/commitments of tenants?*
 - **The tenant commitments will be outlined as part of the final approval of the Economic Development Proposal and expedited approval will allow us to complete final tenanting efforts. Many of the names remain confidential at this time to comply with confidentiality clauses contained in the leases.**
3. *Could the developer remind us one more time of the details of the Municipal Liquidity Reserve?*
 - **The Infrastructure Development Assistance Agreement (IDAA) requires that the developer fund a liquidity reserve that contains two times the anticipated debt service on the bonds. This liquidity reserve must be funded prior to**

bond issuance and is controlled by the City, available for use if the developer does not pay an infrastructure assessment (if one should ever be charged because there was insufficient state tax revenue to cover the debt service on the bonds).

4. *The developer has shared with us a combined figure for property taxes and insurance for years 1 - 5. Could they break out their projections for just property taxes to the City of Newton?*

- The following chart summarizes the annual tax revenue estimated for the Phase 1 portion of the Project (the portion of the Project submitted in support of the I-Cubed application). This chart was prepared by Connery & Associates in September of 2010 and submitted in connection with the Special Permit application for the Project. Accordingly, the values are provided for informational purposes only because updates may be required to reflect the final development program (these values were not required for or submitted in connection with the I-Cubed review process). The annual tax revenues estimated in the chart below do not include the substantial one-time building permit fees that will be generated by the Project.**

Proposed Use	Assessed Value /sf.	Assessed Value	Annual Taxes	1% CPA Surcharge	Total Annual Revenue
106,248 sf. Retail	\$300	\$31,874,400	\$635,257	\$6,353	\$641,610
60,700 sf. Medical Office	\$300	\$18,210,000	\$362,925	\$3,629	\$366,554
35,000 sf. Supermarket	\$185	\$ 6,475,000	\$129,047	\$1,290	\$130,337
29,640 sf. Health Club	\$275	\$ 8,151,000	\$162,449	\$1,624	\$164,073
Total		\$64,710,400	\$1,289,678	\$12,896	\$1,302,574