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October 7, 2009

REPORT OF THE COMMITTEE ON FINANCE

The Committee on Finance convened on October 7, 2009, with Chairman Maryann Heuston presiding and Committee Members Aldermen Bruce Desmond and John Connolly also present and voting. Also present were Administrative Assistant Matt Dias, John Gannon, Anne Thomas and Frank Wright from the Law Department, SPCD Director Monica Lamboy, Stevn Azar from SPCD, Chief Financial Officer Ed Bean, David Webster and Don Briggs from Federal Realty Investment Trust (FRIT), Brian Lerman and R. J. Lyman from Goodwin Procter and interested members of the public.

(The meeting was called to order and immediately recessed until the conclusion of a simultaneous committee meeting, at which time the meeting reconvened.)

188178 - Easements for construction in the Assembly Sq. area:

Ms. Thomas addressed the members and asked that the committee grant approval of both temporary and permanent easements in the Assembly Square area. The properties in question are residual parcels from the city's land taking during the 1980's for the development of Assembly Square. Ms. Thomas expects that all effected parties will be in agreement by the Oct 22nd meeting of the Board of Aldermen. The following condition was placed on the item:

That the temporary easements described in items (g) through (i) of Paragraph 3 of the Staff Report are accepted subject to the language of the easement agreements being satisfactory to the Law Department of the City of Somerville; for items (j) through (m), the Board of Aldermen accepts the easement grants; and for item (n), the Board of Aldermen agrees to subject the city owned parcels E-5 and E-6 to a permanent highway easement.

188207 - Letter of Agreement with FRIT and IKEA for a rescission of easements granted to the City:

Mr. Lyman explained that the reason for the agreement was to protect the parties from harm by allowing them to revert to a previous level of ownership of certain parcels in the event that specific expectations are not met. FRIT and IKEA are seeking protection from the city's granting of easements to the state for roadways, etc., causing them to be encumbered from moving their projects forward. Ms. Thomas told the members that the provision, as drafted, is acceptable and that she has no reservations with it. Ms. Thomas went on to explain that the rights of rescission would go away if the city get I-Cubed funding and/or when the land swap takes place early next week, so essentially, this agreement is for about 2 business days.

188180 - \$60,000 payment from Spectra Energy to the Algonquin Gas Loop Project Stabilization Fund:

Mr. Wright explained that the work was supposed to have been completed by August 27th, but since it wasn't, the city negotiated a penalty payment in the amount of \$60,000 from Spectra Energy.

188182 - \$95,000 grant from Mass Development for assessment activities at the former Kiley Barrel site:

Mr. Azar told the members that SPCD explored options for obtaining funds to complete the assessment of the site and was successful in securing a \$95,000 grant from Mass Development. Mr. Azar said that the assessment could probably be completed for about \$50,000.

The committee discussed matters before it and took action on the following 6 items:

188178: Communication from Mayor - Requesting approval of the temporary and permanent easements described in the attached Law Dept. memo, for construction in the Assembly Sq. area by Federal Realty Investment Trust and Vanasse Hangen Brustlin.

RECOMMENDATION: Should be approved (*That the temporary easements described in items G through I of paragraph 3 of the staff report are accepted subject to the language of the easement agreement being satisfactory to the Law Department of the City of Somerville. For items J through M, the Board of Aldermen accepts the easement grants. For item N, the Board of Aldermen subjects the city owned parcels E5 and E6 to a permanent highway easement*)

VOTE: Unanimous, 3 - 0 in favor

188180: Communication from Mayor - Requesting the appropriation of a \$60,000 payment from Spectra Energy to the Algonquin Gas Loop Project Stabilization Fund.

RECOMMENDATION: Should be approved

VOTE: Unanimous, 3 - 0 in favor

188181: Communication from Mayor - Requesting the transfer of \$21,211 from the Salary Contingency Acct. to the School Custodian Salary Acct. to pay earned vacation, sick and longevity time for former employee, the late John Clancy.

RECOMMENDATION: Should be approved

VOTE: Unanimous, 3 - 0 in favor

188182: Communication from Mayor - Requesting the acceptance of a \$95,000 grant from MassDevelopment to complete assessment activities at the former Kiley Barrel site.

RECOMMENDATION: Should be approved

VOTE: Unanimous, 3 - 0 in favor

188186: Communication from Mayor - Requesting approval to declare the attached list of Communications Dept. cell phone equipment surplus.

RECOMMENDATION: Should be approved

VOTE: Unanimous, 3 - 0 in favor

188207: Communication from Mayor - Requesting approval of a Letter of Agreement with Federal Realty Investment Trust and Ikea Property Inc., providing for a rescission of the easements granted to the City in connection with the construction of Assembly Sq. Drive and Ikea Way.

RECOMMENDATION: Should be approved

VOTE: Unanimous, 3 - 0 in favor

Alderman Maryann Heuston, Chairman
Committee on Finance