



**CITY OF SOMERVILLE, MASSACHUSETTS
SOMERVILLE REDEVELOPMENT AUTHORITY**

**JOSEPH A. CURTATONE
MAYOR**

*NANCY A. BUSNACH
CHAIR*

MINUTES

Special Meeting

Somerville Redevelopment Authority
Thursday, March 1, 2018 at 5:30 p.m.
3rd Floor Conference Room, City Hall
93 Highland Avenue, Somerville, MA

Present from the Somerville Redevelopment Authority (SRA): Nancy Busnach (Chair), Iwona Bonney (Secretary), William Gage, and Phil Ercolini. Also present were Eileen McGettigan as Special Counsel, Thomas Galligani as Director of Economic Development, and Sunayana Thomas as Senior Economic Development Planner.

The meeting was called to order at 5:30PM by Nancy Busnach, Chair. Open session commenced. A quorum was present.

Documents and Other Exhibits Used at the Meeting

- i. Notice of Meeting and Meeting Agenda
- ii. Draft Minutes from the November 14, 2017 Meeting
- iii. Status of Union Square Revitalization Project – Q1 2018
- iv. D2 Block Project Schedule
- v. USAA Real Estate Brochure
- vi. Estoppel Certificate and Acknowledgement

Discussion and Actions Taken

1. Approval of Minutes:

Vote: Approve the December 14, 2018 Regular Meeting minutes.

- Motion to approve minutes made by Iwona Bonney, seconded by William Gage.
- Mr. Ercolini pointed out a typo in the minutes, selection of date of next meeting should be 2018 not 2017.
- Motion to approve minutes as revised made by William Gage, seconded by Iwona Bonney.
- Unanimously approved

2. Assembly Square Update

Sunayana Thomas and Thomas Galligani gave updates on Assembly Square.

- Ms. Thomas began with the Assembly Row Job Fair. It is finalized for April 25th but the details are yet to be determined.
- Big Apple Circus, April 7-May 6, is being heard by the City Licenses and Permits Committee next week.
- New & Upcoming tenants:
 - Block 11
 - Zo Greek – Open
 - Fitness Hub Activewear Boutique – Open
 - Arrow Express convenience store – week of March 4th
 - Barbershop of Assembly – Open
 - Lucky Strike – July 2018
 - Cycle Bar – July 2018
 - Block 6
 - American Fresh Brewhouse – Open
 - Midici – Open
 - Bath and Body Works – March 9
 - Block 5A
 - Polo Ralph Lauren – May 2018
 - Linear Park
 - Smokeshop – Quarter 2 of 2018
 - Marketplace
 - Burlington – March 9 in previous Sports Authority
 - Block 4
 - Carmen Trattoria to possibly move into the vacant Kenneth Cole space.
- Mr. Galligani highlighted that in January 2018, Amazon announced 20 Metro Area Finalists for Amazon HQ2. Somerville was chosen along with the City of Boston to create a Boston Metro Region Proposal. City of Somerville proposed two opportunities: Amazon on the Green Line and Amazon on the Orange Line. Amazon on the Green Line is from North Station in Boston through Cambridge Crossing (new name for North Point) and into Union Square and Boynton Yards. Amazon on the Orange Line is from North Station to Cambridge Crossing to Assembly Square and beyond. As a community and region, the City has been working collaboratively with the City of Boston, City of Revere and the State of Massachusetts to prepare for the next round.
- Mr. Galligani provided an update for 845 Middlesex Avenue. Ed Doherty, a Greater Boston developer, has acquired the property and submitted an application in January to the Planning Board for approval for a 180 room hotel and 215 residential units. Twenty percent of those units will be affordable housing per the inclusionary zoning requirement. Planning Board will have a second meeting to discuss this project.

- Mr. Gage inquired about air quality concerns related to residential development in that location.
- Mr. Galligani mentioned that the Mystic View Task Force had raised this concern with the Planning Board and have been communicating with the developers to address it. The developer has hired experts that have a system for heating ventilation and air conditioning so that they are able to put a building next to the highway and not have any impacts from the exhaust. There will be no open windows in either building to ensure the air is clean and circulated within. This approach will be reviewed and discussed at the next Planning Board meeting.
- Mr. Ercolini requested whether it was possible to request the developers of the Cross Street project who are building 70 condos could be required to do the same.
- Mr. Galligani stated that although they have been slow to start construction, their project has already received approvals and building permits. He will confirm with planning staff and provide an update at the next meeting.
- Mr. Ercolini raised a need for access improvements to the Kensington underpass.
- Mr. Galligani mentioned that Federal Realty has added stop lights for the safety of pedestrians and easier access.

3. Union Square Update:

US2 President Greg Karczewski and legal counsel Eileen McGettigan provided updates on Union Square.

- Mr. Karczewski presented a packet to the SRA which included their quarterly report, project schedule and information about USAA. He highlighted that there was a Notice to Proceed issued for the Green Line Extension project and the contract came in under budget. It also includes all six alternates which included construction of the community path. The federal government funded the first billion dollars of the project. GLX contractors are working on mobilization and schedule. US2 plans to meet to align schedules and site logistics for the D2 block.
- US2's Coordinated Development Special Permit ("CDSP") was approved in December by the Planning Board. The CDSP is considered to be the first step of the zoning process and US2 is preparing to submit an application for Design Site Plan Review of individual vertical building projects. Currently they are focused on two processes; the Design Site Plan Review ("DSPR") application and MEPA. The DSPR will be submitted through the Planning Board, which includes 175,000 square feet of commercial space on the D2 Block. They anticipate starting the MEPA process in quarter two of this year and will provide copies of applications to SRA.
- Mr. Karczewski provided an update on District Improvement Financing ("DIF"), an infrastructure financing tool used to fund the significant infrastructure improvements in and around Union Square. The Union Square DIF was approved by the Board of Aldermen in December 2017. The Board also approved a \$63M bond for Phase 1, Somerville Ave corridor and subsurface streetscape infrastructure projects. Having that in place is important to deliver the D2 development project.

- Mr. Karczewski provided the members with a project schedule that anticipates project delivery when the T is constructed.
- Mr. Karczewski introduced USAA Real Estate and their interest in the project as an equity and debt partner to implement vertical projects which are capital intensive. USAA is one of the largest and well recognized companies in the U.S. Founded in 1922, USAA serves military families for financial services. They have over \$240 billion assets in management. Their financial stability is strong with one of the highest credit ratings available from the credit rating agency. US2 will be working closely with their real estate group as a way to identify real estate opportunities as investment opportunities for their members. Over the last 10 years they have invested \$7.5 billion of equity in over 30 various real estate markets. They bring financial strength and product type diversity. He stressed that it is important for the investor to know that they are in good standing with the SRA. US2 has requested an estoppel certificate to give USAA the assurance that the MLDA is in full effect.
- Ms. Busnach in full disclosure mentioned that her husband is a member of USAA insurance and is familiar with the USAA finance and real estate group.
- Ms. McGettigan advised that two votes will be needed: to approve USAA Real Estate company as a non-controlling investor and joint venture partner and to authorize the Chair or the Secretary to execute the estoppel certificate. A copy of the estoppel certificate had been provided to the members. She verified that there were no defaults under the MLDA and confirmed that Bedrock is no longer an investor.

Vote: Approve USAA as non-controlling investor and joint venture partner.

- Motion made by Phil Ercolini. William Gage seconded the motion. Motion passed, 4-0.

Vote: Authorize Nancy or Iwona to execute the Estoppel Certificate.

- Motion made by Phil Ercolini. William Gage seconded the motion. Motion passed, 4-0.
- Ms. McGettigan provided an update on the status of legal proceedings. She had previously sent an email to the members of the SRA stating that the Pishev case has been dismissed on all counts; however, since then, it has been appealed.
- Negotiations are ongoing with Mr. Fahey for an escrow agreement where the relocation money will be held until Mr. Fahey leaves the premises. Mr. Fahey purchased a house on November 2nd, 2017. On January 3rd a decent, safe, and sanitary inspection was performed on the replacement residence and it passed. The Department of Housing and Community Development (“DHCD”) has also approved Mr. Fahey’s relocation payment.

4. Distribution of Draft Annual Report for Discussion at Next Meeting

- Mr. Galligani thanked Emily Hedeman for her leadership in completing this report as part of an annual requirement of DHCD. Rather than a one page report, Mr. Galligani's staff created a document so that the reader is able to find out more about the SRA in a document that is accessible, attractive, and highlights the efforts of the SRA over 60 years. The report will be available on the City website.

5. Open Meeting Law Decision

- Ms. McGettigan updated the members on an Open Meeting Law complaint regarding the April 27th, 2017 SRA meeting that had been filed with the Attorney General's Office. The complaint made several allegations including: not listing in the minutes the documents that were used at the meeting; inaccuracy of minutes; lack of a roll call vote to go into executive session; and that the meeting was not audible. The Assistant Attorney General issued a decision that the only instance in which the SRA violated the open meeting law was in not specifying the matters of discussion in executive session. However, it was duly noted and commended that the SRA corrected this at the next meeting by announcing what the matters were that had been discussed in executive session. Henceforward, the SRA must comply with the open meeting law in regards to this item but in all other respects, the SRA was in compliance of the open meeting law. In addition, the SRA's minutes taker was commended as having produced the best minutes ever read by the Assistant Attorney General handling the case, as they were practically verbatim.

No further action is required for this complaint.

- Ms. Busnach commended Ms. McGettigan for guiding the SRA through this process and continuing to inform the SRA on open meeting law requirements.

6. Other Business Not Reasonably Anticipated by the Chair

- None

7. Selection of Date for Next Meeting:

- March 15 meeting is cancelled.
- Next regular meeting will be April 26, 2018.
- The following meeting will be May 31, 2018.

8. Adjournment

Vote: Adjourn the March 1st meeting.

- Motion to Adjourn made by Phil Ercolini. Iwona Bonney seconded the motion. All in favor. Meeting adjourned at 6:12pm.