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OUTLINE FOR QUINCY COUNCIL

**KEY PROVISIONS REGARDING PROPOSED
LAND DISPOSITION AGREEMENT**

OCTOBER 25, 2010

A. Project Benefits

1. Leverage to get Federal and State Funding for three Core Public Improvements (4.04).
2. Implementing Public Improvements – City pays at back end only after strict pre-conditions have been met (4.06).
3. Concourse debt (\$30 million) paid at first closing (1.03).
4. Community Benefits Account of \$10 million paid at first closing (15.18(d)).
5. Housing linkage of \$10,000/unit (15.18(c)).
6. Use of 80% union labor; established standards for contractors (15.18(a)).
7. Local preference in construction and permanent hiring; supplies, services and materials from local businesses; job fairs (15.18 (a) and (b)).
8. Redeveloper pays for City consultants (4.05(b)).
9. Redeveloper pays for all private land required for Step (no eminent domain) (6.01(a)).
10. Redeveloper pays for remaining private land to relocate Town Brook (no eminent domain) (4.04).
11. Redeveloper designs, permits and documents the Public Improvements (4.01).
12. Redeveloper pays an annual maintenance fee to be used by City to repair and to maintain entire DIF district (4.03).
13. Redeveloper agrees to minimum increase in real estate taxes (4.03).
14. Redeveloper pays existing real estate taxes, personal property taxes and public parking revenues during construction, regardless of actual amounts, thus relieving any pressure on the General Fund (4.03).

B. Mitigation of Project Risks



1. Quality of Construction of Public Improvements – Design standards; role of City consultants in reviewing plans and specifications; commercial reasonableness of the bidding process (4.05).
2. Commercial Reasonableness of the Purchase Price for the Implementing Public Improvements – Bond cap per Step; Redeveloper pays for overruns; City pays lesser of bond cap or actual costs; limitations on what costs the Redeveloper can include in the Reimbursement Budget; oversight by City consultants – bond advisors; construction consultant (4.05; 4.06).
3. Additional Protections Before the City Approves Each Financial Submission – Requirements of the “Pre-requisites” (4.06).
4. Additional Protections Before the City Conveys any City Parcel – Extensive pre-conditions to Closing (6.01; 6.02).
5. Construction Risk – Performance bonds; evidence of guarantees provided by Redeveloper to the construction lender; Redeveloper 20% equity; construction financing in place (6.01); penalties, termination rights, reversion of title if construction is not timely commenced, suspended or completed (14.0 and Exhibit D regarding key dates).
6. Permit Risk; Redeveloper Not Performing – Benchmark Schedule with milestone dates to be achieved between LDA execution and Closing (3.01; 3.02; Exhibit G). City termination rights if Federal and State Funding not secured by 1/1/2014 (4.04). Outside Closing Date of 1/1/2015 (4.04). Post-Closing – see Key Dates exhibit (Exhibit D) – target completion dates; outside completion dates regardless of force majeure. City termination rights.
7. Financial Risk (i.e., the project revenues do not support the City’s bonds). 121A Payments must be flowing for six (6) months before the City is obligated to purchase (4.06). Occupancy requirements (Exhibit F). 121A Agreements are binding on third parties. Use of conservative parking revenue assumptions (4.06). For future Steps, City’s advisors can take account of assumptions and actual performance of a prior Step (4.06).

[NOTE: This outline does not address minimum tax payments to the City; computation of the 121A Payments; the City’s election of ad valorem real estate taxes after 15 years. Those topics are addressed in Section 4.03 and will be the subject of a separate sub-committee hearing with Sarah Woodworth from ZHA-Inc.]