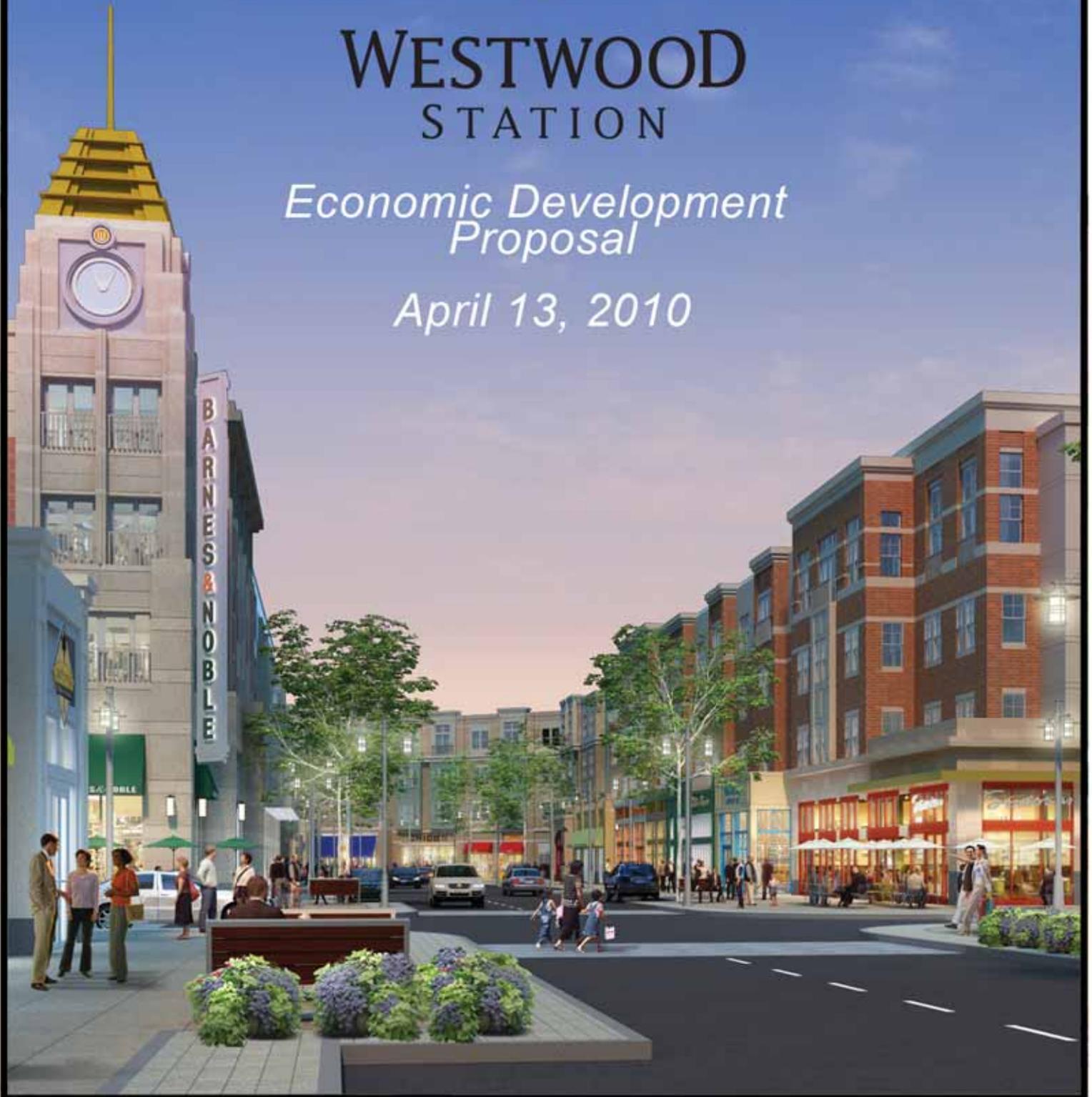




# WESTWOOD STATION

*Economic Development  
Proposal*

*April 13, 2010*





## Executive Summary

Westwood Station, located at the intersection of I-95 and I-93 and adjacent to the Route 128 multi-modal transit station, will transform an underutilized industrial park into a vibrant, mixed-use neighborhood currently estimated to comprise 4.2 million square feet. It will advance the Commonwealth's policies favoring smart growth and transit-oriented development. The portion of the Project to be constructed "Phase 1" will generate significant new state tax revenue and new transit-accessible permanent jobs, including construction jobs across a wide variety of trades. Approximately 450,000 s.f. of retail development is included in Phase 1, which will serve as a catalyst for future phases of development. These future phases are currently anticipated to include housing, and a modern, transit-accessible office employment center. Once fully developed, Westwood Station is expected to include up to 1,000 residences, 1.35 million square feet of retail, approximately 1.5 million s.f. of Class A office space, and two hotels. The design of the Project and the integrated mix of uses will create a vibrant atmosphere, unique to the region.

The Westwood Station development team consists of experienced firms, each with a successful track record. The development team includes Cabot, Cabot & Forbes; New England Development; and Commonfund Realty, Inc. The project will be carried out by development entities which are collectively described as "The Developer" throughout this proposal. The Phase 1 retail component of the Project is 87% committed through leases or negotiated letters of intent and the key anchors (Wegmans and Target) remain committed to the project. Construction of Phase 1 buildings is scheduled to commence in the fall, with occupancy expected in March of 2012. The Developer has already invested more than \$225 million in the Project.

<b><i>Construction Job Creation</i></b>			
	<b>Phase 1</b>	<b>Future Phases</b>	<b>Total</b>
<b>Construction</b>	1,182	7,041	8,223

<b><i>Permanent Job Creation</i></b>			
	<b>Phase 1</b>	<b>Future Phases</b>	<b>Total</b>
<b>Retail</b>	1,555	933	2,488
<b>Office</b>		5,492	5,492
<b>Hotel</b>		106	106
<b>TOTAL</b>	1,555	6,531	8,086

1 - Future Phase job creation based on original Preliminary Economic Development Report.



## WESTWOOD STATION EXEMPLIFIES THE COMMONWEALTH'S SUSTAINABLE DEVELOPMENT PRINCIPLES

Through an extensive public process that included years of planning, and state and local permitting, the Developer has committed to major investments in infrastructure and other improvements in order to implement a transit-oriented, smart-growth development plan. Westwood Station will be a model for suburban development in the Commonwealth, satisfying and promoting each of the Commonwealth's Sustainable Development Principles. The Project's masterplan reduces automobile dependency by locating housing, office buildings and retail space adjacent to one another and within a short walk of MBTA and Amtrak rail service. The project will result in extensive transportation improvements, including reconstructing the local roadway network to facilitate transit use and create a pedestrian-oriented environment. Transit use at Westwood Station is expected to reduce greenhouse gas emissions by several thousand tons annually.

A state-of-the-art stormwater treatment system that incorporates Low-Impact Development (LID) techniques will recharge groundwater into the Neponset River aquifer. A network of underground cisterns will capture non-potable stormwater that will be reused for irrigation. In order to conserve land and to reduce stormwater runoff. An extensive network of interlinked landscaped spaces will be provided. These new landscaped areas will be connected to local trail networks in the Neponset River watershed. Existing state owned recreational amenities near the Project, such as canoe launches and trails, will ultimately be improved. The Project will feature a solar energy installation, a stringent water conservation program and many other green building commitments.

Westwood Station will participate in multiple US Green Building Council LEED certification programs. Most importantly, the entire Project has been accepted into a new pilot program, LEED for Neighborhood Development (LEED-ND). The Project concept is aligned with the objectives of LEED-ND, which are to "encourage developers and community leaders to revitalize existing urban areas, reduce land consumption, reduce automobile dependence, promote pedestrian activity, improve air quality, decrease polluted stormwater run-off and build more livable, sustainable, enduring communities." Future certification under LEED-ND is expected.

Many of the sustainability features of the Project, such as those relating to stormwater management, LEED certification and recreational amenities, may partially apply to Phase 1, but primarily to subsequent planned phases and to the project as a whole. The creation of Phase 1 will be a catalyst for the subsequent phases of the Project, which will in turn provide the full range of sustainability benefits that will make the Project a leading example of smart-growth development in the region.



## **A SUBSTANTIAL INVESTMENT IN PUBLIC INFRASTRUCTURE WILL PROVIDE BROADLY DISTRIBUTED REGIONAL BENEFITS**

### **The Infrastructure Improvements**

The existing regional infrastructure is outdated and incapable of accommodating economic development in an environmentally responsive manner. There are longstanding deficiencies in the regional highway system, which inhibit regional mobility, hinder access to the multi-modal Route 128 MBTA/Amtrak facility, and cause “cut-through” traffic problems in local neighborhoods. These deficiencies were originally proposed to be corrected by the Commonwealth through improvements identified in the University Avenue/I-95/I-93 Traffic Study (described in more detail below), and in the FEIR for the Route 128 MBTA/Amtrak Intermodal Facility. The improvements identified in the study were endorsed by the surrounding towns. These improvements included: 1) a highway off-ramp from I-95 northbound to Dedham Street and related roadwork, and 2) reconfiguration of the existing Route 128 highway ramp leading to the Project site, which does not meet current design standards. These improvements were never constructed due to lack of funds.

The existing roadway infrastructure within the University Avenue area was built in the 1960s and 1970s and was intended to support a conventional suburban industrial park. This roadway network is inconsistent with a transit and pedestrian oriented masterplan. The main arterial roadway bisects the Project site creating a barrier to pedestrian access between much of the Project site and the train station. The electrical, stormwater and sewer infrastructure is 30 to 40 years old, has many functional deficiencies, and limited capacity to accommodate growth. The stormwater infrastructure, constructed at a time when less attention was paid to environmental impacts, allows large volumes of surface runoff to flow into the Neponset River with a minimum of pollution controls.

Successful realization of the Project requires significant reconstruction and upgrading of existing infrastructure. Major elements of the new infrastructure improvements are as follows:

- Two new interstate highway ramps and associated regional transportation improvements.
- A new regional connector road (Westwood Station Boulevard).
- A new network of internal Project roadways.
- Relocations and upgrades to the regional utility infrastructure (water, sewer, stormwater, and electrical systems).

### **Cost of the Infrastructure, State Infrastructure Commitments & the I-Cubed Funding Request**

In order to address the infrastructure deficiencies described above and to spur regional economic development, the Commonwealth has proposed an integrated regional infrastructure funding plan. This funding plan for \$55 million in roadway costs was outlined in a January 19, 2010 letter from the Commonwealth (Appendix G). The funding plan draws from a variety of funding sources, including a \$6 million Phase 1 I-Cubed grant.

Westwood Station cannot proceed without this infrastructure funding, which includes an I-Cubed infrastructure financing component. This financing assistance is necessary to improve projected returns to levels that lenders and investors will accept and to fill potential gaps in funding.



The portion of Westwood Station located in the “Town Center” will be developed as part of a future phase. In order to be developed, the Town Center will require a substantial future investment in infrastructure in the form of roads, utilities and public open space. In the past, this amount was estimated at approximately \$5 million.

While I-Cubed financing assistance would likely advance the feasibility of future phases, it would be premature, at this point, to seek approval of future phase I-Cubed assistance - the planning, leasing and permitting of future phases are not sufficiently advanced to allow for an independent peer review process, or municipal (Town Meeting) approval. The Developer therefore requests preliminary state acknowledgement that the Commonwealth will provide a future phase I-Cubed award, subject to satisfactory review of a Future Phase Supplemental Economic Development Proposal (i.e. review of public infrastructure costs, project feasibility and new state tax revenue projections) by the state and the municipality. The Developer is not seeking municipal approval of a future phase I-Cubed award at this time. The future phase infrastructure and revenues described in this proposal are provided for informational purposes only and are intended to demonstrate that future phases of the project will generate revenues that would be more than sufficient to cover the potential debt service from future phase I-Cubed bonds.

#### Westwood Station—Regional Infrastructure Investment Program (refer to Appendix G)

<i><b>Use of Funds Required for Phase 1</b></i>	<i><b>Total</b></i>	<i><b>Source of Funds</b></i>		
		<i><b>Transportation Improvement Plan Funds</b></i>	<i><b>Phase 1 I-Cubed</b></i>	<i><b>Other Commonwealth Funds<sup>5</sup></b></i>
Canton Street/University Avenue Intersection	1,334,000	0		1,334,000
Westwood Station Blvd./Canton St. Intersection <sup>3</sup>	17,657,000	0	6,000,000	11,657,000
Subtotal — W/S Blvd. and Canton St. intersection with University Ave.	<b>18,991,000</b>	<b>0</b>	<b>6,000,000</b>	<b>12,991,000</b>
Route 128/I-93 off-ramp at Blue Hill Dr.	<b>6,000,000</b>	<b>6,000,000</b>	<b>0</b>	<b>0</b>
Dedham Street Corridor	<b>30,000,000</b>	<b>30,000,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL USES INCURRED IN PHASE 1</b>	<b>54,991,000</b>	<b>36,000,000</b>	<b>6,000,000</b>	<b>12,991,000</b>

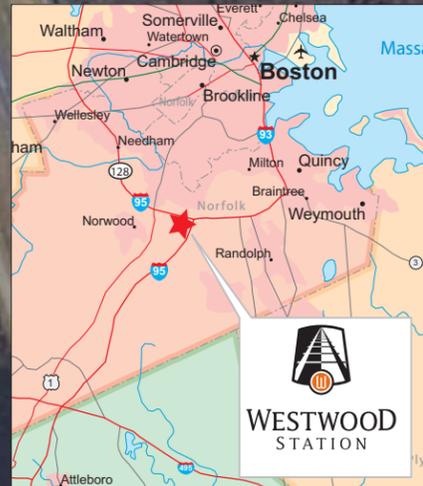
1 - Reflects regional infrastructure investments—does not include other project infrastructure provided by the Developer (Sec. 7.7).

2 - All numbers are preliminary estimates.

3 - Costs include all utilities.

4 - Dedham Street Corridor costs based on MassDOT consultant estimate.

5 - Consists of other funds available to the Executive Office of Housing and Economic Development.



## Infrastructure Components

-  ***Phase 1 On-Site Regional Infrastructure (Funded by I-Cubed, EOHEd funds. Refer to Sec 4.4)***  
Westwood Station Boulevard, including Intersection of Westwood Station Boulevard and Canton Street  
Canton Street / University Ave Intersection
-  ***Future Phase Public Infrastructure (Funded by I-Cubed in the future, Refer to Sec. 4.7)***
-  ***Regional Highway Infrastructure (Funded/constructed by MassDOT, Refer to Sec. 4.5)***  
Rt 128 Southbound Off-Ramp at Blue Hill Drive  
4-Lane Dedham Street Corridor  
5-Lane Dedham Street Bridge Over I-95  
I-95 Northbound Off-Ramp at Dedham Street



## **The Infrastructure was Previously Proposed by the Commonwealth and Provides Important Regional Benefits**

As further described in the body of the proposal, and summarized below, many of the infrastructure improvements planned for Westwood Station were originally proposed by the Commonwealth and local municipalities. This infrastructure has been contemplated and desired for many years, but was not constructed due to lack of available funds. These long-planned infrastructure improvements - now contemplated to be constructed in parallel with Westwood Station - provide broadly distributed regional benefits.

***Regional Transportation Infrastructure (New interstate highway ramps and associated infrastructure):*** In 1996, in response to requests from regional planning organizations and the communities of Canton, Dedham, Norwood and Westwood, MassDOT began work on a University Avenue/I-95/I-93 Regional Traffic Study. A task force made up of the three towns and other stakeholders participated in the study and endorsed its recommendations. These recommendations included construction of the highway ramps (Blue Hill Drive at Route 128 and Dedham Street at I-95) and associated infrastructure along the Dedham/Canton Street corridor in Canton and Westwood. These improvements were never built, mainly due to lack of funding. Refer to Sec. 4.10 for more detail on the history of the traffic study, including public review, and stakeholder involvement. Materials from the original study are included in Appendix I.

These improvements were originally proposed by the MassDOT Department and the MBTA to address long standing deficiencies in the existing infrastructure. The goals were to improve regional mobility, improve access to existing properties and commercially zoned land, and provide better access to the intermodal MBTA/Amtrak station. Reconstructing the Dedham/Canton Street corridor will provide direct access to the MBTA/Amtrak station from points south along I-95, eliminating existing "cut-through" traffic that originates from an existing I-95 exit ramp approximately half of a mile south of Dedham St. (at Neponset St.) and reaches the train station by crossing through the town of Canton. The Dedham Street corridor reconfiguration will also eliminate a problematic existing condition resulting from a restriction against vehicles approaching from the east (Canton) turning left onto I-95 Southbound. Reconstructing the Blue Hill Drive ramp will provide greater queue storage and a deceleration lane. The new Blue Hill Drive ramp will be constructed to current design standards, alleviating safety concerns related to the existing ramp geometry.

The scope of work in the Dedham/Canton Street corridor will include corrections to various other problematic existing conditions, benefitting existing businesses in the region and their respective municipalities. The Shawmut Industrial Park (approximately 1 million s.f.), which is currently accessible through a poorly configured, unsignalized intersection at Shawmut Road and Dedham Street, will benefit from an upgraded entrance. The intersection adjacent to the Cumberland Farms property on Dedham Street in Canton will be reconstructed and a new traffic signal will be installed. The intersection of University Road and Dedham Street in Canton will also be reconfigured into a signalized intersection.

In addition to providing the local benefits described above, the new interstate highway ramps constitute critical elements of Mass Highways' longstanding proposal to rebuild the I-93/I-95 interchange.

Westwood Station Boulevard is an important connector road between the Dedham/Canton Street corridor and Route 128/I-95.



***On-Site Infrastructure (Reconstruction of the local roadway and utility infrastructure):*** As previously described, the existing roadway and utility infrastructure is deficient. The new local roadway and infrastructure work addresses many needs that have been identified by the Town of Westwood, through extensive planning efforts. In 2005, Town Meeting voted to adopt a Mixed-Use Overlay District zoning in the Project area that provided for smart growth development (e.g. clustering residential uses near transit) and included incentives for developers to invest in the desired infrastructure. The Town of Westwood also formed the University Avenue Steering Committee consisting of local officials, professional planners, and town residents. The Steering Committee produced a report containing recommendations that led to the Developer's proposals to: a) reconfigure the roadways to provide for transit and pedestrian-oriented development, and b) design infrastructure upgrades that would protect the environment and provide capacity for growth.

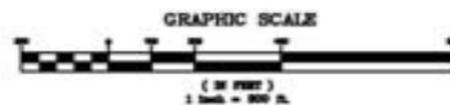
The Developer has designed the on-site roadway and utility infrastructure for Westwood Station in a manner responsive to state policies. This infrastructure is critical to executing a transit-oriented masterplan consistent with the Commonwealth's Sustainable Development Principles. Roadway networks will be reconfigured to improve access to transit, and to encourage bicycle and pedestrian activity. The Westwood Station stormwater infrastructure advances the Commonwealth's stormwater policies through the use of best management practices that meet - and for several criteria exceed - the Massachusetts Department of Environmental Protection (MADEP) Stormwater Management Standards. The reconfigured stormwater infrastructure will incorporate Low Impact Development (LID) techniques. The new stormwater system will also capture, treat, and recharge water into the Neponset River aquifer, dramatically improving the health of the river.

A significant base of existing businesses in the University Avenue area will benefit from the new roadway and utility infrastructure. Their employees, which number in the thousands, will have access to a new network of roads, bicycle paths, sidewalks, and improved state recreational facilities (trails, canoe launches, etc.). Most importantly, workers will benefit from more convenient pedestrian access to the MBTA/Amtrak train station. The new roadway and utility infrastructure will make it easier and more affordable for existing businesses within the University Avenue area to expand their facilities. Additionally, the electrical capacity in the University Avenue area, which is unreliable and cannot accommodate significant new growth, will be upgraded and the telecommunications infrastructure will be modernized.

### **The Infrastructure will Provide for Additional Commercial Development in the Adjacent Municipalities**

There are many vacant or underutilized commercial parcels located in three areas just outside the Project's boundaries: 1) the University Avenue region in Norwood, 2) the Shawmut Industrial Park in Canton, and 3) the Cumberland Farms parcel on Dedham Street in Canton. These parcels are well located, given their proximity to Route 128, Route 1, I-95, and the Amtrak/MBTA Station and offer significant development or redevelopment potential, once the necessary infrastructure is provided. Westwood Station will catalyze commercial development of these areas for the following reasons:

- The new infrastructure along the Dedham/Canton Street corridor will significantly improve highway access to these potential development sites (as previously described), increasing land value and economic development potential.





- Westwood Station will provide an amenity base of retail stores and restaurants, as well as parks and public gathering places, which will draw employers to the region. These amenities are currently non-existent in the area.
- Upgraded utility infrastructure (stormwater, water, telecommunications, electrical) will facilitate new development and expansion of existing buildings.
- The new regional roadway network will provide improved access between the train station and existing businesses or potential commercial development sites.

Tenants are already anticipating the benefits described above. Cabot, Cabot & Forbes and Commonfund own commercially zoned land along University Avenue in Norwood that is representative of other potential development sites in the region, and have recently entered into negotiations with several tenants who were drawn to the Norwood site for the reasons described above. While Westwood Station is an ideal choice for certain types of tenants, other tenants, such as small or mid-size firms, are drawn to the Norwood site because it is a lower cost alternative that offers some of the same amenities as Westwood Station. Based on discussions with these types of tenants, and other market activity in the area, we expect new regional development outside the Project's boundaries to consist of higher density (multi-level) office, research and development, and laboratory space, for firms specializing in technology, financial or professional services, or life-sciences.

The following graphic shows the parcels with development/redevelopment potential in the vicinity of Westwood Station. Lots classified as having development potential have four characteristics: they are currently vacant or underutilized (in terms of density and type of existing uses), are unencumbered by wetlands or other environmental issues, and are zoned for commercial uses. The methods used to identify these parcels are described in more detail in Section 4. The actual amount of development and/or redevelopment will be determined by particular market conditions and the circumstances surrounding each property (ownership interest in selling or redeveloping, site conditions, environmental issues, etc.). If even a small portion of the identified parcels are redeveloped, thousands of additional new jobs will be created and the state and local governments will realize substantial new revenues.

## **WESTWOOD STATION QUALIFIES FOR PRIORITY STATUS UNDER I-CUBED REGULATIONS**

Westwood Station meets the requirements for preferential treatment under the criteria listed in Sec. 51.04(3) of the I-Cubed regulations as follows:

- The Project includes Public Infrastructure Improvements previously contemplated, desired, and proposed by the Commonwealth, as summarized above, and described in detail in Sec. 4.
- The Project includes Public Infrastructure Improvements that are likely to make other sites available for future economic development projects, as summarized above, and described in detail in Sec. 4.

In addition to meeting these criteria, the Project is consistent with the spirit of Sec. 51.04(3)-b of the I-Cubed regulations, which provides preferential treatment for projects that commit to LEED Silver certifiable construction standards. The Project's commitment to pursue various LEED certification criteria is described in Sec. 11.



## PHASE 1 TAX REVENUE PROJECTIONS

The tables presented below summarize the gross state tax revenues from the Project. Key findings are:

- Phase 1 of the Project will generate almost \$2.6 million in construction period state tax revenues, and an additional \$5.2 million in annual (recurring) state taxes.

<b><i>Gross Construction Related Taxes</i></b>	<b><i>Phase 1</i></b>
Gross sales tax	1,256,000
Plus new income taxes	1,358,000
<b>Total gross sales and income tax</b>	<b>2,614,000</b>

<b><i>Gross Recurring (Annual) Taxes</i></b>	<b><i>Phase 1</i></b>
Gross sales tax	4,290,000
Plus gross income taxes	890,000
<b>Total gross sales and income tax</b>	<b>5,180,000</b>

### Net New State Tax Revenue Projections According to I-Cubed Legislation

**Phase 1 Net New Tax Revenue:** An independent economic consulting firm calculated new state tax revenues from the Project, as summarized in this proposal and included in the appendices. They considered regional and statewide retail supply and demand data by specific retail sectors as well as other variables. Their complex analysis demonstrates that Westwood Station will generate thousands of new jobs, and large streams of new state tax revenues. Phase 1 of the Project entails a significant construction effort that will generate approximately \$2.2 million in “net” new state tax revenues as defined by the I-Cubed legislation (refer to the following table). Once occupied, Phase 1 will generate approximately \$4.3 million in gross annual sales taxes. After adjusting for “displacement” effects (i.e., retail sales at Westwood Station that replace existing sales in Massachusetts), the state will realize about \$500,000 annually of new sales taxes. If this amount is reduced by the sales taxes dedicated to the MBTA and the School Building Authority (as required by the legislation), the state will still realize approximately \$350,000 in net new sales taxes annually. Phase 1 will also generate an additional roughly \$260,000 annually in new income tax. In total, Phase 1 will generate approximately \$2.2 million in net new state tax revenues from construction and more than \$600,000 in net new sales and income taxes each year, using very conservative displacement assumptions.

New versus displaced sales were calculated through a tenant specified analysis of the retail tenants at Westwood Station, and their respective displacement factors for sales and employment.

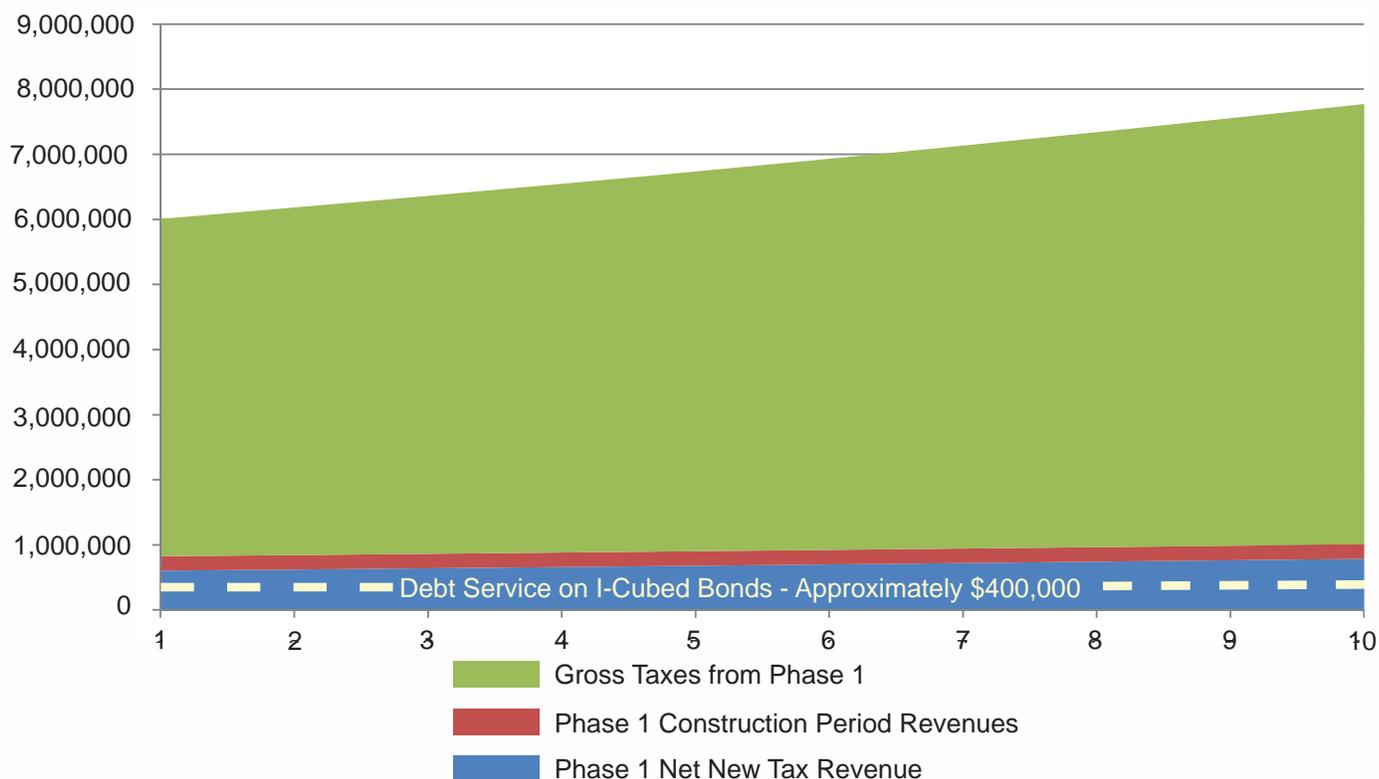
**New State Tax Revenue Projections – Future Phases:** Phase 1 of the Project will generate more than sufficient new state tax revenue to pay the debt service on Phase 1 I-Cubed bonds, and new state tax revenues from future phases will not be required for this purpose. As previously discussed, preliminary estimates of future phase tax



revenues are provided to demonstrate that they will be sufficient to cover debt service on a potential future phase I-Cubed award (which would be subject to future state and municipal review and approval). Net new state tax revenues from future phases are likely to exceed \$10 million in total.

The tables and graphics below summarize the total net new state tax revenues (calculated according to the I-Cubed legislation) generated by the Project:

### PHASE 1 GROSS & NET NEW STATE TAX REVENUES — FIRST 10 YEARS OF OCCUPANCY





## PHASE 1 DEBT SERVICE COVERAGE RATIO

<i><b>Net New Taxes Related to Construction</b></i>	<i><b>Phase 1</b></i>
Gross sales tax (all new)	1,256,000
Less dedicated sources of revenue <sup>2</sup>	(392,000)
<b>Plus new income taxes</b>	<b>1,358,000</b>
<b>Total net new sales and income taxes</b>	<b>2,223,000</b>

<i><b>Net New Recurring Annual Taxes</b></i>	<i><b>Phase 1</b></i>
Gross sales tax	4,290,000
New sales tax <sup>1</sup>	501,000
Less dedicated sources of revenue <sup>2</sup>	(156,000)
Net new sales tax	345,000
Plus new income taxes	261,000
<b>Total net new sales and income taxes</b>	<b>606,000</b>

1 - New sales tax is the portion of gross sales tax that is generated by Westwood Station. It excludes "displaced" revenue from sales that would otherwise occur at existing store locations in the Commonwealth.

2 - Dedicated sources of revenue consist of earmarked sales tax that goes to the MBTA (approx. 16% of gross sales tax) and the School Building Authority (approx. 16% of gross sales tax).

New state tax revenues (including construction period revenue) from Phase 1 are projected to exceed debt service (principal and interest on the I-Cubed bonds) by a ratio of more than 2.06, or by approximately 1.5 excluding construction period revenues. This substantial debt service coverage ratio indicates that the occurrence of a shortfall of revenues compared to debt service is highly unlikely. In order for a shortfall to occur, Phase 1 retail sales and income would have to decline by a factor of approximately 35% below projections, corresponding to a level of vacancy unprecedented for a regional shopping center located along Route 128. Over 99% of the Phase 1 retail space is expected to be occupied by tenants committed to lease terms of ten years or more. The project includes a significant number of credit tenants.

The municipal liquidity reserve (an amount equal to two years of debt service coverage) provides further assurances that a shortfall will not occur. Vacancies after occupancy would have to grow to unusually high levels and remain at such high levels for years in order to exhaust the municipal liquidity reserve. For instance, the Project could endure a period of more than seven years at vacancy levels corresponding to a decline in sales and income taxes of 50% below projections (highly improbable) before fully depleting the liquidity reserve.

The Phase 1 tax revenues provide more than sufficient revenue to cover bond debt service. The Phase 1 debt service coverage calculations also provides a useful measure of the state's return on investment. As shown in Section 8, the Debt Service Coverage ratio will exceed 2.0, even using conservative displacement factors (as high as 90%). This indicates that the state will receive well more than dollars of new state tax revenue for every dollar allocated to debt service on the I-Cubed bonds.



## CONCLUSION

### Benefits of the Project:

- Westwood Station will be a model for suburban development in the Commonwealth, satisfying and promoting each of the Commonwealth's Sustainable Development Principles.
- The Project will ultimately create more than 8,200 construction jobs and nearly 8,000 permanent jobs.
- Phase 1 alone will generate:
  - Roughly \$2.6 million in gross state tax revenue from construction activities
  - Over \$5.2 million annually in recurring gross state tax revenues
  - More than two dollars in net new state tax revenues for each dollar of state tax revenue allocated to service debt (principal and interest) on I-Cubed bonds

### Benefits of the Public Infrastructure Improvements:

- The Project infrastructure consists of improvements that have long been contemplated and desired by the Commonwealth and nearby municipalities. This infrastructure will provide the following important regional benefits:
  - Alleviate long standing regional traffic problems
  - Improve access to the intermodal MBTA/Amtrak rail station
  - Provide upgraded utility systems capable of accommodating growth
  - Utility and transportation improvements benefit numerous existing businesses in the region
  - Promote transit use, and pedestrian and bicycle transportation in the region
  - Improve state owned recreational facilities (trails, canoe launches, etc.)
  - Dramatically improve the health of the Neponset River aquifer, a sensitive environmental resource, and the principal source of drinking water to the Towns of Dedham and Westwood
  - Serve as a catalyst for economic development on hundreds of acres of commercially zoned land in the towns of Norwood, Canton and Westwood

### Cost of the Infrastructure:

- The roughly \$55 million cost of the regional infrastructure alone creates an insurmountable obstacle to Project feasibility. Due to permitting and construction constraints, the infrastructure must be constructed "up-front" resulting in an insurmountable without public infrastructure financing.

### I-Cubed Financing Request and Debt Service Coverage:

- The Project is seeking \$6 million in I-Cubed financing for Phase 1.
- Phase 1 of the Project alone generates more than sufficient revenue to service the debt on I-Cubed bonds. Net New State Tax revenues from Phase 1 alone will be more than twice the annual debt service on I-Cubed bonds. A shortfall of tax revenues is therefore highly unlikely.



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Appendix I – Materials from University Avenue/I-93/I-95 Regional Traffic Study



## Requested Waivers from the I-Cubed Regulations

Draft Regulations for the I-Cubed program were issued by the Executive Office for Administration and Finance (A&F) in September of 2008. In late November, 2008, revised I-Cubed regulations were published by A&F. The regulations, in Sec. 51.05, provide the Secretary of A&F with the discretion to grant waivers from the regulations.

We are therefore requesting a waiver from one of the requirements of the I-Cubed regulations as described below.

### 1. To Obtain Municipal Approval Prior to State Approval –Sec. 51.06:

**Waiver Request:** To eliminate the preliminary state approval process outlined in the regulations and to proceed directly to municipal approval (by Board of Selectmen and Town Meeting), followed by final state approval.

**Background:** The process outlined in the regulations includes a preliminary state approval process prior to municipal approval. This requirement is not mandated by the statute. Among other things, preliminary state approval is intended to avoid a situation in which an economic development proposal is approved by a municipality, and then rejected or materially modified during the course of the state's independent review process.

The process outlined in the regulations has merit, and the Developer originally intended to comply with it. However, in Westwood, annual Town Meetings are generally held once per year. The 2010 annual Town Meeting will be held on May 3rd, 2010. We fully appreciate that it would not be practical for the state to conduct its independent review process prior to this date. If the Developer does not obtain municipal approval at the annual Town Meeting on May 3rd, the project schedule could be significantly impacted, which would in turn impede the project's ability to comply with the timeline for infrastructure assistance outlined in the Commonwealth's January 19th, 2010 letter (refer to Appendix G). We therefore propose to obtain municipal approval of this Economic Development Proposal at the annual Town Meeting, and to subsequently seek state approval. Should the state review process result in a rejection, the municipal approval will be void. If the state review results in material modifications to the Economic Development Proposal, we would propose to address these changes through approval of the Municipal Officers (Board of Selectmen) as contemplated in Section 7(c) of the statute, which allows the Municipal Officers to amend an Economic Development Proposal provided that the amount of I-Cubed assistance does not increase. The Town Meeting vote is expected to include a provision that expressly authorizes the Board of Selectmen to approve such changes to the proposal, provided the I-Cubed amount is not increased.

We have not sought waivers from any of the provisions of the Department of Revenue's TIR, as we understand that information contained in that document should not be interpreted as literal requirements, but rather as guidance that may or may not apply to a particular project.



## Section 1 – Development Team

### 1.1 SPONSORSHIP INFORMATION & CONTACT INFORMATION

The Westwood Station development team consists of three companies, each with a lengthy and successful track record. These companies are: Cabot, Cabot & Forbes, one of Boston's oldest and most respected real estate development firms; New England Development, the region's leading retail developer with more than 20 million square feet of retail and commercial space to its credit; and Commonfund Realty, Inc., the real estate arm of The Commonfund, the nation's largest manager of college and university endowment funds.

A joint venture of Cabot, Cabot & Forbes and Commonfund Realty serves as the Master Developer of the entire Project. New England Development is partnering with the Master Developer to develop the Phase 1 retail component of the Project. Critical team members who have been engaged by the Developers to ensure the Project's success include Criterion Development Partners, who has assisted in developing the future residential component; Elkus Manfredi, LTD, the designer behind many of the county's most successful mixed-used developments, who has created the master-plan; and John Moriarty & Associates, who has been engaged the construction manager.

#### Contact Information:

##### **Cabot, Cabot & Forbes**

125 Summer Street  
Boston, MA 02110  
(617-603-4000)  
[www.ccfne.com](http://www.ccfne.com)

I-Cubed Contact Person: Abe Menzin (Project Manager & Director of Environmental Initiatives)

##### **New England Development**

One Wells Avenue  
Newton, MA 02459  
(617-965-8700)

NED Contact: Dawn Neher (Executive Vice President & Chief Financial Officer)

##### **Commonfund Realty, Inc.**

15 Old Danbury Road  
Wilton, CT 06897-0812  
(203-563-5187)

Commonfund Contact: Jim Keary (Director)

As discussed further in Section 4, assessment parcels may be subdivided into two or more separate assessment parcels upon the recordation of a condominium regime, ground lease or further subdivision that creates two or more distinct ownership entities. The Project will be carried out by development entities which are collectively described as "The Developer" throughout this proposal.



## 1.2 PARTNERSHIP STRUCTURE - ROLES AND RESPONSIBILITIES

Development Entity	Partners	Roles & Responsibilities
Master Developer	CC&F/Commonfund	<ul style="list-style-type: none"> <li>• Land assemblage</li> <li>• Permitting</li> <li>• Development of master plan</li> <li>• Infrastructure construction</li> </ul>
Phase 1 Retail Developer	NED & CC&F/Commonfund	<ul style="list-style-type: none"> <li>• Retail leasing</li> <li>• Vertical retail development of all buildings in “The Marketplace”</li> <li>• Vertical retail development of future phase retail areas (most of first floor area) of buildings in the Town Center</li> </ul>
Future Phase Residential Developer	CC&F/Commonfund w/Criterion Development Partners (Consultants), NED/Others	<ul style="list-style-type: none"> <li>• Vertical development of future phase residential areas (mainly upper floors) of buildings in the town center</li> </ul>
Future Phase Office Developer	CC&F/Commonfund/Others	<ul style="list-style-type: none"> <li>• Office marketing and leasing</li> <li>• Vertical development of future phase office buildings</li> </ul>
Future Phase Residential, Hotel, Additional Retail Development Rights	CC&F/Commonfund/Others	<p>Development ventures for the additional development rights will be formed on an opportunistic basis in response to market conditions, etc. Depending on contemplated uses, Commonfund/CC&amp;F may:</p> <ul style="list-style-type: none"> <li>• Self-perform vertical development</li> <li>• Sell land to third parties</li> <li>• Establish new partnerships with other developers</li> </ul>

## 1.3 COMPANY DESCRIPTION AND KEY PERSONNEL

### Cabot, Cabot & Forbes - Background

In 1904, two of Boston’s most respected families joined forces to create Cabot, Cabot & Forbes (CC&F). Today, CC&F is one of Boston’s venerable real-estate firms, and a recognized leader in the re-development, acquisition, and long-term ownership of industrial, R&D, office, and mixed-use properties.

Since 1960, CC&F has developed more than 60 million square feet of space throughout the United States – including more than 20 million square feet of first-class office space in coveted urban locations and noted office, mixed-use, and transit-oriented developments.

### Looking Back – A Track Record of Innovation

After decades as a top-notch manager of real estate, CC&F positioned itself as a pioneering leader in the development of facilities that responded to the needs of a booming U.S. economy in the post-World-War-II period. In particular, CC&F played a key role serving the real estate needs of emerging technology leaders such as Raytheon, GTE, Digital Equipment Corp., and Hughes Aircraft. In 1948, CC&F opened The New England Industrial Center – the country’s first master-planned business park. Characterized by a phased, market-responsive building program, preservation of natural site amenities, and consistent design standards, this facility quickly became a prototype for business parks



that has been emulated worldwide.

CC&F has also led the real estate industry in the redevelopment of key downtown districts of the nation's leading cities, creating more than 20 million square feet of first-class office space. Through such landmarks as 60 State Street, One Boston Place, 100 Summer Street, and 28 State Street, CC&F has done more to create Boston's distinctive skyline than any other developer. CC&F has also completed numerous prestigious projects – including shopping centers, hotels, and residential communities – in Washington, D.C., Philadelphia, Los Angeles, and Baltimore.

More recently, CC&F has been at the forefront of a new generation of major projects for companies including the Lotus division of IBM Corp., Genzyme, General Motors, Eisai Pharmaceuticals, CSC, Symantec, Advanced Micro Devices and The Boston Company/Mellon Bank.

### **Looking Forward – New Vitality for a New Century**

In 2006, Jay Doherty and Juan Prieto purchased CC&F from the Marshall Field family and began an aggressive expansion of the business with a renewed emphasis on smart growth, transit-oriented, mixed-use developments. Today, the firm has assembled an impressive pipeline of projects encompassing more than 6 million square feet in the Boston area – predominantly redeveloping infill sites for office, R&D, residential, and retail use.

Moving forward, CC&F has embraced an entrepreneurial, dynamic, and fast-paced culture that emphasizes the importance of strong relationships and corporate citizenship. The company's overarching philosophy for the future is to provide clients with innovative thinking and detailed analyses that lead to creative solutions for real estate development, management, and investment – all resulting in strong financial returns within an acceptable spectrum of risk.

### **Cabot, Cabot & Forbes – Key Personnel**

#### **Jay Doherty – President**

Jay Doherty is President and managing partner of Cabot, Cabot & Forbes of New England, Inc. Jay is also the current Chairman of the Massachusetts chapter of NAIOP, the leading voice for commercial real estate companies in Massachusetts, and a member of The Massachusetts Business Roundtable (MBR), a statewide business organization of 50 chief executive officers of the state's leading companies representing a full range of Massachusetts industry and business enterprise. Jay has been a real estate developer since 1981. He is a 1981 graduate of Harvard Business School and a 1975 graduate of Middlebury College.

#### **Juan Prieto – Chief Operating Officer**

Juan Prieto began his CC&F career as a project manager in the firm's Orlando, Fla., office before relocating to the New York/New Jersey/Connecticut region as vice president of project management. Today, Juan is the chief operating officer of the firm. He has managed the development of industrial projects of more than 1 million square feet and office projects encompassing more than 2 million square feet. Juan graduated with an MBA from Harvard Business School in 1985 and a Bachelor of Mechanical Engineering from Georgia Tech in 1981. He is a member of ULI, NAIOP, and REFA.

#### **Abe Menzin - Project Manager & Director of Environmental Initiatives**

At CC&F, Abe Menzin is working on the firm's projects, including Westwood Station. He has been a key member of the permitting team, manages aspects of debt and equity financing, and is a liaison with investors in various projects. Prior to joining CC&F, he was a project manager for Turner Construction on projects that include the Reebok World



Headquarters, the MIT Zesiger Athletic Center, and the LEED Platinum-rated Genzyme Center. Abe holds dual Master of Science degrees in civil engineering and real estate development from MIT, and earned a Bachelor of Science in civil engineering from Tufts University. He is a member of NAIOP and ULI, and is active in the MIT alumni association. Abe has been a licensed construction supervisor in Massachusetts since 1999, and is a LEED Accredited Professional.

## **New England Development - Background**

Visionary design, quality of life, and innovation for changing times are the hallmarks of New England Development. One of the premier real estate development and management companies in the Northeast, New England Development (NED) is known for creating imaginative, high quality real estate developments including retail, residential, office, golf and hotel properties totaling more than 20 million square feet.

Founded by Chairman and Chief Executive Officer Stephen R. Karp in 1972, NED develops centers that reflect the best of their communities and have become, in many ways, communities themselves.

Known for having redefined shopping convenience with some of the most widely recognized and successful retail malls, NED built more retail space in its first thirty years than any other developer in the Northeast. One of these malls, in particular, stands out: CambridgeSide Galleria in Cambridge, MA, which is part of an award-winning, master-planned community featuring 1 million square feet of retail, office, and hotel space.

NED's impact on leading-edge real estate development continues with mixed-use complexes that reflect innovative thinking. Wisconsin Place, a 1.1 million square-foot project in Chevy Chase, Maryland, is a stunning new complex of exclusive boutiques, offices and residences. Pier 4 in Boston, MA, is an ambitious project on the South Boston waterfront which will include approximately 1 million square feet of hotel, residential, office, retail and civic uses, on approximately 9.5 acres.

NED's vision has always been more about building communities than just putting up buildings. The Pinehills is just one such example. NED prides itself on an all-inclusive approach to development, including seeking input from community leaders and partnering with neighborhoods, residents, and tenants.

Stephen R. Karp and his partner Steven S. Fischman apply these considerations to each and every one of their building decisions. Their goal, always, is to develop the solutions that work best in each particular setting. To do so, they thoroughly explore all possibilities and look beyond limitations. This type of thinking, the very foundation of New England Development, continues to lead the company into the future with a portfolio of leading-edge projects.

## **New England Development – Key Personnel**

### **Stephen R. Karp - Chairman, CEO**

Stephen R. Karp is a leading developer of shopping centers and mixed-use developments. He first entered the shopping center business in the late 1960's with the development of one of the first enclosed malls in the Northeast, which opened in 1972. He went on to found New England Development in 1978. Mr. Karp is a member of the Greater Boston Real Estate Board and the Urban Land Institute. He is a past chairman and member of the Board of Trustees of the International Council of Shopping Centers and is chairman of Children's Hospital Boston. Mr. Karp is on the board of trustees of Belmont Hill School, on the board of overseers of Newton-Wellesley Hospital, and on the board of directors of Not Your Average Joe's. He also has served on the boards of Union College, Boston University, Smart



Bargains.com, the New England Aquarium, and is past chairman of Children's Hospital Trust.

### **Steven S. Fischman - President and COO**

Steven S. Fischman, together with Stephen R. Karp, has overseen the expansion of New England Development into a multi-faceted real estate development and investment company. Prior to joining New England Development 16 years ago, Mr. Fischman was a partner at the Boston law firm of Goulston & Storrs where he specialized in real estate and finance law. He represented developers and owners of all types of real estate including shopping centers, hotels, office projects, housing projects and industrial properties. Mr. Fischman is a member of the International Council of Shopping Centers and the Boston Bar Association. He serves as a trustee of Partners Healthcare System, trustee and vice chairman of the Jewish Funds for Justice, trustee of Kenyon College, trustee emeritus and former chairman of the board of Newton-Wellesley Hospital and trustee of Boston Lawyers Committee for Civil Rights Under Law.

### **Douglass E. Karp - Executive Vice President**

Douglass Karp is involved in all aspects of the company's business, including site acquisition, financing, permitting and planning, design, construction, and leasing. He manages most of the firm's retail and mixed-use development projects and serves as asset manager for Nantucket Island Resorts, a collection of premier hospitality and retail properties on Nantucket and an affiliated company of New England Development. Upon joining the company in 1999, he was responsible for overseeing construction of the White Elephant Resort, transforming this 1920's Nantucket property from an eclectic mix of cottages into a premier hotel.

In addition to his development and asset management experience, he brings to New England Development the perspective of a retailer, including expertise in market research, real estate development, and marketing. Prior to joining New England Development, he co-founded Lids, the specialty retail pioneer and leader of officially licensed and branded athletic fashion headgear. Under his leadership, the firm grew to include more than 400 mall-based, airport, and street level stores throughout the country. Mr. Karp serves on the boards of Children's Hospital Trust Next Generation Developers Task Force, the Combined Jewish Philanthropies Next Generation Housing Foundation, Union College, the Massachusetts Chapter of NAIOP, the Board of Overseers for the New England Aquarium, and the Budget and Administration Committee of Combined Jewish Philanthropies.

### **Dawn K. Neher – Chief Financial Officer, Executive Vice President**

Before joining New England Development, Dawn Neher served as senior vice president at Aetna Realty Investors where she specialized in acquisitions and joint ventures. Ms. Neher received a bachelor's degree from the University of Hartford and a Master's in Business Administration from the University of Connecticut. Her professional affiliations include memberships in the International Council of Shopping Centers, Urban Land Institute, New England Women in Real Estate, National Association of Female Executives, The Boston Club and Real Estate Finance Association.

### **Carol F. Carbonaro - Executive Vice President, Leasing**

Carol F. Carbonaro, is responsible for all aspects of leasing relating to the company's retail real estate portfolio. She originally joined the company in 1993. Prior to joining New England Development, Ms. Carbonaro worked for eight years in the shopping center industry for both developers and consulting firms focused on retail leasing and development. Experience has encompassed a diverse mix of properties including enclosed regional malls, strip centers, lifestyle centers, mixed-use and outlet centers. Ms. Carbonaro is a graduate of Plymouth State University and is a member of professional organizations including International Council of Shopping Centers along with various community organizations.



### **Kenneth A. Leibowitz - Senior Vice President, Acquisitions & Finance**

Since joining New England Development in 1993, Kenneth A. Leibowitz has been responsible for acquisitions, dispositions and financings for the Company's real estate portfolio. Mr. Leibowitz is intimately involved in all aspects of the transactions, from the underwriting and due diligence to the structuring, negotiating and closing of the transactions. Prior to joining New England Development, Mr. Leibowitz was a vice president for the predecessor firm to Holliday Fenoglio Fowler in Boston, working on financings, joint ventures, and sales of commercial real estate. Mr. Leibowitz is a graduate of Georgetown University and is a member of the International Council of Shopping Centers, Urban Land Institute, National Association of Industrial and Office Parks and the Real Estate Finance Association.

### **Bruce M. Herman - Controller, Executive Vice President**

Bruce M. Herman, CPA, is responsible for all accounting, financial reporting, investment and treasury management matters for New England Development. He originally joined the company in 1983 following a career in public accounting. Prior to rejoining NED in 1990, Mr. Herman was CFO at Liberty Properties in Boston. Mr. Herman is a graduate of Bentley College and is a member of the American Institute of Certified Public Accountants, the Massachusetts Society of Certified Public Accountants and the International Council of Shopping Centers. He also serves on the Town of Needham Open Space & Recreation Advisory Group and the Field Study Committee.

## **Commonfund Realty - Background and Investment Philosophy**

Commonfund Realty, Inc. is the realty arm of Commonfund, the nation's largest dedicated non-profit investment manager. Founded in 1971, Commonfund is devoted to enhancing the financial resources of educational and other select non-profit institutions including endowments, foundations and healthcare organizations through superior fund management, investment advice, treasury operations and e-procurement services. Commonfund Realty, Inc. has a record of success in real estate investing that spans more than 18 years. Since 1988, Commonfund Realty, Inc. has acquired or overseen developments in more than 18 states throughout the country aggregating more than \$3.7 billion in transactions. Commonfund manages approximately \$42 billion for more than 1,800 educational institutions and foundations.

CFR has developed an investment philosophy based on several central themes, each of which is ingrained in our investment process. CFR believes this philosophy, enhanced by an entrepreneurial team whose compensation is closely tied to Fund performance, should lead to attractive risk adjusted returns.

Local Knowledge, Local Access, Local Execution - CFR utilizes a top-down approach to the Fund's management, incorporated with the bottom-up execution of its local operators and partners. Strong relationships with its partners are essential to the performance of the Fund. Thinking nationally, while acting locally is a concept at the forefront of CFR's investment strategy.

Investment Control - CFR seeks to influence and participate in all major decisions impacting the economic viability of the properties it invests in while utilizing our access to local knowledge and expertise.

Portfolio Balance - Retention of control and discretion allows the portfolio manager to create and maintain a balanced portfolio of growth and income opportunities while achieving diversification of geography; product type and manager.

Focused Strategy & Operating Flexibility - Through the open-end structure, CFR is able to execute an investment



process that is deliberate and focused in its selection of investment opportunities and ongoing management decision-making. The structure allows for speed of execution, flexible operations and project planning without the challenges associated with closed end or finite life vehicles. Investment decisions are driven by the investment market and the opportunity; not by time lines.

Entrepreneurial Spirit - CFR's investment team embraces an entrepreneurial spirit in its approach to investment decisions and operational execution. The team prides itself on the ability to approach risk and opportunity ambitiously and with creativity. Accordingly; all members of the Commonfund Realty investment team share in the incentive compensation earned through Fund performance.

### **Commonfund – Key Personnel**

#### **Timothy M. Shine, Managing Director, Co-Head of Commonfund Realty**

Mr. Shine joined Commonfund Realty in January, 2000. Prior to joining Commonfund, his real estate experience included positions with CB Richard Ellis Investors, formerly Westmark Realty Advisors/TCW Realty Advisors as well as with the New Boston Fund. Mr. Shine graduated cum laude from the University of Connecticut, where he earned his bachelors degree in finance while working with the University's Center for Real Estate and Urban Economics. Mr. Shine is an active member of the Urban Land Institute (ULI), National Association of Industrial and Office Parks (NAIOP), the International Council of Shopping Centers (ICSC) and National Association of Real Estate Investment Managers (NAREIM). Mr. Shine has overall responsibility for the operations and asset management of the Fund as well as client relations.

#### **James J. Keary, Managing Director, joined Commonfund Realty in 1999**

Jim manages portfolio holdings in the San Francisco, Chicago and Boston markets. In this role, he is responsible for acquisition due diligence, asset management, valuations and dispositions. Current assets include the development of over six million square feet of office and retail space and 1,500 residential units. Prior to Commonfund, Jim acquired five years of real estate investment experience with SSR Realty Advisors (Blackrock), a large pension fund advisory firm. Jim received his B.B.A. in Finance from Baruch College and his M.B.A. at Fairfield University and is an active member of ULI, REFA, the Appraisal Institute, NAIOP, ICSC and NAREIM.



## 1.4 RELEVANT EXPERIENCE OF THE DEVELOPER

### Cabot, Cabot & Forbes – Selected Projects

#### Riverside Center

Newton, MA

500,000 square feet



Cabot, Cabot & Forbes identified a nearly obsolete, multi-story warehouse located near mass transit and the intersection of two of greater Boston's major highways: Route 128 and the Massachusetts Turnpike. After getting leasehold interests and fee interests under its control, CC&F then secured necessary permits from the City of Newton to expand existing non-conforming uses and obtained zoning variances to allow the redevelopment of 500,000 square feet of Class-A office space and a 1,000 car parking garage. CC&F also negotiated with single-family homeowners who abut the project to design and provide mitigation including enhanced landscaping and traffic calming. Riverside Center is the largest commercial project ever approved in Newton. It also provides walking access to the Riverside Station on the MBTA's Green Line for fast and convenient access to Downtown Boston. Riverside Center is a four-story Class-A office building with a 1,000-vehicle parking garage. The signature exterior combines red brick, a glass curtain wall, two-story bay windows, and precast stone, designed to provide a unique and varied façade.

#### 55 Cambridge Parkway

Cambridge, MA

276,000 square feet



Cabot, Cabot & Forbes re-acquired this warehouse in Cambridge that it had built in the 1940s. Although there was little access to public transit, minimal parking, and a surrounding industrial environment, these warehouses sat on the banks of the Charles River, representing a significant opportunity for innovation and forward thinking. CC&F, working with noted architect Hugh Stubbins, planned and constructed a 276,000-square foot, nine-story Class-A office building with an on-site 387-space parking garage in the heart of one of the country's most desirable locations for a technology company: East Cambridge's Kendall Square area. The steel-frame/brick-and-precast-concrete exterior

building is accented with ribbon windows and features a striking four-story lobby atrium and balconies that overlook the Charles River. Initially planned as a speculative office building, Lotus Development Corp. (now part of IBM) leased nearly all of the space while the building was still under construction. Today, the building is a multi-tenant facility that anchors an eclectic and thriving East Cambridge area, featuring shopping, hotels, and premium residences.



### 825/835 University Ave.

Norwood, MA

320,000 SF

Largely vacant for nearly a decade prior to its acquisition by CC&F in 2003, 825 University Ave. has become



a prestigious destination for forward-thinking companies. In 2004, CC&F signed a lease with Instron Devices for their corporate headquarters to anchor the building. Subsequently in 2005, LTX Corp. relocated its worldwide headquarters there. Simultaneously, CC&F undertook a substantial renovation to the property, creating a first-class suburban office and technology park. This transformation includes a reconstruction of the existing building (with attractive Alucobond panels),

modern windows, new HVAC systems and landscaping to complement the wooded atmosphere of the park. CC&F is now in the planning stages to develop the adjacent 24-acre site at 835 University Ave. into an additional 150,000-200,000 square feet of high-tech office space.

### Charles River Landing

300 Second Ave., Needham, MA

A “Friendly 40B” project with 350 Apartment Units

Situated on eight acres along the banks of the Charles River in Needham, Charles River Landing is a new mid-rise



350-unit luxury apartment community with top-of-the-market amenities. Located just off Route 128, the project offers a central location with ready access to Boston and surrounding communities. Cabot, Cabot & Forbes has partnered with the Town of Needham to permit Charles River Landing under Massachusetts Chapter 40B that allocates 25% of apartment homes at affordable rent levels.



## New England Development - Selected Projects

### CambridgeSide Galleria, Cambridge, Massachusetts



Situated on the picturesque Charles River across from downtown Boston, CambridgeSide is a thriving mixed-use complex that includes the CambridgeSide Galleria Mall, parking garage, two office buildings, and Hotel Marlowe. CambridgeSide Galleria is one of the top-performing urban malls in the country, attracting a mix of city and suburban residents, office workers, college students and tourists. Featuring three levels of shopping, CambridgeSide Galleria is anchored by retailers Macy's, Sears and Best Buy. CambridgeSide also features popular restaurants such as The Cheesecake Factory and California Pizza Kitchen, as well as a waterfront Food Festival food court.

### Newburyport, Newburyport, Massachusetts



New England Development has acquired numerous properties in the center of downtown Newburyport and adjacent land along the waterfront and offers 50 of Newburyport's premier retail locations. Newburyport is a classic New England town center with irresistible shops, galleries and restaurants. Historic Federalist and Georgian red brick buildings, waterfront walkways, and salt air make this city a captivating destination for everyone. Newburyport is a premier shopping hub fulfilling the shopping and dining needs of local and regional residents. Located 30 miles north of Boston, Newburyport is served by the commuter rail line. A visionary urban renewal in the 1970's turned this picturesque city into a most-wanted attraction, drawing upscale local residents and worldwide travelers.

### Wisconsin Place, Chevy Chase, Maryland



Wisconsin Place is an urbane and vibrant town center – featuring first-class office space, luxury residential apartments, exciting boutiques, department stores, a Whole Foods market, a community center, park-like public spaces, and underground parking.

Wisconsin Place is ideally situated. The eight-acre property is located on Wisconsin Avenue, between Willard and Western Avenues, at the heart of one of the region's most sought after communities: Chevy Chase. There is direct on-site Metro access and quick connections to three major Interstates. Wisconsin Place will be the focal point for dining, shopping, living and working in the District and Montgomery County.



## The Pinehills, Plymouth, Massachusetts



The Pinehills is located on 3,000 acres amid a breathtaking pine forest in historic Plymouth. This leading-edge planned community, with the potential for 2,800 single family homes, custom homes and townhouses, is just 45 miles from Boston, eight miles from Cape Cod and 10 minutes away from the commuter rail.

The Pinehills features Rees Jones and Nicklaus design golf courses which are now open, a planned commercial center totaling 1.3 million square feet that includes shops, restaurants, office space and hotel.

### 1.5 REFERENCES FROM GOVERNMENT OFFICIALS ON SIMILAR DEVELOPMENT PROJECTS

References from local officials and their contact information are provided in Appendix A.



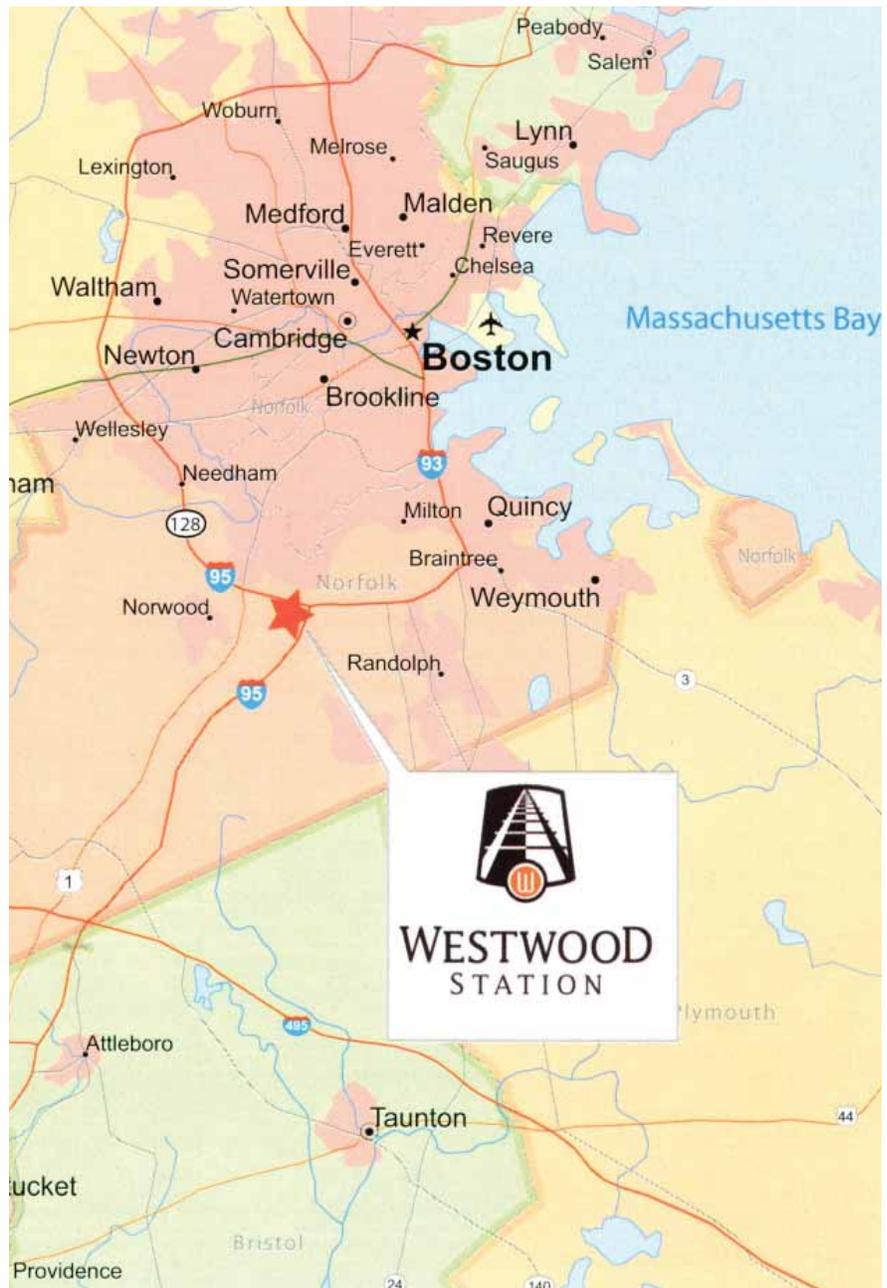
## Section 2 – Project Description

### SEC. 2.1 – EXISTING CONDITIONS

Westwood Station will be developed on approximately 130 acres of land in the University Avenue Industrial Park. The University Avenue Industrial Park occupies approximately 250 acres of land at the I-93/I-95 interchange (Route 128 and I-95). The park is accessible to these two highways via two nearby interstate highway ramps, which will be reconstructed as described in Section 4. The site is also directly adjacent to the MBTA/Amtrak Route 128 rail station, with excellent access to Boston via the commuter rail, and to Providence and New York via Amtrak (including Acela). The Project is located within an Economic Target Area (ETA).

When the land was acquired, the existing buildings consisted primarily of underutilized and functionally obsolete industrial buildings. In an economic sense, these buildings were several steps below the “highest and best use” of the site, as evidenced by lower density, significantly lower rents and higher vacancy rates compared to other locations on Route 128. Virtually all of the existing buildings have already been demolished.

Like the existing buildings, the existing roadway and utility infrastructure was outdated and inadequate to support higher density redevelopment of the area. When the roadway infrastructure was built in the 1960s and





1970s, it was intended to support a conventional suburban industrial park. The current roadway configuration is designed for automobile traffic, and is not conducive to a transit and pedestrian-oriented masterplan. University Avenue, the main arterial roadway serving the site, acts as a barrier between pedestrian access from the train station to most of the Project site (refer to aerial view below). The roadway infrastructure is also outdated and incapable of supporting a significant increase in density on the site.

The utility infrastructure is also 30-40 years old. This infrastructure has many functional deficiencies, and was designed and constructed at a time when less attention was paid to environmental impacts. The site is located in the Neponset River Watershed, a sensitive environmental area. The existing storm drainage infrastructure directs large volumes of surface runoff into the river with a minimum of pollution controls. This configuration is harmful to the environment and requires modernization in order to achieve the sustainability goals of the Project (refer to Sec. 11 – Sustainability Program).



*Westwood Aerial View North*



## 2.2 – VISION

Westwood Station will transform an underutilized industrial park into a 4.2-million-square-foot, vibrant, mixed-use neighborhood. Once fully built-out, this transit-oriented Project will include 1,000 residences, up to 1.35 million square feet of destination retail, approximately 1.5 million square feet of Class A office space, and two hotels. The density and scale of the Project will create a dynamic atmosphere, unique to the region.



*Westwood Station Rendering*

Phase 1 of Westwood Station will include a retail component of approximately 450,000 s.f., comprised of small stores, restaurants, and large format retailers. The future phase residential component of the Project includes a mix of 1- and 2-bedroom luxury condominium and rental flats, lofts and townhouses in low-rise and mid-rise buildings. The future phase office component will feature environmentally sustainable buildings, which will together comprise a modern transit-served employment center. More than 40 acres of landscaped public parks and interconnected public amenity areas will provide an integrated network of pedestrian access and connectivity throughout the entire neighborhood. Nearly 30 percent of the site is dedicated to open space, including a planned network of broad, well landscaped sidewalks, bike paths and nature trails. Unique outdoor venues, including the thoughtfully landscaped Common and Promenade, will serve as amenities to this new neighborhood by providing a mix of hardscaped, open and grassy areas suitable for farmers markets, art shows and concerts.

Westwood Station embraces the principles of “smart growth” development to create a highly desirable destination community that will generate environmental and economic benefits at the local, state and regional levels. Located near the I-93/I-95 interchange, the Project will improve the existing regional highway system and access to the train station with two new exit ramps, as well as an extensive system of roadways and off-site improvements. To enhance the pedestrian atmosphere, the development clusters the retail, residential and office uses in compact form within a half mile of the Amtrak/MBTA commuter rail station. The station offers convenient access to Boston, New York City and Washington, D.C. A shuttle transit system and an on-site transportation on demand program will provide additional transportation from the train station, reducing automobile use. In July 2007, the U.S. Green Building Council chose Westwood Station for its Leadership in Energy and Environmental Design for Neighborhood Development (LEED-ND) pilot program. Other sustainable design elements of the Project include solar energy, LEED-certified office buildings, ground water recharge, water and energy efficient utilities and appliances, and



diversion of more than 75 percent of construction waste from landfills.

Phase 1 of the project establishes a critical mass for the project, creates of thousands of jobs, and responds to strong market demand for retail development in the affluent Route 128 region. New England Development has obtained leases and letters of intent for key anchors of the Phase 1 retail space and the project is expected to be leased almost in its entirety at commencement of construction. Future phases of the Project will capitalize on the momentum generated in Phase 1 and will create a true live, work and play environment of a size and quality unprecedented in New England.

The master plan for Westwood Station has been developed by the award winning firm, Elkus Manfredi Architects. Elkus Manfredi’s extensive portfolio of mixed-use developments includes The Shops at Columbus Circle and the Time Warner Center in New York City; The Grove in Los Angeles; Downtown Disney in Anaheim, California; and City Place in West Palm Beach, Florida.

Many of the sustainability features of the Project, such as those relating to stormwater management, LEED certification and recreational amenities, may apply partially to Phase 1 but primarily to subsequent planned phases and to the Project as a whole. The creation of Phase 1 will be a key catalyst for the subsequent phases of the Project, which will in turn provide the full range of sustainability benefits that will make the Project a leading example of smart-growth development in the region.

## 2.3 – PROJECT PHASING AND MASTERPLAN

The Development Program for Westwood Station is as follows:

PHASE 1 (Approximately 450,000 GSF)	
Marketplace Retail	The current Phase 1 program consists of an approximately 450,000 s.f. retail marketplace anchored by target and the first New England location of Wegmans Food Markets & Target. The Phase 1 retail component is also anticipated to include large format retailers (74,000 s.f.), small stores (47,000 s.f.), and restaurants.
FUTURE PHASES (Approximately 3,700,000 GSF)	
Town Center Retail	A 319,000 net rentable square foot lifestyle center.
Residential Condos	A total of 193,000 net rentable square feet consisting of 164 residential condominiums all located above or adjacent to the Town Center retail.
Residential Apartments	A total of 383,000 net rentable square feet consisting of 330 rental apartments (including apartments affordable at the 80% of AMI level) and a fitness center all located above or adjacent to the Town Center retail.
Additional Development Rights consist of 1,490,000 square feet of office, 506 residential units, approximately 180,000 square feet of retail and two hotels (230,000 square feet) totaling 328 rooms.	



*Figure 2.1: Phase 1 Master Plan*



*Figure 2.2: Master Plan at Full Build Out*



## Buildings by Phase, Use, and Square Footage

The following information is required by the regulations. The final square footages are subject to change, but overall Project totals are not expected to change significantly.

### Phase 1 - Marketplace

BLOCK	BUILDING	HEIGHT				AREA (SF)	RESIDENTIAL (GSF)	RETAIL (GSF)	OFFICE (GSF)	FITNESS (GSF)	HOTEL (SF)	PUBLIC (SF)
		TOTAL FLOORS	HEIGHT	GRADE	ROOF							
		1	23	61	84	134,500		134,500				
		1	23	61	84	143,500		143,500				
		1	23	61	84	73,600		73,600				
		1	23	61	84	47,000		47,000				
		1	23	61	84	14,000		14,000				
		1	23	61	84	37,400		37,400				
<b>TOTAL</b>						<b>450,000</b>		<b>450,000</b>	-	-	-	

### Phase 1 Total

450,000

450,000

### Future Phase

#### Town Center:

BLOCK	BUILDING	HEIGHT				AREA (SF)	UNITS	RESIDENTIAL (GSF)	RETAIL (GSF)	OFFICE (GSF)	FITNESS (GSF)	HOTEL (GSF)	PUBLIC (SF)
		TOTAL FLOORS	HEIGHT	GRADE	ROOF								
1	A	4	60	56	116	93,281	42	66,894	26,387				
	B	4	66	57	123	153,582	75	102,900	50,682				
2	A	2	49	56	105	48,540	0	-	14,268	34,272			
	B	4	55	56	111	75,909	48	55,664	20,245				
	E	4	59	57	116	95,063	54	72,408	22,655				
	F	4	57	57	114	112,622	59	80,427	32,195				
	G	4	55	54	109	43,080	23	43,080	-				
3	A	4	57	58	115	112,614	59	81,400	31,214				
	B	2	45	59	104	64,552	0	-	64,552				
	D	4	55	54	109	43,630	23	43,630	-				
4	A	4	56	58	114	99,845	54	73,547	26,298				
	B	4	56	61	117	101,836	57	74,015	27,821				
	C	4	70	59	129	43,200	0	10,393	8,666	9,014	15,127		
<b>TOTAL</b>					<b>1,087,754</b>	<b>494</b>	<b>704,358</b>	<b>324,983</b>	<b>43,286</b>	<b>15,127</b>			

### Office Campuses:

BLOCK	BUILDING	HEIGHT				AREA (SF)	UNITS	RESIDENTIAL (GSF)	RETAIL (GSF)	OFFICE (GSF)	FITNESS (GSF)	OTHER (SF)	PUBLIC (SF)
		TOTAL FLOORS	HEIGHT	GRADE	ROOF								
1	C	5	70	60	130	125,000			125,000				
2	C	7	100	56	156	103,837		3,837			100,000		
	D	7	100	56	156	130,000					130,000		
3	E	10	120	50	170	167,873	100	150,000			17,873		
4	D	5	70	64	134	175,000			175,000				
	E	5	70	72	142	175,000			175,000				
5	A	6	70	48	118	96,000	80	96,000					
	B	6	70	46	116	90,000	76	90,000					
	C	10	120	46	168	190,000	150	190,000					
6	A	10	120	52	172	149,000	100	149,000					
7	D	2				10,000		10,000					
9	C	3	65	62	127	167,339		167,339					
11	A	2	35	54	69	12,000						12,000	
	B	5	70	53	123	183,986			183,986				
	C	1	30	54	84								
12	A	5	70	92	162	135,000			135,000				
	B	5	70	92	162	200,000			200,000				
13	A	5	70	92	162	105,000			105,000				
	B	5	70	92	162	200,000			200,000				
	C	5	70	92	162	200,000			200,000				
<b>TOTAL</b>					<b>2,615,035</b>	<b>506</b>	<b>675,000</b>	<b>181,176</b>	<b>1,498,986</b>	<b>17,873</b>	<b>230,000</b>	<b>12,000</b>	



## SECTION 2.4 COMPLIANCE WITH ZONING AND STATUS OF PERMITTING

The Westwood Station development team has spent over four years planning and permitting the Project, and during that time has worked closely with state and local officials as well as area residents and businesses. The Project enjoys widespread support in the community. This support has been evident at annual Town Meetings in Westwood where, since 2006, zoning amendments for the Project requiring two-third majority votes have been adopted.

### **Town Permits:**

Westwood Station has obtained the major necessary permits and approvals from the Town of Westwood. These include:

- A Mixed-Use Overlay District Area Master Plan Special Permit approval from the Westwood Planning Board, dated December 26, 2007 (“MUOD Special Permit”).
- Subdivision Plan approval from the Westwood Planning Board, dated January 8, 2008.
- A Water Resource Protection Overlay District Special Permit from the Westwood Zoning Board of Appeals, dated July 3, 2007.
- An Order of Conditions from the Westwood Conservation Commission (for on-site wetlands and storm water management), dated June 28, 2007.
- Approval from the Westwood Planning Board of Phase 1AA Environmental Impact and Design Review (EIDR) Application, dated February 13, 2008, for so-called “enabling work” (EIDR is a form of site plan review).
- Approval of Phase 1A EIDR for the mixed-use Town Center dated June 19th, 2008.
- Amendment to Master Plan Special Permit, November 18, 2008.
- Approval of Phase 1B EIDR for the Marketplace on Dec. 16th, 2008.

These permits allow the development of approximately 4.5 million square feet of retail, residential, office and hotel space. The Westwood Town Meeting has authorized roadway discontinuances, relocations and eminent domain takings to accommodate the Project’s roadway configuration, and the Westwood Board of Selectmen has taken the necessary steps to implement those authorizations.

While Westwood Station received permits for 4.5 million SF of development, and the permitting for the project is largely complete, some local permits will require amendments based on the current Phase 1 program. In order to respond to financing considerations and market conditions, the current Phase 1 program (as described in this proposal) is smaller (approx. 450,000 SF) than the originally permitted Phase 1 program. The configuration of the current Phase 1 program, which is entirely within the Marketplace, has also been revised. The Developer and the



Town of Westwood are developing a strategy to process these permit amendments in a streamlined manner. All local approvals are expected by the summer of 2010.

### **State Permits:**

Certification of the Project under the Massachusetts Environmental Policy Act ("MEPA") was obtained in November of 2007. A Section 61 Finding from Massachusetts Highway Department ("MHD") pursuant to MEPA was issued on September 26th, 2008.

A MEPA Notice of Project Change (NPC) is required to address recent project changes. The original MEPA certificate was based on the premise that certain regional offsite highway infrastructure (Dedham Street Corridor and Route 128 ramp at Blue Hill Drive) would be constructed by the proponent (and reimbursed, in part, through I-Cubed). Instead, the Commonwealth has committed to construct these highway improvements, to construct additional improvements requested by other stakeholders, and to provide funding (including I-Cubed funding) for construction of Westwood Station Boulevard. The NPC will address these changes as well as the sequence of construction of infrastructure along the Dedham Street Corridor and future phases of the buildout. Finally, the NPC will address revisions to the Phase 1 program (the Marketplace), as described above. The NPC is expected to be approved by the summer of 2010.

### **Other Permits:**

The Developer will obtain from the Massachusetts Executive Office of Transportation a determination that certain portions of the Project site do not constitute former railroad property, or authorizing the issuance of building permits thereon and the release of spur line rail easements.

The Developer will obtain certain other routine permits including approvals under the Scenic Roads Act, demolition permits, and FAA notice of construction.

### **Opinion from Counsel:**

Refer to Appendix B for an opinion from Counsel as required by the regulations.



## Section 3 – Project Schedule

### 3.1 PRELIMINARY OVERVIEW OF THE I-CUBED APPROVAL PROCESS

The graphic below describes the expected timeline for approvals of the Westwood Station Economic Development Proposal, including the necessary state and local actions. Tasks that are shown below the line are primarily the Developer's responsibility, while those shown above the line are primarily state and local actions.

The following are some of the major milestones that have a critical impact on the overall project schedule (as noted in the overall project schedule in the following section). We do not intend to proscribe the process, or to attempt to dictate to the reviewers. The purpose of this proposed timeline is to suggest dates and timeframes that are supportive of the project schedule:

**Town Meeting Approval: May 3, 2010:** Town Meetings in Westwood are generally held once per year. This is a relatively "hard" date that must be achieved to maintain the project schedule. Because of the Town Meeting schedule, Municipal Approval is proposed to proceed prior to any form of state approval (i.e. in lieu of preliminary state approval). A public hearing and approval of the municipal officers will occur prior to Town Meeting.

**State Approval (May 2010 – July 2010):** We have proposed that the review of the Economic Development Proposal by DOR, A&F and MassDevelopment, and the Independent Consultant be completed within 12 weeks of the submission date, with a decision by the Secretary provided two weeks thereafter. We anticipate that conditions of the state approval will require the developer to update the Economic Development Proposal prior to issuance of bonds.

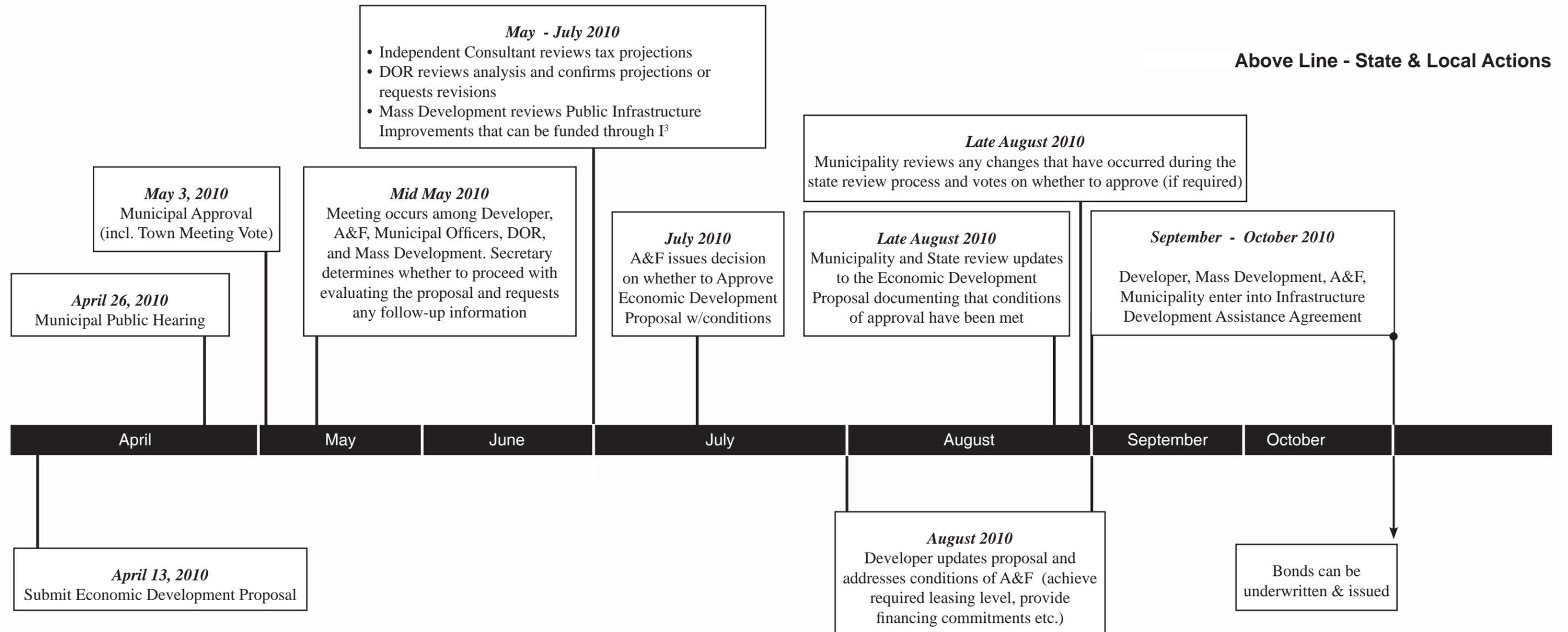
**Developer Updates Economic Development Proposal (August 2010):** Assuming that the Economic Development Proposal is approved, the Developer will update the proposal to reflect updates to the leasing and financing status and to address other conditions of the Secretary's approval that may be imposed. This timeframe will depend upon the nature of the conditions that are required of the developer.

**Municipality Reviews Changes to the Economic Development Proposal (August 2010):** The municipal officers will review and vote on whether to approve any changes made to the Economic Development Proposal as a result of the State's review process.

**Infrastructure Development Assistance Agreement (September 2010-October 2010):** Issuance of Bonds: Our goal will be to negotiate the Infrastructure Development Assistance Agreement (IDAA) within eight weeks of State approval of the Economic Development Proposal.



# Overview of I-Cubed Approval Process for Westwood Station



Note: All dates are projections based on best available information, and subject to adjustment.



### 3.2 – PHASE 1 PROJECT SCHEDULE & OCCUPANCY DATE

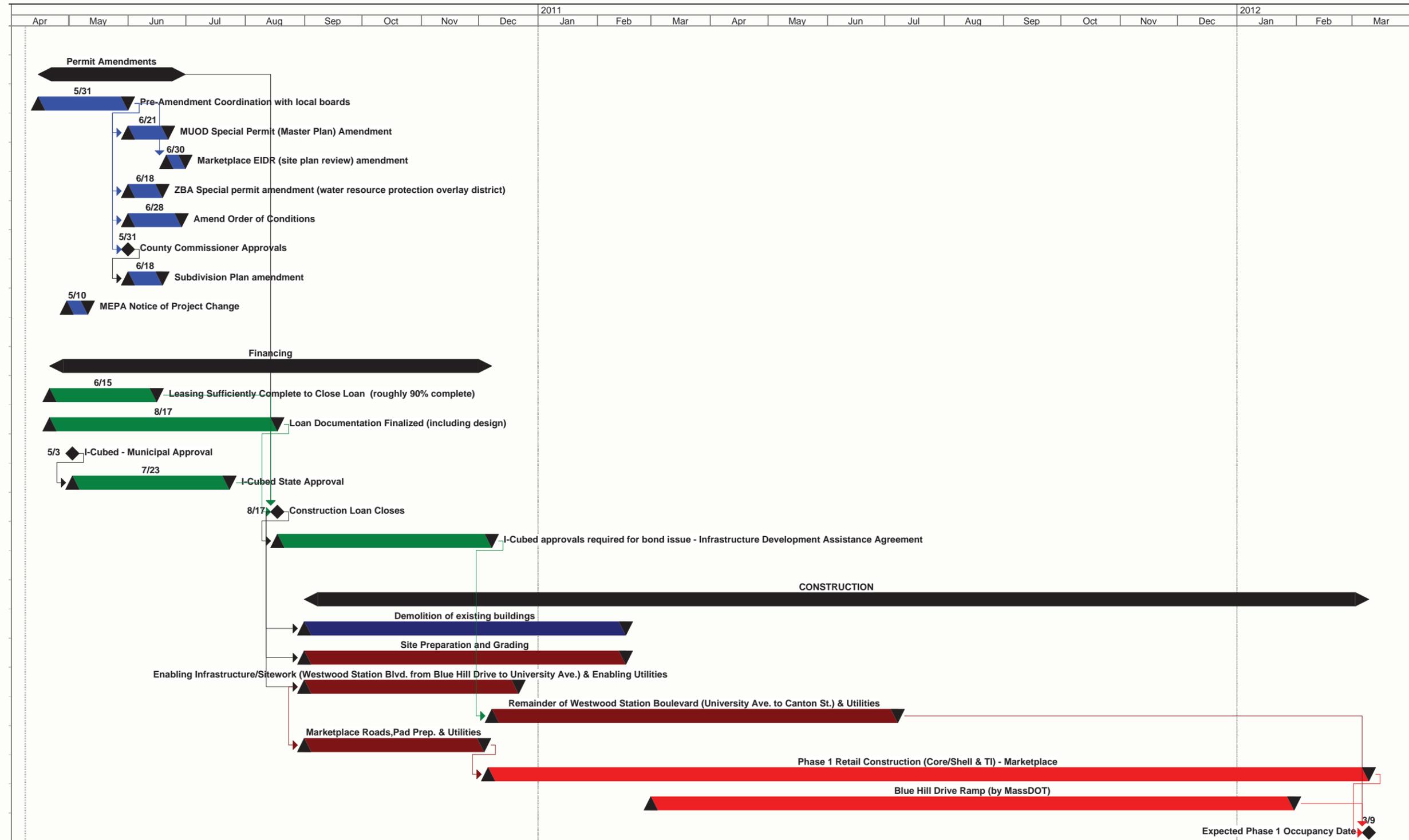
As previously described, Phase 1 consists of approximately 450,000 square feet of retail development. As described in Section 4, the public infrastructure improvements supporting Phase 1 that are funded with I-Cubed bonds (Westwood Station Boulevard) will be built concurrently with Phase 1. The following graphic describes the overall anticipated project timeline for Phase 1.

This schedule is based on a September, 2010 start of building construction. This is the assumed building construction start date because the following prerequisites to starting vertical construction are expected to be finalized by then:

- Financing commitments, lender due diligence and loan documentation complete.
- Permitting sufficiently complete that construction lender will close loan.
- Retail leasing sufficiently complete that construction lender will close loan.
- Final state approval issued on I-Cubed.



# Westwood Station Phase 1 Anticipated Project Schedule





**Phase 1 Occupancy**—Based on the project schedule, the retail grand opening is expected to occur in early 2012. The analysis presented in subsequent sections of this proposal is consistent with this assumption.



## **Section 4 – Economic Development District, Project Components, and Public Infrastructure Improvements**

### **SEC. 4.1 BOUNDARIES OF THE PROPOSED ECONOMIC DEVELOPMENT DISTRICT**

The proposed boundaries of the economic development district are shown in Fig. 4.1. They include:

- On-site infrastructure
- All lots programmed for Phase 1 or future phase construction

The proposed economic development district does not include the following parts of the project:

- Offsite infrastructure improvements

### **SEC. 4.2 EXISTING PARCELS CONFIGURATION AND EXPLANATION OF CURRENT/FUTURE OWNERSHIP**

Fig. 4.1 and 4.2 shows the parcels in their current configuration. Lots have already been conveyed into the configuration required to implement the Master Plan. All of the land is currently held by Commonfund affiliated entities.

### **SEC. 4.3 PROPOSED ASSESSMENT PARCELS, PROJECT COMPONENTS AND ALLOCATIONS OF DEBT SERVICE & LIQUIDITY RESERVE**

The Developer intends to create a single assessment parcel that includes the current proposed Phase 1 buildings (the Marketplace parcel). All of the I-Cubed debt service related to the Phase 1 public infrastructure improvements will be allocated to this parcel. With this approach, there will be no need to allocate responsibilities for debt service, projected New State Tax Revenues, or the Municipal Liquidity Reserve among separate parcels.

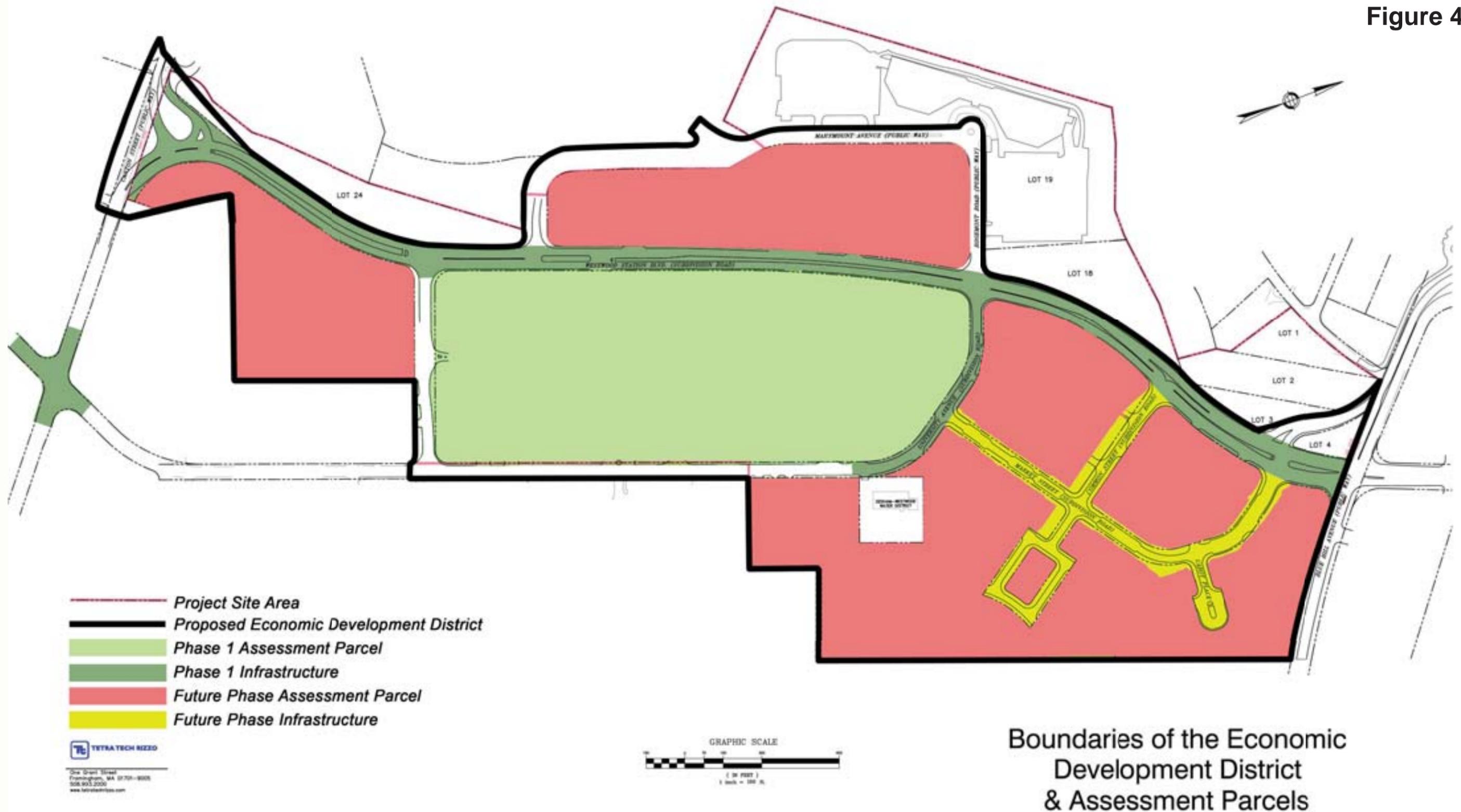
The currently anticipated future phase public infrastructure is located in the Town Center (subdivision roads, utilities, parks and open space). A second assessment parcel is proposed that will encompass future phase areas of the site and the future phase public infrastructure improvements.

As with the Phase 1 assessment parcel, a single parcel encompassing all future phase parcels is proposed, thereby eliminating the need to allocate debt service, tax revenues or the liquidity reserve among separate parcels. While the approach outlined above is desirable from an administrative perspective, it may become necessary to further subdivide the two assessment parcels into multiple parcels pending further financing and/or ownership considerations.

The assessment parcels may be subdivided into two or more separate assessment parcels upon the recordation of a condominium regime, ground lease or further subdivision that creates two or more distinct ownership entities. To the extent that the assessment parcel is so divided, the Infrastructure Development Assistance Agreement will allocate responsibilities for debt service amongst the assessment parcels and the parties may, pursuant to the terms of the Infrastructure Assistance Development Agreement, amend this Economic Development Proposal to reflect such division and allocation as well as any changes to the Project uses, square footage or other information provided herein. The final Infrastructure Assistance Development Agreement, as amended, shall supersede this Proposal for all purposes. The Project will be carried out by development entities which are collectively described as "The Developer" throughout this proposal



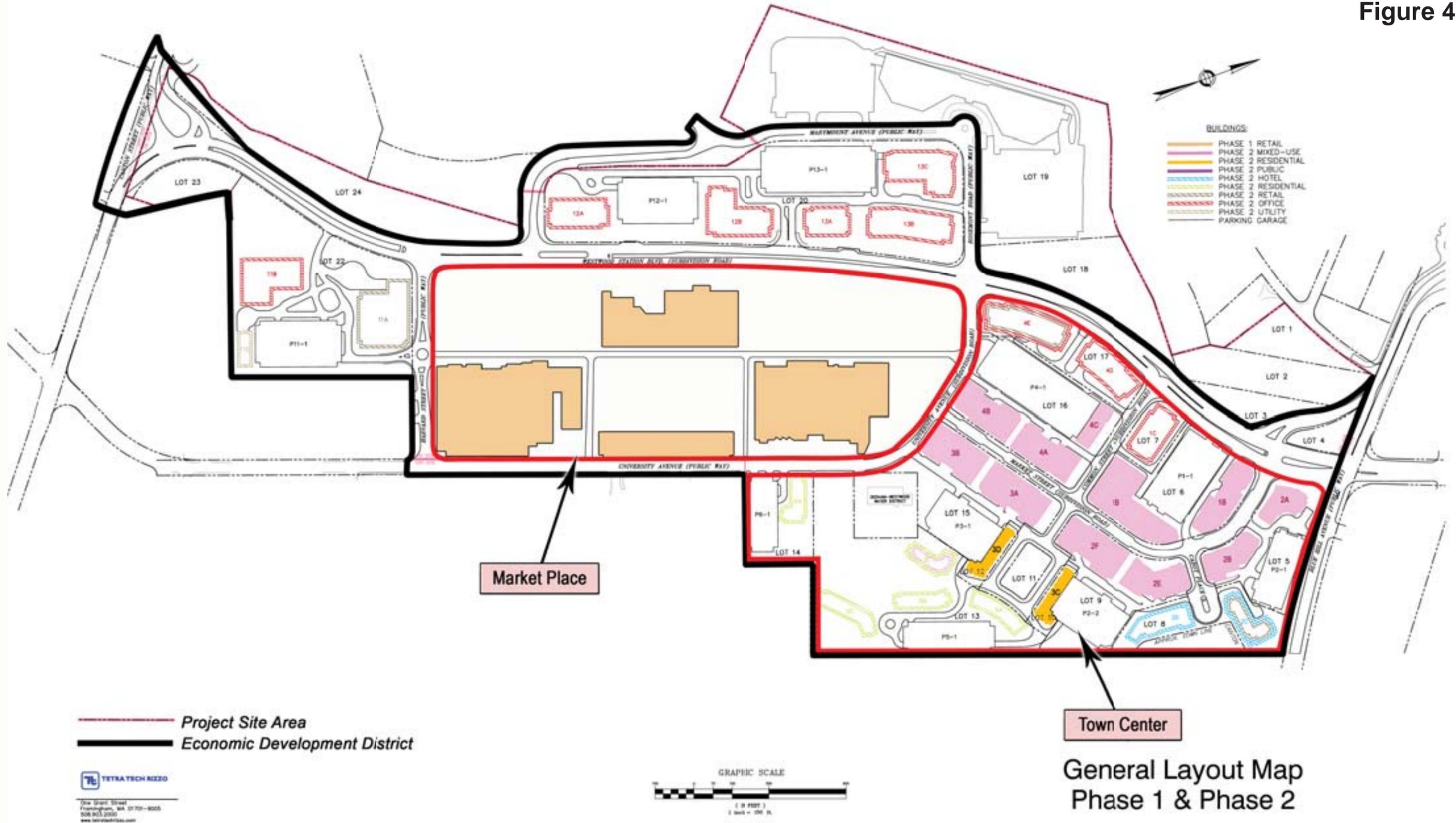
Figure 4.1



**TETRA TECH REZEDO**  
One Grant Street  
Framingham, MA 01701-8008  
508.903.2200  
www.tetra-tech.com



Figure 4.2





Refer to the figure below for the development district and assessment parcel boundaries.

## SEC. 4.4 PROPOSED PHASE 1 PUBLIC INFRASTRUCTURE IMPROVEMENTS

The proposed Public Infrastructure Improvements to be funded, in part, through I-Cubed as part of Phase 1 consist of the following:

- Westwood Station Boulevard – A new 5-lane arterial roadway and six major intersections (including intersections at Canton Street and at Blue Hill Drive). Refer to Fig. 4.3
- New portions of University Avenue – A connector road between existing University Avenue and Westwood Station Boulevard. Refer to Fig. 4.3
- New sidewalks, lighting and traffic signals for these new roadways.
- Utility infrastructure under Westwood Station Boulevard and new University Avenue. See Fig 4.4-4.5 and Sec 8.
- University Avenue and Canton Street intersection.

## SEC. 4.5 REGIONAL TRANSPORTATION INFRASTRUCTURE TO BE FUNDED BY THE COMMONWEALTH

In addition to the Public Infrastructure Improvements described above, other important infrastructure projects serving the project will also be required. The Commonwealth has proposed to fund these programs through sources other than I-Cubed (i.e. the Transportation Improvement Plan or “TIP”), and for Massachusetts Department of Transportation (MassDOT) to construct the improvements. The design of these improvements (including cost estimates) is therefore not addressed in detail in this proposal. For context, an overview of these improvements is provided in general terms below and on the pages that follow.

The Regional Transportation Infrastructure described below and proposed to be funded through the TIP is as follows:

- Reconfiguration of Route 128/Blue Hill Drive Interchange [Refer to Fig. 4.6] – The configuration of the existing highway ramp and associated intersections is deficient. The ramp was constructed many years ago and does not meet current design guidelines. Turning radii are too tight, which poses public safety concerns. The ramp will be reconstructed so as to improve access to the site, increase queuing distances, and improve public safety. MassDOT will construct this infrastructure prior to occupancy of Phase 1 of the project.
- Design, permitting and construction of the Dedham Street/Canton Street Corridor [Refer to Fig. 4.7] – The roadway and intersections between University Avenue in Westwood and the I-95 ramp in Canton (Dedham St/Canton Street Corridor) will be reconstructed. This involves the following scope of improvements:
  - An off-ramp from I-95 Northbound onto Dedham Street will be constructed.
  - The existing on-ramp from Dedham St. to I-95 Southbound will be modified.
  - A new, five lane bridge over I-95 and two new bridges (at the Neponset River and the MBTA/



Amtrak railroad tracks) required for a so-called 5/4/4 Dedham Street configuration will be constructed.

- Intersections and abutter access points (driveway entrances) along the Dedham/Canton St. Corridor will be reconstructed.

The Commonwealth has proposed to construct these improvements during FFY 2012 and FFY 2013.

## SEC. 4.6 OTHER PROJECT INFRASTRUCTURE

The developer must fund a significant amount of Phase 1 infrastructure that serves a public purpose. This category of infrastructure is essentially public in nature, but will be funded by the Developer:

- Design and Construction of Traffic Calming Measures on Canton Street in Westwood.
- Developer Contribution toward Traffic Mitigation in Abutting Communities.
- Utility Infrastructure Upgrades. The Developer is responsible for paying some local utilities to upgrade off-site distribution lines to serve the project. These upgrades support the Project as well as other regional growth.
- Some Stormwater Utilities – Significant portions of the stormwater management system will drain roads or private areas, providing the public with the benefit of additional recharge to the Neponset River Aquifer. Many of the large infiltration systems, cisterns, and leaching areas will be located on private land, and will be funded by the developer.
- Utilities and Sitework Infrastructure within the Marketplace.
- Design of Regional Transportation Infrastructure. The Developer has agreed to fund costs associated with design and permitting of the following components of the regional transportation infrastructure described in Sec. 4.5:
  - Route 128/Blue Hill Drive Interchange
  - Westwood Station Boulevard
  - University Avenue at Canton Street Interchange

## SEC. 4.7 FUTURE PHASE PUBLIC INFRASTRUCTURE

The portion of Westwood Station located in the Town Center will be developed as part of a future phase. The design and planning of this future phase is not sufficiently advanced to generate an Economic Development Proposal, or to seek state or municipal approval of an I-Cubed award. The leasing, financing and design of this phase will commence after Phase 1 is underway.

In order to be developed, the Town Center will require a substantial future investment in infrastructure in the form of roads, utilities and public open space. In the past, this amount was estimated at approximately \$5 million. This amount may be revised based upon changes to the necessary future phase infrastructure. The Developer requests preliminary state acknowledgement that the Commonwealth will provide a future phase I-Cubed award, subject to satisfactory review of a Future Phase Supplemental Economic Development Proposal (i.e. review of public infrastructure costs, project feasibility and new state tax revenue projections). The Developer does not intend to seek municipal approval (Town Meeting vote) of a future phase I-Cubed award at this time.



Figure 4.3

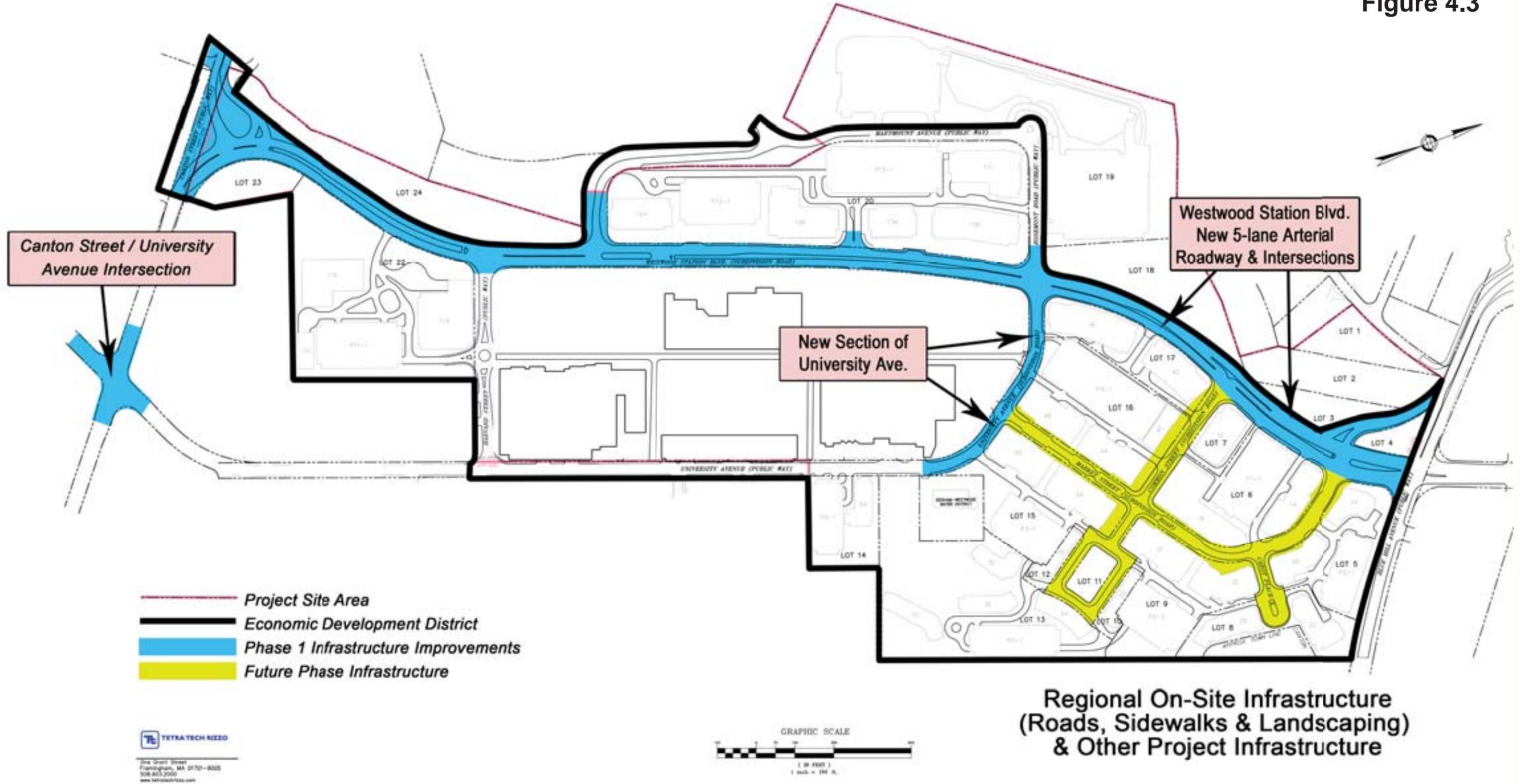




Figure 4.4

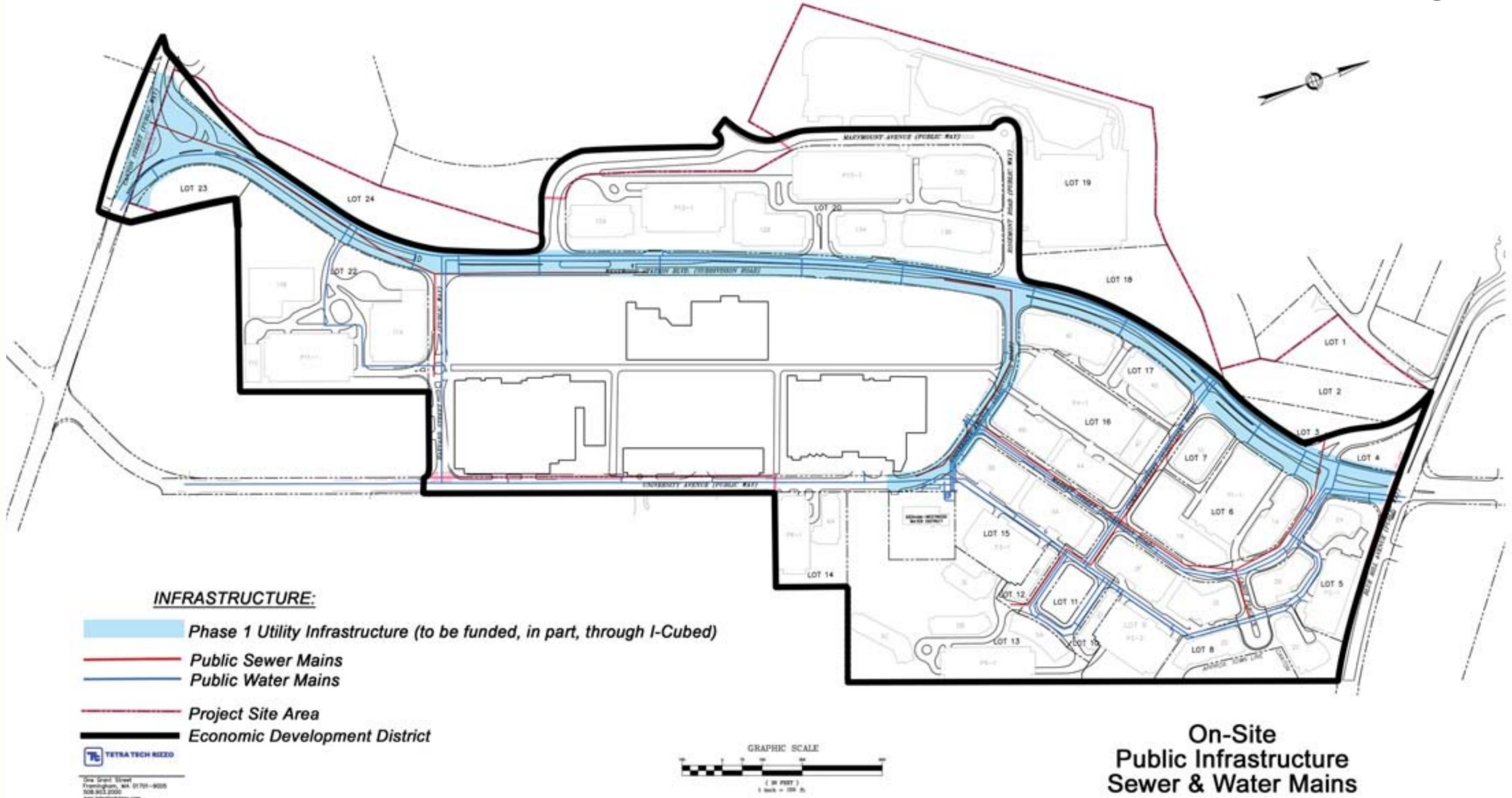




Figure 4.5

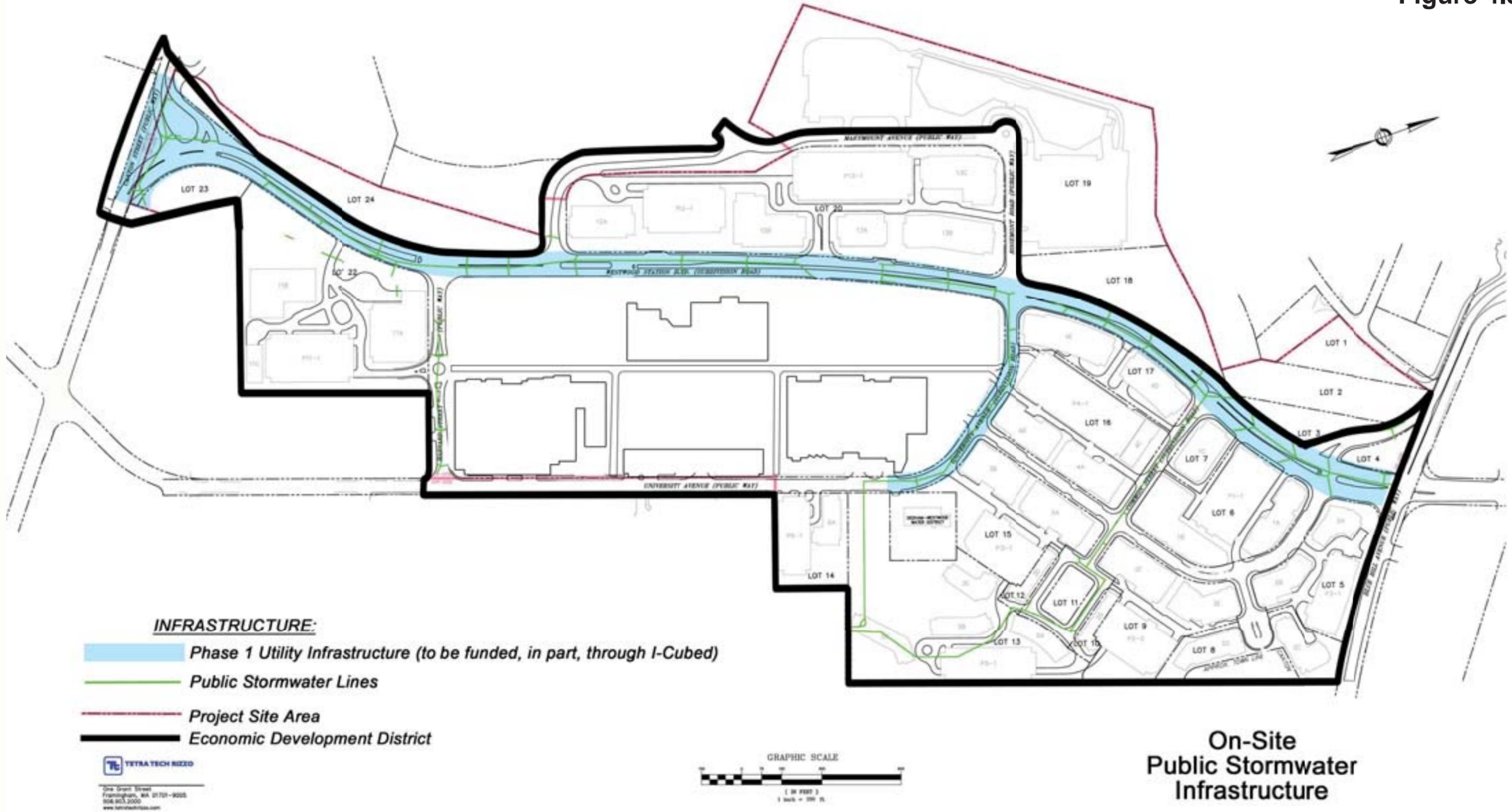




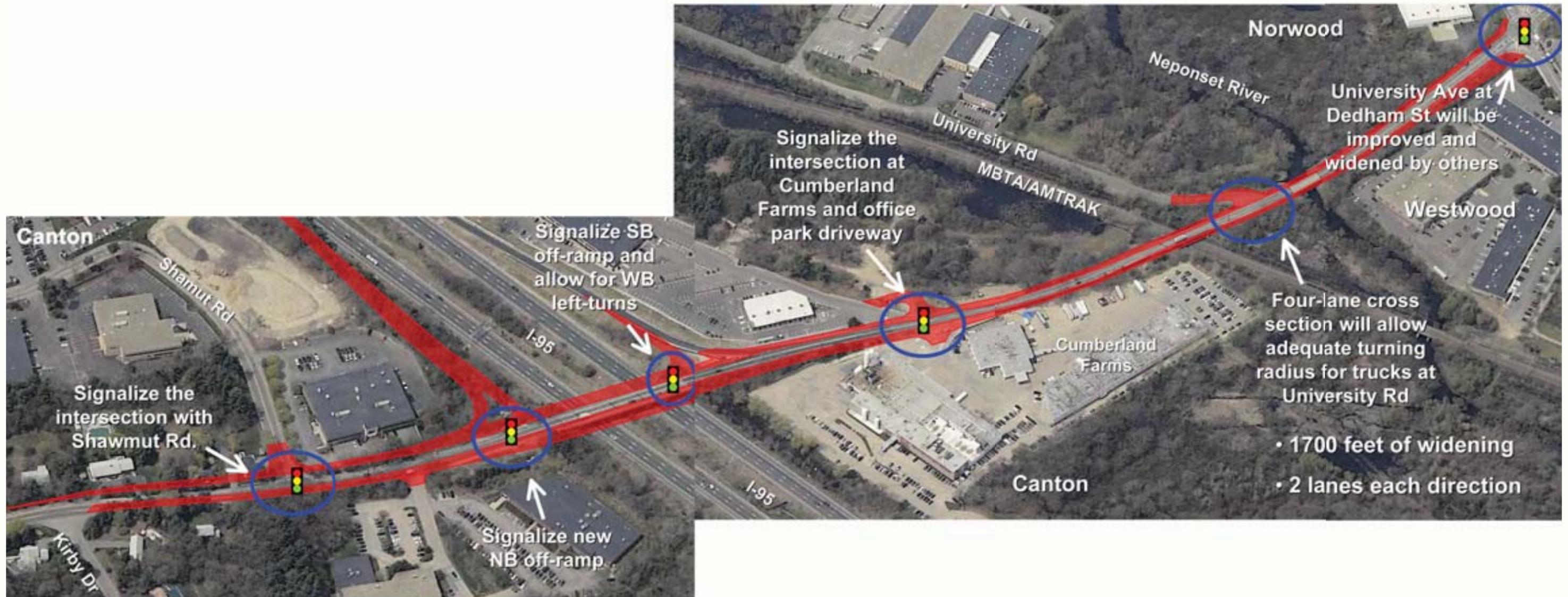
Figure 4.6



Other Regional Transportation Infrastructure to be Constructed by the Commonwealth  
Blue Hill Drive Interchange



Figure 4.7



Regional Infrastructure Improvements to be Constructed by the Commonwealth  
Dedham Street Corridor (from MassDOT presentation, January 12, 2010)



Figure 4.8



### Infrastructure Components

-  ***Phase 1 On-Site Regional Infrastructure (Funded by I-Cubed, EOHEd funds. Refer to Sec 4.4)***  
Westwood Station Boulevard, including Intersection of Westwood Station Boulevard and Canton Street  
Canton Street / University Ave Intersection
-  ***Future Phase Public Infrastructure (Funded by I-Cubed in the future, Refer to Sec. 4.7)***
-  ***Regional Highway Infrastructure (Funded/constructed by MassDOT, Refer to Sec. 4.5)***  
Rt 128 Southbound Off-Ramp at Blue Hill Drive  
4-Lane Dedham Street Corridor  
5-Lane Dedham Street Bridge Over I-95  
I-95 Northbound Off-Ramp at Dedham Street



## SEC. 4.8 INFRASTRUCTURE BUDGET

The table below shows the projected costs of Phase 1 Public Infrastructure Improvements to be funded, in part, through I-Cubed, as described in Sec. 4.4. Excluded from these numbers is approximately \$36 million in regional infrastructure to be funded through other state transportation programs as described in Sec 4.5, and sitework and infrastructure costs funded by the Developer as described in Sec. 4.6.

The budget is based on a very detailed quantity estimate of the public infrastructure. The estimates are based on current unit prices used by the contractors on other recently awarded infrastructure projects. The estimates are contained in Appendix C.

### Westwood Station On-Site Regional Infrastructure Budget Summary

Regional On-Site Roadways	Infrastructure Cost
Westwood Station Boulevard, including Intersection with Canton Street, New Portion of University Avenue, and Utilities	15,091,000
Construction Engineering and Oversight (5%)	755,000
Police Details (2%)	302,000
Contingency (10%)	1,509,000
<b>Subtotal:</b>	<b>17,657,000</b>

University Avenue Intersection	Regional Infrastructure
Rebuild Intersection	1,140,000
Construction Engineering and Oversight (5%)	57,000
Police Details (2%)	23,000
Contingency (10%)	114,000
<b>Subtotal:</b>	<b>1,334,000</b>

<b>TOTAL:</b>	<b>18,991,000</b>
Requested I-CUBED Amount:	6,000,000
Other infrastructure funds required: <sup>1</sup>	12,991,000

**Notes:**

Consists of on-site regional infrastructure to be funded, in part, through \$6 million of I-Cubed funds.

1 - Per agreement with the Commonwealth, this amount is proposed to be funded using other funds available to the Executive Office of Housing and Economic Development.



## Summary of Estimated Quarterly Construction Period Cashflows for Phase 1 On-Site Regional Infrastructure

Projected Cash Flows by Quarter

Category of Public Infrastructure	Total \$ - Public Infrastructure	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12
Westwood Station Boulevard, including Intersection with Canton Street, New Portion of University Avenue, and Utilities	17,657,000	1,765,700	2,648,550	4,414,250	4,414,250	2,648,550	1,765,700
University Avenue Intersection	1,334,000	133,400	200,100	333,500	333,500	200,100	133,400
<b>Total Phase 1 On-Site Regional Infrastructure<sup>1</sup></b>	<b>18,991,000</b>	<b>1,899,100</b>	<b>2,848,650</b>	<b>4,747,750</b>	<b>4,747,750</b>	<b>2,848,650</b>	<b>1,899,100</b>
I-Cubed Bond Financed Cash Flows <sup>1,2</sup>	6,000,000		2,848,650	3,151,350	0	0	0
Other EOHED Funding Sources	12,991,000	1,899,100	0	1,596,400	4,747,750	2,848,650	1,899,100
Interest Accrued on Bond-Debt Prior to Occupancy <sup>3</sup>	279,265	0	11,606	47,656	73,334	73,334	73,334

**Notes:**

1 - Cash flows are based on current schedule and estimates of burn-rate and are intended to show illustrate the approximate nature of the cash flows. Actual cash flows will vary.

2 - Assumes bond closing at the end of Q4 '10.

3 - Interest on I-Cubed bonds will be paid biannually, but estimated based on monthly accrual at an annual effective rate of 5.0% (monthly rate of 0.4074%).



## SEC. 4.9 PROPOSED OWNERSHIP OF PUBLIC INFRASTRUCTURE AND MUNICIPAL APPROVAL

Proposed ownership and approval of the Public Infrastructure Improvements is as follows:

### **On-site Roadways, Public Stormwater, Infrastructure, and Sewer Mains – Town of Westwood**

Ownership of new public on-site roadways and utilities (e.g. Westwood Station Boulevard) will be accepted by the Town of Westwood via a Town Meeting vote. Improvements to existing roadways and utilities (e.g. University Avenue, etc.) in Westwood are generally being constructed on land/ROW already owned by the Town of Westwood, or acquired at recent Town Meetings through takings.

The Town and the Developer will agree upon allocation of maintenance responsibilities for the public roadways during the Westwood Station permitting process through an Operations and Maintenance Agreement. Most of the typical, routine maintenance responsibilities (snow plowing, repaving, etc.) will be performed by the Town of Westwood.

The Town will own all sewer mains located in subdivision roads, and all stormwater systems that serve the public roads. In cases where the utilities run through private land, the Town will accept ownership through a utility easement.

The “other subdivision roads” were originally created as private subdivision roads for technical reasons. The Town will likely take ownership of these roads through some type of dedicated easement.

### **Water Infrastructure – Dedham Westwood Water District**

The Dedham Westwood Water District will own all water mains serving multiple buildings (i.e. excluding service to individual buildings). They will accept ownership through easements. An agreement with the District on these matters is expected to be executed soon.

## SEC. 4.10 REGIONAL BENEFITS AND HISTORY OF PUBLIC INFRASTRUCTURE

The previously described regional transportation infrastructure improvements described in Sec. 4.4 and 4.5 include two critical components of MassDOT’s longstanding proposal to rebuild the obsolete interchange of I-95 at I-93 (the interchange): 1) The reconfiguration of the Blue Hill Drive Off-Ramp from I-95 (Route 128) Southbound, and 2) a long planned Dedham Street off-ramp from I-95 Northbound in Canton, and associated roadway work on the Dedham/Canton St. corridor. The improvements to be funded, in part, through I-Cubed (i.e. Westwood Station Boulevard, etc.) are an integral component of the broader regional infrastructure improvements.

These improvements provide important regional transportation and public safety benefits in their own right, and also constitute critical elements of MassDOT’s proposed redesign of the interchange. The history of MassDOT’s planning process for these improvements shows that they have undergone significant consideration, alternatives analysis, and public review, independent from the Westwood Station permitting process. The improvements were originally proposed as early as 1996, but were stalled, in large part, due to lack of funding.

The on-site infrastructure to be funded, in part, through I-Cubed also provides important regional benefits. Westwood Station Boulevard will serve as an important regional connector road between these two newly reconfigured highway interchanges. An outdated, automobile oriented roadway network will be replaced with a new network of roads, bike paths and sidewalks, enabling and encouraging alternative modes of transportation and providing better access to public transit. New utility infrastructure (e.g. stormwater management and electrical capacity upgrades) will



be constructed, allowing for environmentally sensitive, technologically enhanced redevelopment of the University Avenue Business Park.

### **Benefits of the Regional Transportation Infrastructure – Improved Regional Mobility & Access to the MBTA/Amtrak Station**

MassDOT originally proposed the Blue Hill Drive ramp upgrades, and the Dedham St. off-ramp to alleviate public safety concerns (Blue Hill Drive Ramp), improve regional transportation patterns (Dedham/Canton Street corridor), and improve access to the MBTA/Amtrak Station (Blue Hill Drive and Dedham/Canton Street corridor).

- Blue Hill Drive off-ramp: As part of its long term plans for reconfiguration of the I-95/I-93 interchange, MassDOT proposed that the I-95 Southbound off-ramp to Blue Hill Drive would be realigned and extended to provide greater queue storage and a deceleration lane. These modifications are intended to alleviate dangerous conditions (tight turning radii and lack of appropriate distance in which to decelerate), bringing the design of the ramp into compliance with current design and safety standards.
- Dedham Street off-ramp & Corridor Improvements: The Dedham Street corridor improvements are an integral part of MassDOT's interchange redesign strategy. The new Northbound off-ramp will improve access to the MBTA/Amtrak Station, and improved access to I-95 Southbound from Canton/Dedham Street (left turns are currently prohibited, causing problems with U-Turns). Bridge work and other improvements to the Dedham/Canton Street corridor are required to create the left turn onto I-95 Southbound.
- Westwood Station Boulevard: Westwood Station Boulevard is an integral component of a new I-95/I93 interchange. It serves as a regional connector between the Blue Hill Drive ramp and the Dedham Street Corridor.

As outlined in the Interchange Justification Report (discussed below), the following benefits of the interchange apply to the ramps and roadways as well.

- "improvements in traffic operations and safety on I-95 (Route 128)"
- "alternate means of access to the new Route 128 Intermodal Facility"
- "the I-95/Dedham Street Interchange is an integral part of the long term regional plans for this area, which are needed to alleviate the current and projected traffic problems."

The regional transportation infrastructure improvements present benefits to several towns and to the residents of the region. The Project represents an opportunity to address regional transportation system deficiencies and to provide residents of the region with improved access to the MBTA/Amtrak commuter rail station. The Towns of Norwood and Westwood see the new ramp as an opportunity to improve access to commercial properties along University Avenue. The Town of Canton stands to benefit from reduced cut through traffic on Dedham Street and surrounding residential streets. For Westwood, the improvements are critical to economic development goals, and to address residents' concerns about cut-through traffic.

### **Benefits of the On-site Infrastructure – Improved Access to Transit & Protection of the Environment**

As described in Section 2, the existing roadway network was designed to accommodate a 1960's suburban industrial park. This roadway configuration is inadequate for a denser, pedestrian and transit-oriented project. The local roadways are not pedestrian friendly – sidewalks are narrow and the roadway configuration encourages drivers to



travel too fast, discouraging pedestrian activity. University Avenue acts as a barrier between most of the site and the MBTA/Amtrak Station. The new roadway network will be reconfigured so as to redirect arterial traffic to the periphery of the site (via Westwood Station Boulevard). New internal roads will be designed to encourage pedestrian and bicycle use. The new roadway configuration will provide for direct pedestrian connections to the MBTA/Amtrak Station from all areas of the business park.

As previously described, the utility infrastructure is functionally obsolete, and is a threat to the health of the Neponset River. The lack of appropriate stormwater infrastructure results in large volumes of uncontrolled runoff flowing into the river after storms. This infrastructure will be replaced with a modern system, which utilizes low-impact development (LID) techniques, capturing, treating, and infiltrating stormwater into the Neponset River aquifer.

### **History of the Regional Transportation Infrastructure**

In 1996, in response to requests from regional planning organizations and the communities of Canton, Dedham, Norwood and Westwood, the Central Transportation Planning Staff of MassDOT began the "University Avenue/I-95/I-93 Regional Traffic Study". The purpose of this effort was to study regional traffic problems and to develop recommendations to improve regional traffic flow. A Project Task Force, made up of host communities and interested parties, was formed and participated in all stages of this three year review. The outcome of this study was a fully endorsed 17 project "Preferred Alternative" of which the Blue Hill Drive Off-Ramp and the Dedham Street Off-Ramp were components.

During the same time period, the MBTA proposed the construction of the Route 128 Intermodal Facility at University Avenue in order to facilitate increased transit ridership. As part of their review and subsequent FEIR approval, the MBTA conducted a detailed and extensive traffic analysis of the region that also requested that the Blue Hill Drive Ramp and the Dedham Street Ramp improvements be constructed. The MBTA conducted years of public outreach and dialog with the area communities prior to constructing the Route 128 station.

Upon completing their Task Force study, MassDOT prepared a required Interchange Justification Report for the I-95/Dedham Street Interchange. This report considered various alternatives for the recommended interchange at I-95 and Dedham Street and identified a preferred alternative.

FHWA approved the proposed interchange in an action dated September 27, 1999. Since that time, MHD has always anticipated completing the interchange, and constructing the ramps. The original concept for the I-95 Northbound off-ramp to Dedham Street in Canton was presented in the Environmental Notification Form (ENF) submitted by Mass Highway (MHD) in 2002 (EOEA No. 12871). The Massachusetts Environmental Policy Act Office (MEPA) issued a certificate for this ENF on October 25, 2002.

In 2002, construction began on the sister (Southbound) on-ramp from Dedham Street to I-95, which exists today. The Blue Hill Drive Ramp improvements and the Northbound I-95 off-ramp were never built, in large part, due to lack of available public funding.

In 2005, Cabot, Cabot & Forbes (CC&F) launched their nearby Westwood Station project in Westwood. The Developer agreed to construct both ramps and the associated roadway improvements. This agreement provided a means of advancing the ramp construction, and allowing their construction to proceed while the more extensive interchange project is designed and permitted. In the meantime, MassDOT has awarded a contract to a consulting firm which has commenced design and initiated the environmental review process for the interchange.



## 4.11 REGIONAL ECONOMIC DEVELOPMENT POTENTIAL

There are hundreds of acres of vacant or underutilized land along University Avenue in Norwood and Westwood, and along the Dedham Street Corridor in Canton and Norwood. These parcels are well located, given their proximity to Route 128, Route 1, I-95, and the Amtrak/MBTA Station and offer significant development or redevelopment potential. Some development has already occurred in this area in recent years, particularly along University Avenue in Norwood. This redevelopment has been spurred, in part, due to business friendly economic development strategies in Norwood (TIF, cooperative permit granting authorities, and investments in infrastructure through a PWED grant). However, the pace of redevelopment has generally been slow.

Westwood Station will catalyze commercial development of these areas for the following reasons.

- Westwood Station will significantly increase land value in the region, because it will provide an amenity base of retail stores and restaurants, as well as public gathering places. These amenities are currently non-existent in the University Avenue area – virtually nowhere can an office worker order lunch, meet a client over a cup of coffee, or drop off dry-cleaning. This lack of amenities has depressed commercial rents in comparison to other locations along Route 128 (e.g. Waltham), that are better served by more restaurants and stores. However, even in other more desirable locations where some retail exists, office tenants complain of a lack of variety. The large retail component of Westwood Station will provide an unparalleled amenity base for the suburbs, which will enhance commercial values in the entire region.
- The Project will result in the construction of additional infrastructure along the Dedham/Canton Street Corridor, significantly improving highway access to these potential development sites. As previously described, the new off-ramp on I-95 will provide better access from points south on I-95, and the improvements to the southbound on-ramp will provide highway access from Dedham Street in Canton. The roadwork and reconfiguration of intersections along the Dedham/Canton Street corridor will relieve congestion in the area. These improvements will increase the land value and development potential in the region.
- Upgraded utility infrastructure (stormwater, water, electrical) will facilitate new development and expansion of existing buildings.
- The new regional roadway network will provide improved access between the train station and existing businesses or potential commercial development sites.

Tenants are already anticipating the benefits described above. Cabot, Cabot & Forbes and Commonfund have developed commercial space in Norwood in the recent past (825 University Avenue – a build-to-suit office building for MIB corporation), and own more commercially zoned undeveloped land there (835 University Avenue). Cabot, Cabot & Forbes has entered into negotiations with several tenants who were drawn to the Norwood site because of its proximity to Westwood Station. Most of these tenant prospects are stable, successful firms, but are not large Fortune 500 companies. While Westwood Station is an ideal choice for many larger tenants, the regional development sites located outside the Project's boundaries are better suited to other, generally smaller tenants, who require good highway access and reasonable proximity to the amenities discussed above. They see Norwood as a "low-cost alternative" to Westwood Station or Waltham. Based on these discussions and other market activity in the area, we expect that development will consist of higher density (multi-level) office, research and development, and laboratory



space. Tenants for these sites are likely to be small to mid-sized firms specializing in technology, financial services, life-sciences, or other professional services.

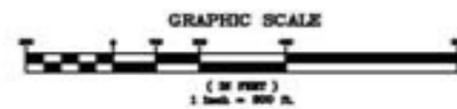
We have identified the parcels with development/redevelopment potential in this area, as shown in the graphic below. The first step in this analysis was to identify the existing buildings on each parcel along the Dedham/Canton St. corridor and University Avenue. Vacant land was classified as having development potential, except as noted below. Parcels with one-story buildings (i.e. lower than optimal density) or industrial/warehouse buildings (i.e. low-rent) were classified as properties with redevelopment potential. Parcels with wetlands or other environmental conditions were eliminated as potential development sites. Properties with newer buildings and/or multi-story office buildings were classified as having no development potential.

Next the zoning district for each property with development potential was identified. The local Zoning Bylaws for Canton and Norwood were reviewed to confirm that the parcels could be developed or redeveloped for commercial uses. It is not possible to accurately estimate the square footage of development and/or redevelopment that will occur. This outcome will be determined by particular market conditions and the circumstances surrounding each property, which are not readily apparent (ownership interest in selling or redeveloping, site conditions, environmental issues, etc.). However, if even a small percentage of the identified parcels are redeveloped, thousands of additional new jobs will be created and the state will realize substantial new revenues.

We expect this redevelopment activity to occur concurrently with future phases of development at Westwood Station. As described above, these regions offer a low-cost alternative to Westwood Station, and do not compete with the Westwood Station office component for the same tenants. It is therefore reasonable to expect that as Westwood Station is built out, the surrounding areas will also be redeveloped. We would expect development of the underutilized land along the Dedham/Canton St. corridor and University Avenue to begin once the first Phase of Westwood Station is open, and to continue for a period of 10 to 20 years.



Figure 4.9



**Potential Regional Development  
 (Other than Westwood Station)  
 Enabled by Public Infrastructure Improvements**



## Section 5 – Project Costs and Financing

### SEC. 5.1 PROJECT COSTS

Project costs will be determined with accuracy upon completion of design documentation. The following are preliminary estimates of the overall project construction costs based on unit price estimates of the original Phase 1 program provided by the general contractor with adjustments (updates). These unit price estimates were used to estimate new state tax revenues generated by the project. In order to be conservative with respect to tax revenue projections, cost estimates were based on generally low unit prices, and the initial square footage constructed as of project occupancy was assumed to be 412,000 s.f., rather than the currently anticipated Phase 1 retail of 450,000 square feet:

- Private retail construction costs (including tenant work) - \$61.8 million.
- Privately funded site preparation costs within the Marketplace- \$10 million.
- Publicly Funded Infrastructure Improvements (including regional transportation infrastructure and infrastructure funded through I-Cubed) - \$55 million. These improvements are not subject to the State sales tax.

### SEC. 5.2 FINANCING STATUS

The developer is in active discussions with financing sources. The outlook for obtaining construction financing for Phase 1 of Westwood Station is very good for the following reasons:

- The majority of the project (approximately 80%) will be pre-leased to creditworthy tenants with long-term leases by the close of financing. Several of these leases have already been executed and other important leases are nearly finalized.
- The total project costs have been reduced significantly compared to the original Phase 1 concept. The current (reduced) required loan proceeds for Phase 1 can be financed by many regional lenders, or by larger commercial banks.
- Because the costs and required loan proceeds have been reduced significantly, Phase 1 can now be financed with one or two lenders, rather than with a club or syndicate approach, which will expedite and simplify the process of arranging financing.
- Many of the large anchors are willing to build their own stores under a groundlease arrangement, further reducing required loan proceeds.
- One of the partners is actively arranging project financing for a grocery anchored retail center in another part of the state. This project bears many similarities to Phase 1 of Westwood Station: the majority of the center is pre-leased to a similar tenant mix, it is anchored by long-term, creditworthy retail tenants, and it includes a supermarket. This project has been extraordinarily well received by construction lenders for all of the above reasons.



## Section 6 – Relevance of I-Cubed Infrastructure Financing

Infrastructure financing through I-Cubed is necessary to enable the Project to go forward for the following reasons:

### **I-Cubed Financing Serves as an Offset against Excessive Infrastructure and Mitigation Costs that Impair Project Feasibility**

The Developer initially committed to fund construction of on and off-site infrastructure improvements that it considered to be directly related to the Project's impacts. Through the state and local permitting process, the scope of infrastructure and mitigation commitments expanded significantly. This has occurred in large part because of deficiencies in the regional infrastructure, which have not been addressed by public entities because of lack of available funding. While the Commonwealth has agreed to fund many regional infrastructure projects that were originally project mitigation requirements, the Developer is still responsible for other costly mitigation requirements. Notable examples of these obligations are:

- The Developer has agreed to fund the design and permitting expenses associated with regional infrastructure improvements as described in Sec. 4.6.
- The local electrical grid is deficient and incapable of supporting a significant increase in density. The developer will be required to reimburse the local electrical utility for a significant portion of the costs of improvements to the distribution network in the Norwood/Westwood region.
- Through the local permitting process, the developer has been required to alter the configuration of intersections, expand the width of roadways, increase neighborhood mitigation measures, and rebuild deficient utility systems to a greater than anticipated extent.
- During the local permitting process, several local mitigation measures were required of the project.

The effect of the substantial increase in infrastructure and mitigation costs, and escalations of other project costs, has been to impair the Project's feasibility. While it is unlikely that any project could have weathered these cost increases, their impact on Westwood Station's returns has been particularly acute, because the Project also bears significant developer funded infrastructure reconstruction costs.

As costs increased, the Project's returns shrank to unviable levels. At these returns lenders would not have been willing to finance the construction loan. In order to prevent this outcome, the development team pursued two approaches to enhancing project feasibility:

- 1) **Cost Reductions:** The Developer sought to reduce overall project costs by eliminating scope (where possible) and reviewing potential value engineering cost reductions for each line item of the project budget.
- 2) **Public Infrastructure Financing:** The Development team concluded that large-scale public infrastructure financing was necessary for the Project to go forward. Proformas that have been reviewed by lenders and the investor have included the assumption that the Project would qualify for a significant amount of public infrastructure funding, including I-Cubed. This assumption was made for four fundamental reasons: 1) the Project appears to be an excellent candidate because it offers very significant economic development benefits and new state tax revenues, 2) it is representative of the type of suburban development that the State intends to promote (transit-oriented, smartgrowth, etc.), 3) the infrastructure provides transportation and economic development benefits not just to the Project, but to the region as a whole, and 4) because of the



excessive project costs, the Project would not be able to demonstrate financeable returns without large-scale infrastructure assistance.

### **Commitment to Provide Infrastructure Up-front Poses Substantial Financing Burden**

Early in the Project's life, it became apparent that the majority of the Project's infrastructure needed to be constructed upfront, rather than in a modular, or phased approach. This approach is required because the configuration of the generally deficient existing infrastructure was not supportive of a transit-oriented masterplan and effectively required "ground-up" replacement rather than upgrading. Also, through the local permitting process, the Developer and the community determined that the scale of the Project could cause impacts to surrounding neighborhoods unless appropriate infrastructure was provided up front.

While it is a real-world requirement, this approach to building infrastructure poses significant financing challenges. The first phase of the Project cannot bear the burden of carrying all of the infrastructure costs, or its returns would sink to unmarketable levels. In order to present viable business opportunities to the various investors, partners, and lenders involved in each component of the Project, the cost of the infrastructure must be publicly financed.

### **I-Cubed Provides Needed Equity Gap-Filler**

The recent credit crisis and the associated reduction in available loan proceeds for Phase 1 development have exacerbated the challenges described above. Current indications from lenders are that they will fund approximately 65% of the costs associated with Phase 1 vertical development, even if the majority of the regional transportation infrastructure is funded by the Commonwealth.

Given the level of leasing, the quality of the collateral, the credit of the borrower, and the track record of the sponsors, these are very strict terms, which result in an equity requirement that is roughly double what would have been achievable or required two years ago. Equity funding on this scale poses significant challenges to the investor. I-Cubed financing is essential to the success of the Project as it fills a potential equity gap that could prevent the Project from being financed.



## Section 7 – New State Tax Revenue Projections

Phase 1 of the Project will provide the State with millions of dollars in new tax revenue, and thousands of transit-accessible new jobs. As previously described, Phase 1 includes approximately 450,000 s.f. of retail development. It will serve as a catalyst for future phases of development that will include housing units, and a modern, transit-accessible office employment center capable of accommodating growth in an environmentally responsible manner. Once fully developed, Westwood Station will include up to 1,000 housing units, roughly 1.5 million square feet of Class A office, and two hotels.

This section presents the gross and net new state tax revenues that will be generated by the Project from Phase 1 construction period activities and from the occupied Phase 1 retail component of the Project. The methodology used to derive these projections is briefly summarized in Sec. 7.1 and information on commitment status is provided. A complete description of the methodology, data, and modeling results is included in Appendix E. All projections presented in this section are in constant dollars (2008). Section 8 contains debt service coverage calculations based on the new state tax revenues presented in this section (not in current dollars).

### Summary of Gross State Tax Revenue Projections

The tables below summarize gross state tax revenue projections:

<b><i>Gross Construction Related Taxes</i></b>	<b><i>Phase 1</i></b>
Gross sales tax	1,256,763
Plus new income taxes	1,358,740
<b>Total gross sales and income tax</b>	<b>2,615,502</b>

<b><i>Gross Recurring (Annual) Taxes</i></b>	<b><i>Phase 1</i></b>
Gross sales tax	4,289,688
Plus new income taxes	892,877
<b>Total gross sales and income tax</b>	<b>5,182,565</b>

### Summary of Net New State Tax Revenue Projections According to I-Cubed Regulations

A summary of the net new state tax revenues is provided in the following tables and graphic, with further information in Sec. 7.1 and 7.2. For each of these sources, total state tax revenues have been estimated, and the new versus displaced component of these revenues was calculated. Dedicated sources of revenue<sup>1</sup> have been subtracted from sales taxes in order to arrive at net new state tax revenues. Highlights are as follows:

- Phase 1 will generate roughly \$2.6 million in gross taxes from construction and approximately \$2.2 million in net new taxes from construction from the Phase 1 retail component.
- Phase 1 will generate roughly \$5.2 million in gross recurring taxes. Using conservative displacement factors, Phase 1 will generate \$600,000 per year in recurring net new taxes. As described in Section 8, projected net new taxes (including construction period revenues) exceed debt service by a factor of 2.06, well in excess of the 1.5 factor required by the I-Cubed regulations.

<sup>1</sup> Dedicated sales tax revenue means sales tax revenue earmarked for the MBTA and State School Building Authority.



<b><i>Net New Taxes Related to Construction</i></b>	<b><i>Phase 1</i></b>
Gross sales tax (all new - no displacement)	1,256,763
Less dedicated sources of revenue <sup>1</sup>	(392,110)
Plus new income taxes (all new - no displacement)	1,358,740
<b>Total net new sales and income tax</b>	<b>2,223,392</b>

<b><i>Net New Recurring Annual Taxes</i></b>	<b><i>Phase 1</i></b>
Gross Sales Tax	4,289,688
New sales tax	501,165
Less dedicated sources of revenue <sup>1</sup>	(156,360)
Net New Sales Tax <sup>2</sup>	344,796
Plus new income taxes <sup>2</sup>	261,286
<b>Total net new sales and income taxes</b>	<b>606,082/yr.</b>

1 - Dedicated sources of revenue consist of earmarked sales tax that goes to the MBTA (approx. 16% of gross sales tax) and the School Building Authority (approx. 16% of gross sales tax).

2 - New sales and income tax means tax revenue that will be generated by the project net of displacement effects. Refer to following pages and the appendix.

## SECTION 7.1 – NEW STATE TAX REVENUE PROJECTIONS FROM PHASE 1

**Background:** The I-Cubed Preliminary Economic Development Proposal that was previously submitted on January 29, 2009 included a Marketplace retail component that was similar to the current Phase 1 tenant mix, but somewhat larger. The original analysis included econometric models, which considered regional and statewide retail supply and demand data for each specific retail sector within the project, as well as variables relating to competition and product differentiation. This complex analysis resulted in tenant specific displacement factors that ranged from 3% to 100% depending on store category. The weighted average displacement factor was 49% (51% new) for taxable sales, and 19% (81% new) for retail employment. Employment displacement factors were significantly lower than sales displacement factors, because even in sectors where new stores do not result in significant amounts of new spending, existing stores often coexist with new stores, and compete for limited market share (instead of closing).

While the displacement factors contained in our original analysis were based on economic theory and sophisticated quantitative models, we recognize that displacement factor analysis is subject to interpretation and that there are a variety of opinions regarding appropriate retail displacement factors. In the interests of achieving approvals in an efficient manner, the following analysis is based on the most conservative assumptions that we can reasonably justify. These assumptions diminish the amount of new state tax revenue projections below what we consider to be realistic, but are intended to achieve consensus.



New state tax revenues from Phase 1 include the following:

- New sales and income tax generated by Phase 1 construction activities (retail and infrastructure), including (amortized over the first ten years after Occupancy):
  - Sales tax generated from in-state purchases of construction materials.
  - Income taxes on construction worker wages.
- Recurring sales taxes that will be generated by the Phase 1 retail.
- Recurring income taxes from new retail jobs.

As outlined in Appendix E, construction of Phase 1 of the Project will generate roughly \$2.2 million in net new state tax revenues. The Phase 1 retail component of the Project will generate over \$600,000 annually in net new state sales and income taxes, using very conservative displacement assumptions.

### 7.1.1 Summary of New State Tax Revenue Projections from Phase 1 Construction

The state will receive roughly \$2.6 million in new tax revenue as a result of what will be one of the largest private construction projects happening at the time. These revenues will accrue during the construction period, and consist only of direct revenues. Additional new “downstream” state tax revenues generated through spin-off effects will also benefit the state, but are not included in these numbers.

New state tax revenues were estimated based on the preliminary construction budget. A number of conservative assumptions were used. As described in Section 5, unit costs that were used to estimate total construction costs were generally at the lower end of the spectrum of expected outcome. Second, revenues were based on approximately 412,000 s.f. of retail development, and the current plan is approximately 450,000 s.f. To estimate sales tax, the construction manager previously identified the taxable material components of the Project, using conservative assumptions about sources of materials (in-state versus out-of-state vendors). Income taxes were estimated

<i>Source of New Taxes</i>		<i>Sales Tax</i>	<i>Income Tax</i>
<b>Phase 1 Construction</b>	Construction materials	1,256,763	
	Construction worker wages		1,358,740
	<b>Gross construction Taxes</b>	<b>1,256,763</b>	<b>1,358,740</b>
	Less 32% (earmarked dedicated to revenue)	(392,110)	
	Net new taxes from construction	864,653	1,358,740
<b>Total Net New Taxes from Construction:</b>		<b>\$2,223,392</b>	



through the use of IMPLAN models. The methods and models used to derive these projections are fully detailed in the appendix.

### 7.1.2 Summary of New State Sales Tax Revenue from Phase 1 Retail (Recurring)

Net new state tax revenues generated directly from Phase 1 retail have been estimated. The study contained in the appendix shows that, under circumstances which are present at Westwood Station, new retail development does create new spending and tax revenue on a state-wide basis. This occurs when new retail development provides a new or different product mix or consumer experience, and when it fills a gap in a particular retail sector providing a type of store or restaurant that is currently undersupplied. Estimates of new versus displaced spending from the retail component of the project are described in the appendix.

#### Taxable Sales Projections

Determining the extent to which sales from a new retail development are new or displaced requires, as a starting point, an estimate of sales and taxable sales for each store category. Since the Phase 1 retail uses at Westwood Station are nearly fully committed to actual tenants, it has been possible to project new sales and the taxable percentage of sales on the basis of tenant specific data. This data was provided by the project's leasing team, based on information from tenants. Store sales are highly confidential in nature. In order to protect tenant confidentiality, only taxable sales estimates are published in this proposal (not gross sales or percentages). Projected sales data for the retail tenant prospects at Westwood Station were categorized according to the following two categories:

**Wegmans:** A single tenant, Wegmans Food Markets (Wegmans) is a highly distinctive tenant with its own unique characteristics and was the subject of an individualized analysis. Wegmans is a destination supermarket and a lifestyle market. It will serve as a key anchor, drawing customers to other stores at Westwood Station, and will serve as a differentiating element of the project.

In 2009, Wegmans received more than 3,100 requests from people asking the company to open a store in their community. Consumer Reports in 2009 rated the chain as the No. 1 grocery store in the country. Moreover, Wegmans has a strong web presence, offers cooking classes, hosts book signings and celebrity appearances, and circulates E- magazines. In addition to groceries, Wegmans sells a variety of taxable discretionary spending items such as prepared foods, housewares and kitchen equipment.

As described in Appendix C, a displacement factor of 83% (17% new) was applied to Wegmans sales based on an extensive review of applicable literature. This is a very conservative factor, for the following reasons:

- This factor falls in the conservative end of the relevant studies described in the appendix (some studies estimate displacement factors as low as 60%, or 40% new).
- The other studies were generally performed in the context of a Walmart being developed in other parts of the country. They do not take into account the extent to which a new, exciting customer experience offered by an upscale store like Wegmans will influence spending patterns in a relatively affluent region. This point is reinforced by the fact that Wegmans trade area is considerably larger than that of other retailers.
- Wegmans' business model is one that caters to an affluent market, which is present in and near Westwood. These households have the capacity to increase their purchases, and Wegmans' mix of products and reputation of exemplary customer service can induce more sales from local households than are now being made. For instance, Wegmans other stores generate significant revenues from sales of prepared



foods to nearby office workers. Office workers at buildings near Westwood Station do not currently have convenient access to high quality lunch foods, but will increase these discretionary purchases if given the opportunity to do so.

- Many of the other studies were conducted by researchers with an anti-Walmart bias, and are therefore likely to have resulted in very conservative displacement factors.

**General Retail:** The remaining retail establishments slated for Phase I development of Westwood Station will also generate new tax revenue. Many of the other committed tenants (small stores and large format stores) either already have a significant presence in Massachusetts, or are well represented by competing stores that offer similar products. For this reason, a higher displacement factor (90% displaced, 10% new) was assumed. This conservative factor was based on the literature cited in the appendix and is consistent with other examples of economic modeling assumptions applied to similar mixed-use destination retail centers in the Commonwealth.

The restaurants are likely to generate a significantly higher percentage of new revenue than 10%. The decision to spend money at a restaurant is purely discretionary on the part of the consumer and is influenced by convenience (particularly in an affluent region). Restaurants have historically been underrepresented in the region. Restaurants located in other retail centers in similarly underserved locations have exhibited very significant sales, a significant percentage of which are likely to be new. Notwithstanding the above, the general retail displacement factors were applied to the restaurants.

The following table describes new state sales tax revenue projections from Phase 1 retail.

	<i>Source</i>	<i>Recurring Sales Tax</i>
<b>Phase 1 Retail</b>	Retail sales	Confidential
	Taxable sales	68,635,00
	Gross retail sales tax (6.25% of above)	4,289,688
	“New” taxable sales at Westwood Station	501,156
	Less dedicated revenue	(156,360)
	<b>Net new annual sales tax</b>	<b>344,796</b>

### 7.1.3 Summary of New Income Tax Revenue from Phase 1 Retail (Recurring)

As with sales tax revenues, new retail jobs were analyzed separately for Wegmans and for general retail. For both categories, new retail jobs are the result of two factors: 1) new jobs are created by retail sales that are new to the Commonwealth, and 2) new jobs are created by retailers’ competition for market share. The first category of jobs is intuitive - any retail job created by new retail spending should be classified as a new job, so displacement factors for employment should be, at a maximum, equal to those used in sales projections. A second category of new jobs will be created by sales that are displaced from existing retail sales. Data indicates that, new stores open in order to compete for market share with existing stores. While in some cases, this may result in store closings, in many cases both new and existing stores continue to coexist, even though the existing store is likely to see diminished sales volume as a result of displacement. This pattern is particularly true in markets such as New England, where land availability and the regulatory environment significantly restrict the supply of retail space. For retailers with large established brands and that have made significant capital investments in stores (i.e. supermarkets), this phenomenon



is especially apparent.

For Wegmans, employment displacement will be significantly lower than sales displacement. In order to be conservative, an employment displacement factor of 90% (10% new) was used for general retail, although a significantly higher percentage of new jobs could certainly be justified.

The employment displacement factor for Wegmans will be much lower than for general retail for the following reasons.

- 1. Wegmans is unlikely to cause other supermarkets to close.** The supermarket sector is a highly competitive subsector of the retail market in which operators often open new stores to compete with existing stores for market share. Even if a new store would generate only a relatively small amount of new spending, supermarket operators will continue to open new stores in order to compete with existing store sales until a market is oversaturated. In this respect, it is important to note that there is more retail demand than supply for grocery stores within 5 miles, 10 miles, and 15 miles and 20 miles from Westwood Station – therefore the potential market is underserved, indicating that there is room for growth for the grocery store sector. Instead of closing, other supermarkets may invest in their stores (creating additional tax revenues), as described in the literature cited in the appendix.
- 2. Resiliency of supermarket employment occurs for several reasons.** First, supermarket operators are generally well-capitalized organizations. Unlike smaller retailers that may operate at a thin profit margin, it is highly unusual that an existing supermarket would be forced to close because of a downturn in sales. Operators are also sufficiently well-capitalized to continue operating stores that have become less profitable due to competition with the expectation that market sector growth will ultimately return them to more profitable levels. Second, supermarkets often have a long-term focus on building their brand visibility, identity and retaining market share. Third, supermarket operators have made very significant investments in existing stores, which in most cases include very long-term lease obligations. If an existing store experiences a diminution in sales due to competition, it is unlikely to close unless sales drop off so severely that operating cash flows are negative.
- 3. Wegmans will be a significant player with respect to proximate grocery stores, but will not be a large player with respect to the numerous stores located at the farther end of its exceptionally broad catchment area.** Due to its unique reputation, lifestyle attributes and its prominence as the only Wegmans in New England, Wegmans has an anticipated 25 mile market area, whereas other supermarkets generally have a 10-15 mile market reach. [1] For stores located beyond five miles from Wegmans, the impact of Wegmans sales will be spread out over a large area and a large number of stores, and will have a negligible impact on individual stores.

The argument could be made that virtually all of Wegmans jobs would be new (either because of new sales caused by Wegmans, jobs created by competition for market share, or the broad area of Wegmans trade area and the resultant negligible impacts on distant stores). Given the above, it is reasonable to conservatively assume that approximately 70% of jobs at Wegmans will be net new to the Commonwealth and approximately 30% will be displaced due to market competition within 15 miles of Westwood Station.

The actual analysis is described in full in the appendix. The results show that the Phase 1 retail component of the



Project will generate gross state income tax revenues of about \$890,000 annually, and net new annual income taxes of about \$260,000. These jobs create spinoff benefits attributable to the new jobs, which are not included above.

#### 7.1.4 Commitment Status of Phase 1 Retail

The Phase 1 retail component of the Project benefits from significant pre-leasing activity, as described in the tables below. A total of 87% of the gross leasable area is under commitment with signed leases, leases out for signature, or under a negotiated LOI. Wegmans, the key anchor has executed a lease, and Target remains committed to this location. Close to 100% of the retail space is expected to be leased by groundbreaking.

<i><b>Retail Leasing Summary</b></i>		
	<b>%</b>	<b>Cumulative %</b>
Executed (incl. Wegmans)	46%	46%
Out for Signature or Negotiated LOI	41%	87%
Total Leasing		87%
Negotiations On-Going	13%	
<b>TOTAL</b>	<b>100%</b>	

## 7.2 NEW STATE TAX REVENUES FROM FUTURE PHASES

As previously described, the project is seeking to obtain I-Cubed funding for future phase infrastructure under a phased approval process as contemplated in the I-Cubed regulations. However, the planning, leasing and permitting of future phases are not sufficiently advanced to allow for an independent peer review process, or a municipal (Town Meeting) approval.

We are therefore proposing that the Commonwealth reserve an allocation of I-Cubed funding toward future phase infrastructure. This award would be subject to a review of a Supplemental Economic Development Proposal (SEDP), which would be submitted once the future phase development plans are sufficiently advanced. Upon submission of these materials, the state would review the SEDP using the same process outlined under the regulations as for an independent I-Cubed proposal, and municipal approval (including a Town Meeting vote) would also be required.

This section provides an overview of potential sources of future phase revenues. Since the planning, timing and phasing of future phases is uncertain, the intent of this section is to demonstrate that future phase revenues are significant, and have a reasonable likelihood of being achieved. Detailed projections would be provided with the SEDP once the development program of future phases has been determined.

Potential sources of new state tax revenues from future phases of development include the following:

- New sales and income tax generated by future phase construction activities (additional residential, hotel and office development), including:
  - Sales tax generated by in-state purchases of construction materials.



- Income taxes on construction worker wages.
- Recurring income taxes from new office jobs
- Recurring income and sales taxes from retail
- Meals and occupancy taxes from hotels.

**Revenue from Future Phase Construction:** Future phase construction revenues will be significant. Based on the original future phase program, these were estimated at \$13 million in direct net new impacts. However, construction period revenues do not count against a shortfall, we have not updated the estimate. Since more square footage has been deferred to future phases, these revenues would only increase.

**Revenue from Future Phase Retail:** An individualized analysis of the Town Center will ultimately be required. In rough terms, however, the Phase 1 Marketplace retail revenue estimates may be used to impute potential revenues to be generated by the Town Center, which is permitted for approximately 300,000 s.f. of retail development. While there are some differences between the two retail areas, these differences will likely balance each other out (the Town Center will have higher sales on a per square foot basis, but different displacement factors). Using this logic, the town center is likely to generate roughly 60% of the Phase 1 retail revenue, or approximately \$400,000/year of net new revenue.

**Revenue from Future Phase Office:** Westwood Station is permitted for nearly 1.5 million square feet of office space that is expected to be developed over a ten-to fifteen year timeframe. The office space at Westwood Station is expected to accommodate approximately 5,500 office workers, once fully developed. In order to estimate the percentage of office jobs that will be new or retained, a customized survey was performed as part of the original I-Cubed proposal (as excerpted in the appendix). Through the survey, an empirical factor was developed, which reflects the extent to which large office leasing transactions are correlated with creation or retention of jobs.

The survey consists of information compiled from commercial office brokers on recent leasing transactions along Route 128. Brokers provided detailed information on recent office leasing activity in the Route 128 market for appropriately sized “comparables” (i.e. similar to the size of expected Westwood office tenants). Approximately half of the transactions consist of leases exceeding 100,000 s.f., and the remainder of transactions range between 25,000 to 100,000 square feet of space. No culling of transactions occurred. The transactions are representative of the type of tenants that are expected at Westwood Station, and include electronic instruments manufacturing, management consultants, internet based firms, research and development tenants, and insurance companies.

The survey identified the number of new or retained jobs that were associated with each leasing transaction. New jobs were those created by expansion, as estimated based on the difference between building efficiency and size in new versus original locations. Retained jobs occurred in only one lease transaction.

The survey indicates that many, if not most, large lease transactions along Route 128 are driven, in part, by expansion plans (sometimes accompanied by consolidation). Seventeen of the twenty two firms moved because they were expanding. A few of the lease transactions were driven purely by consolidation, and only one transaction occurred as a result of downsizing. The survey indicates that 36% of the aggregated jobs at the tenants’ new locations were attributable to expansion, and were therefore new jobs. An additional 6% were retained jobs. These ratios were used as the basis for estimates of the new jobs to be created in future phases of Westwood Station office development.



These projections resulted in approximately \$8.6 million in new state tax revenues associated with the future phase office development.

**Revenue from Future Phase Hotels:** Based on similar methodology, new income tax revenues from hotels were estimated at \$104,000 annually. Net new revenues from income tax, meals, and occupancy taxes were estimated at \$280,000 annually.

**Conclusion:** While it is not practical to estimate future phase state tax revenues in the absence of tenant specific commitments, it is apparent that future phase revenues will be significant, potentially approaching \$10 million in net new revenue. This result is due to the survey based assumption that office development will result in lower displacement factors compared to retail. A future phase consisting of even a relatively small office component, and/or a retail and hotel component would likely produce revenues that would be more than sufficient to cover the debt service on future phased I-Cubed bonds.

### **Future Phase Commitment Status**

Given the current economic downturn, it is unlikely that future phases will be committed in the immediate future. However, components of the future phases of office development are likely to be built-out within the next three to five years. Prior to the downturn, major players in the financial sector were very interested in leasing large blocks of office space at Westwood Station. They attributed their interest in the Project to the following primary factors:

- Mixed-use environment – The Project would offer amenities that tenants desire (restaurants, stores and parks), and that are lacking elsewhere along Route 128.
- Access – Two highway ramps and commuter rail access to South Station provide a better combination of train and vehicular access than any other location along Route 128.
- Sustainability – The Project's smart growth, transit-oriented, and green building initiatives appeal to corporate mandates, and would assist tenants with employee retention.
- Consolidation opportunity – There is a lack of large blocks of available Class A space along Route 128. The Project provides large tenants with options that are unavailable elsewhere.

Once the economic downturn reverses course, it is expected that office leasing will resume in earnest. The Project's attributes offer office tenants a Class A suburban option with a mixed-use environment that is unavailable elsewhere in suburban greater Boston.

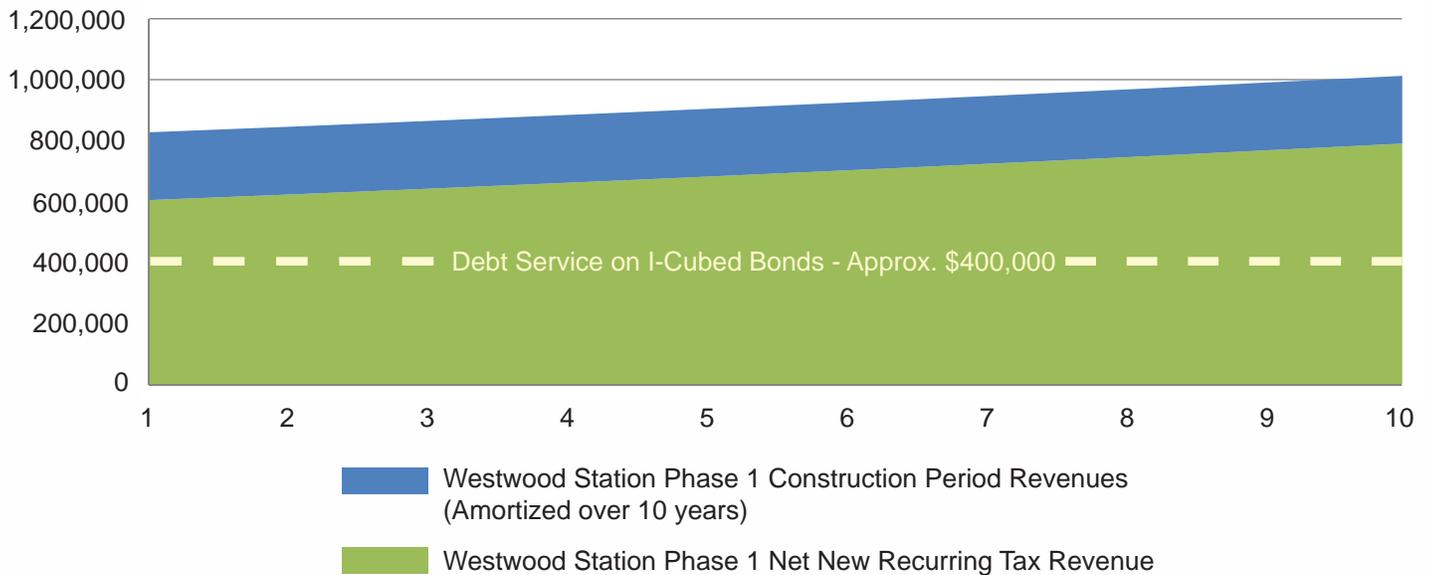


## Section 8 – I-Cubed Bond Debt Service During Occupancy

As indicated in Section 7, the Project will generate significant new state tax revenues from the Project. New state tax revenue projections and debt service for the first ten years of the Project are shown in the table at the end of this section. Coverage amounts for the entire thirty year term of the bonds are shown in Appendix F. The following graphic shows the breakdown of debt service coverage provided by Phase 1 during the first fifteen years after Phase 1 occupancy in comparison to bond debt service. New state tax revenues generated by Phase 1 alone - for which commitments are in-hand - are projected to exceed I-Cubed bond debt service by a factor of 2.06 (including construction period revenue) at the grand opening of the Phase 1 retail component, significantly greater than the 1.5 factor required by the I-Cubed regulations. Debt service coverage ratios are approximately 1.5 excluding construction period revenue (i.e. for the actual shortfall calculation).

As described in the executive summary, and as indicated by the graphic, there is negligible risk of a shortfall ever occurring. Furthermore, these factors are an indicator of the state's return on investment. The fact that the debt service coverage ratio from Phase 1 alone exceed 2.0, even with very conservative displacement factors (as high as 90%), indicates that the state will be receiving several times as much new state tax revenue as will be allocated to service I-Cubed bond debt.

**NET NEW STATE TAX REVENUES — FIRST 10 YEARS OF OCCUPANCY**





## ASSUMPTIONS

The following assumptions were used in the debt service coverage projections.

### Amortization:

- Construction Period – Interest only for the period between anticipated bond issuance and Phase 1 Occupancy (assumed to be roughly two years).
- After Phase 1 Occupancy – Amortized over remaining term of the bond (assumed to be 28 years).

**Interest Rate:** As required by the regulations, the interest rate was assumed to be 5% annually.

**Bond Issuance Costs:** As outlined in the regulations, bond issuance costs are estimated as 3% of the principal amount.

**Bond Issuance Date:** November, 2010 as previously described in the Project Schedule.

**Payment of Construction Period Interest:** Interest accrued during the construction period (refer to Sec.4.7) was assumed to be paid by the Developer

**New State Tax Revenues from Phase 1/Full Buildout:** The timeline for the pace of buildout and the projections of new state tax revenues have been described in previous sections.

**New State Tax Revenue Growth:** Inflation in sales and wages was assumed at 3% per year commencing in the first year following Phase 1 Occupancy.

**Tenants in-place at Occupancy:** Virtually 100% of the retail tenants are expected to be in-place for the grand opening, which coincides with the projected Phase 1 Occupancy date.



## Westwood Station—Summary of Debt Service, New State Tax Revenue, Tax Surplus & Debt Service Coverage Ratios for Phase 1

	Category	Total (through Year 30)	Construction Period (approx. 1.5 years)	Occupancy Period - Projected Cash Flows by Year									
				1	2	3	4	5	6	7	8	9	10
Debt	I-Cubed Bond Debt	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
	Annual Debt Service (interest only for construction period, amortized over remaining 28 years of term, paid biannually).	(11,555,850)	(279,265)	(402,735)	(402,735)	(402,735)	(402,735)	(402,735)	(402,735)	(402,735)	(402,735)	(402,735)	(402,735)

### Gross State Tax Revenues

Const. Period	Interest During Construction	5,182,565	5,182,565										
Phase 1 Recurring Revenue (Retail)	Gross Income Taxes	38,332,052	-	892,877	919,664	947,254	975,671	1,004,941	1,035,090	1,066,142	1,098,127	1,131,070	1,165,003
	Gross Sales Tax	184,160,242	-	4,289,688	4,418,378	4,550,929	4,687,457	4,828,081	4,972,924	5,122,111	5,275,775	5,434,048	5,597,069

### Debt Service Coverage for Shortfall Calculation - No Construction Period Revenues

Const. Period	Interest During Construction		279,265										
Phase 1 Recurring Revenue (Retail)	Net New Income Tax	11,217,249	-	261,286	269,125	277,198	285,514	294,080	302,902	311,989	321,349	330,989	340,919
	Net New Sales Tax	14,802,410	-	344,796	355,140	365,794	376,768	388,071	399,713	411,704	424,056	436,777	449,881
Phase 1 Total Net New Taxes	Phase 1 Total Net New Recurring (Retail) Taxes	26,019,659		606,082	624,264	642,992	662,282	682,151	702,615	723,694	745,404	767,767	790,800
Phase 1 Tax Surplus & DSCR	Phase 1 (Shortfall)/Surplus Revenue	14,743,074	-	203,347	221,529	240,257	259,547	279,415	299,880	320,958	342,669	365,031	388,064
	Cumulative Shortfall/Surplus	14,743,074		203,347	424,876	665,133	924,680	1,204,096	1,503,976	1,824,934	2,167,603	2,532,635	2,920,699
	DSCR Based on Phase 1 Construction and Retail Revenue	NA	NA	1.50	1.55	1.60	1.64	1.69	1.74	1.80	1.85	1.91	1.96

### Debt Service Coverage for A&F Underwriting Purposes - Includes Construction Period Revenues

Construction Revenue	New Income Tax	1,358,740	-	135,874	135,874	135,874	135,874	135,874	135,874	135,874	135,874	135,874	135,874
	Net New Sales Tax	864,653		86,465	86,465	86,465	86,465	86,465	86,465	86,465	86,465	86,465	86,465
	Total Net New Construction Revenue	2,223,392	-	222,339	222,339	222,339	222,339	222,339	222,339	222,339	222,339	222,339	222,339
Phase 1 Total Net New Taxes (from above) plus Construction Revenue	Phase 1 Total Net New Taxes - Retail and Construction	28,243,052		828,421	846,604	865,332	884,621	904,490	924,954	946,033	967,744	990,106	1,013,139
Phase 1 Tax Surplus & DSCR - w/Construction Revenue	Phase 1 (Shortfall)/Surplus Revenue	16,966,467	-	425,686	443,869	462,596	481,886	501,755	522,219	543,298	565,008	587,371	610,404
	Cumulative Shortfall/Surplus			425,686	869,555	1,332,151	1,814,037	2,315,792	2,838,011	3,381,309	3,946,317	4,533,688	5,144,091
	DSCR Based on Phase 1 Construction and Retail Revenue	NA	NA	2.06	2.10	2.15	2.20	2.25	2.30	2.35	2.40	2.46	2.52

#### Notes:

1) Phase 1 retail sales and income taxes escalated by 3% annually.



## **Sec. 9. Coordination with the Municipality**

### **9.1 CERTIFICATION OF THE DEVELOPER CONFIRMING PROJECT REQUIREMENTS**

The Developer is in compliance with the provisions of Sec. 11(b) of St. 2006, c.293 as amended by St. 2008, c. 129, §§13-14, provided that the Secretary approves of the other funding mechanisms proposed by the Commonwealth, and described in Sec. 4.4 and 4.5 (as required by CMR 51.06(2)P). The project is not located in a growth district or economically distressed area as defined in St. 2006, c.93.

As mentioned previously in this Proposal, a TIF is in place. The TIF was enacted in May of 2007 (well before the cutoff date in the I-Cubed legislation of January 1, 2009).

### **9.2 FUNDING OF THE MUNICIPAL LIQUIDITY RESERVE**

The developer will provide for the establishment of the Municipal Liquidity Reserve through an equity contribution, credit facility, surety bond, insurance, or other form of security deemed acceptable to the Town of Westwood and the State. The Developer is currently reviewing available options and will make a proposal to the Municipal Officers to be memorialized in the Infrastructure Development Assistance Agreement.

### **9.3 ALLOCATION OF RESPONSIBILITY FOR LOCAL INFRASTRUCTURE DEVELOPMENT ASSISTANCE**

The Developer will agree to allow the municipality to assess the Phase 1 parcel in the event of a shortfall, to make Local Infrastructure Development Assistance payments. The Town and the Developer will enter into discussions in the coming months to determine the appropriate mechanisms and security for this obligation, which will be memorialized in the Infrastructure Development Assistance Agreement.



## Sec. 10 – Summary of Economic Activity Prior to Redevelopment

The New State Tax Revenue Projections previously presented do not include a deduction for “Direct Displacement” as contemplated by the regulations because the Westwood Station Project did not result in the direct displacement of economic activity. Direct displacement did not occur for several reasons:

- There was a high rate of vacancy in the University Avenue area when the buildings were acquired due to their functional obsolescence and a related lack of investment in the upkeep of the existing properties.
- Tenants who occupied space in the existing businesses were generally engaged in regional business activity (distribution, etc.) and therefore chose to relocate within the Commonwealth.
- Tenants who occupied space in the existing buildings generally held leases that allowed them to stay in the buildings beyond the expected start date of the Project. In some cases, the Developer had to offer these tenants financial incentives to relocate to other buildings in order to proceed with demolition (this phenomenon arguably created new state tax benefits as a result of increased investment in facilities elsewhere in the state). Businesses did not close as a result of their displacement.
- Many tenants were engaged in industrial activities that did not require a prime Route 128 location. They saw the relocation as a good opportunity to move to other locations with lower operating expenses.

A description of the current status of each tenant that occupied space at the time of the assemblage is provided in the table below. New jobs were undoubtedly created as a result of these relocations.

### Tenant Relocation

Current Status of Tenants Occupying Space in Buildings when the Westwood Station Site was Assembled

TENANT	BUILDING ADDRESS	ORIGINAL BUILDING SF	NEW FACILITY SF	EXPANSION SF	LEASE TERM		COMMENT
					FROM	TO	
C. H. Powell	47 Harvard Street	77,415	77,415	N/A	3/26/1999	6/30/2006	Tenant took similar sized requirement in Canton.
Capital Light & Supply	165 University Ave.	84,000	100,000	16,000	12/6/2004	8/31/2012	With the assistance of the Developer, CLS relocated to a larger (approx. 100,000 s.f.) and more efficient facility in Mansfield, MA.
General Motors	505 Blue Hill Drive	270,056	400,000	129,944	NA	NA	General Motors essentially triggered the redevelopment of the area by electing to move to more modern facilities in Norton, MA. This event predated the assemblage of the site.
Exel, Inc.	35 Harvard Street	20,000	200,000	180,000	1/9/2003	9/30/2006	Exel moved to a larger (approx. 200,000 s.f.) facility in Avon.
Graphic Services Inc.	75 University Ave.	102,400	102,400	N/A	4/1/2006	8/28/2006	Graphic services was acquired by another graphics company in a transaction unrelated to the Westwood Station project. The operations are now housed in a facility in Hanover.
LTX Corp.	50 Rosemont Road	167,501	167,501	N/A	9/1/1999	7/24/2006	LTX Corp moved to a newly constructed, facility in nearby Norwood (a build-to-suit project of Cabot, Cabot & Forbes).
Catalano Brothers, Inc./US Gypsum Lease	245 University Ave	41,957	55,000	13,043	9/1/2004	8/31/2009	The tenant moved to Ayer where they increased their requirement to.
Federated Department Stores	245 University Ave	41,000	50,000	9,000	1/1/2004	12/31/2008	Federated moved to a larger facility in Dedham
Romanow, Inc.	245 University Ave	25,000	25,000	N/A	1/1/2006	month-to-month	Romanow used this low-rent space on a short term basis. They terminated their tenancy and elected to expand a building that they own almost directly across the street.
SSB Realty, LLC	105 Rosemont Road	208,000	208,000	N/A	12/20/2001	12/19/2011	This is an existing building that is owned by the Developer, but will remain outside the scope of the project as currently contemplated. The project will not result in a change of status for this tenant.
Vacant Building	145 University Ave						
Vacant Building	22 Marymount Avenue						
Vacant Building	300 Second Avenue						
White (vacant land)	213 Whitewood Road						
Schumacher (vacant land)	700 Canton Street						



## Section 11 - Sustainability Program and LEED Certification

*“Increasing density can significantly reduce dependency on cars, but those benefits are even greater when jobs and retail are incorporated with the housing” - ULI*

### 11.1 OVERVIEW OF SUSTAINABLE DEVELOPMENT PROGRAM AND LEED CERTIFICATION

Westwood Station has committed to major infrastructure improvements in order to implement a transit-oriented, “smart growth” development plan. These transportation and environmental improvements include reconstruction of the local roadway network to facilitate transit use and a pedestrian-oriented environment, state-of-the-art stormwater treatment and groundwater recharge systems, and a stringent water conservation program. These improvements constitute a major commitment to sustainable development practices.

Westwood Station will participate in the following two US Green Building Council Leadership in Energy and Environmental Design (“LEED”) Certification programs, which provide independent, third party verification of the Project’s sustainable development practices:

- The entire project is pursuing certification under the LEED for Neighborhood Developments (“LEED-ND”) program and has already filed an application with the USGBC. Westwood Station is participating in the pilot version of this new certification program for master-planned, “smart growth” development. The Project is well suited to the objectives of LEED-ND, which are to “encourage developers and community leaders to revitalize existing urban areas, reduce land consumption, reduce automobile dependence, promote pedestrian activity, improve air quality, decrease polluted stormwater runoff, and build more livable, sustainable, enduring communities”. LEED-ND is intended for master developers – it certifies the master plan and infrastructure, but does not impose requirements on vertical construction.
- Most future phase office buildings will be certified under the LEED Core/Shell (“LEED-CS”) program. LEED-CS certification awards credits based on site location, water and energy efficiency, materials and recycling, and indoor air quality. The office buildings at Westwood Station will achieve credits based on the site itself (e.g. transit orientation or recharge) and based on building specific commitments (evaporative cooling, low-flow plumbing fixtures, etc.). The Developer currently anticipates achieving silver certification under LEED-CS for the first office building that will be constructed. Participation in the LEED-CS program for future phases of office development will be determined based on the experience with the first office building and on tenant requirements.

Many of the sustainability features of the Project described herein, such as those relating to stormwater management, LEED certification, recreational amenities and other sustainability programs, may apply partially to Phase 1 but primarily to subsequent planned phases and to the Project as a whole. The creation of Phase 1 will be a key catalyst for the subsequent phases of the Project, which will in turn provide the full range of sustainability benefits that will make the Project a leading example of smart-growth development in the region.



## Sustainability Program Highlights

### Planned LEED Certification

- LEED ND Pilot Program Participant for Entire Master Plan
- LEED C/S Certification of Office Buildings

### Carbon Footprint

- Transit Use: Significant reduction of CO<sub>2</sub>
- Renewable Energy: Planned demonstration project
- Compact Development Form Promotes Walking, Biking, and Transit-use Instead of Cars
- Green Building: Energy Efficient Lighting and Appliances
- Transportation Demand Management Program
- Integrated Network of Public Walkways and Bike Paths



### Neponset River Aquifer Protection and Water Conservation

- Innovative Rooftop Recharge System
- Low-Impact Development (rain gardens, etc.)
- Robust Water Conservation Program
- Recycling Stormwater for Irrigation (underground cistern)



### Material and Recycling

- Divert 75% of Construction Waste from Landfills
- Crush & Reuse Concrete from Demolition to Build Roadways
- Recycle Metals from Demolition



### Transportation and Environmental Improvements

- Reconstruction of the roadway network to facilitate transit use pedestrian-oriented environments
- Stormwater treatment and groundwater recharge
- An extensive network of landscaped spaces, irrigated by non-potable water, is planned.

These project components, together with other project attributes constitute a major commitment to sustainable development practices. The Proponent intends to incorporate sustainable features not only in the Project's infrastructure, but also in the design of the individual buildings.



## SECTION 11.2 CONSISTENCY WITH THE COMMONWEALTH'S SUSTAINABLE DEVELOPMENT PRINCIPLES

The Project embodies the Commonwealth's Sustainable Development Principles as described below:

1. **Concentrate Development and Mix Uses:** The Project will transform an existing Business Park into a vibrant and exciting mixed use, transit-oriented community. Retail, hotel, office and residential uses will be concentrated in a dense mixed-use configuration in proximity to the MBTA/Amtrak Route 128 commuter rail station. The Mixed Use Overlay District (MUOD) zoning encourages higher densities closer to the train station by defining three overlay zones, which allow progressively more density in zones that are closer to the train station. In order to accommodate denser development closest to the train station, building heights of up to 120 feet are allowed in the zone closest to the train station.

2. **Advance Equity:** The Project will create job opportunities for thousands of workers who will be able to commute to work by train (from Boston and surrounding neighborhoods). These jobs will allow workers to access their jobs without a car, thereby increasing net earning power and quality of life significantly.

Jobs will be created at all levels of the income spectrum, creating important social equity benefits. Lower wage workers from working class neighborhoods in and around Boston will benefit from the large number of retail and hotel jobs that will be created and that will be easily accessible by rail. Mid-level wage earners will benefit from administrative, management, clerical and maintenance work created by all uses in the Project. Higher wage earners will benefit from the jobs that will be created by the office component of the Project. The Project will also create thousands of well paying, rail accessible construction jobs. These construction jobs will endure over the duration of the Project's build-out, which is expected to be roughly ten to fifteen years.

3. **Make Efficient Decisions:** The Project has benefited from a regulatory and permitting process that was intended to streamline the process and enhance predictability. The Town of Westwood has hired project management staff and planning consultants in order to manage the approval process in an efficient manner. The zoning also provides for a staged approval process that moves in lock-step with the logical sequence of evolution of a development project. The basic entitlements for the Project are obtained through a special permit that applies to the master plan. Later, as each component of the Project reaches a more detailed level of design, the Developer applies for essentially non-discretionary approvals (Environmental Impact and Design Review) that are intended to demonstrate compliance with the special permit.

4. **Protect Land and Ecosystems Land:** The Westwood Station project conserves undeveloped land through a denser redevelopment of currently underutilized, but previously developed land. The one and two-story industrial and office buildings that were located on the site when it was acquired were mainly vacant due to market conditions and functional obsolescence. Warehousing and distribution were the primary uses, with some office and manufacturing activity. The site does not contain any historic structures. The buildings on the site are currently being demolished and most of the resulting materials will be reused or recycled.





**Water:** The Project is situated on an aquifer that supplies a large portion of the water for the towns of Dedham and Westwood, and is within the Neponset River Watershed. As such, it is important to restore and enhance both the quantity and quality of water being recharged to the aquifer. The quantity of water recharged to the aquifer will be increased by infiltrating rooftop runoff from all buildings within the Project, by removing and redesigning manmade drainage ditches that currently intercept groundwater and reduce recharge, and through Low Impact Development (LID) techniques such as porous pavement and rain gardens. The quantity and quality of recharge will also be restored and enhanced by replacing the current drainage system (which is currently uncontrolled and does not result in recharge), with a storm water management system that places a premium on treatment and recharge.

**Open Space and Recreation:** Interspersed within the development will be a complement of public spaces, broad sidewalks, bike lanes and linkages to nature trails (i.e. Blue Hills and the Fowl Meadow and Ponkapoag Bog ACEC) that will provide outdoor recreational opportunities for residents and visitors. The Project includes a significant amount of interconnected public open spaces and parks. This is a significant enhancement, considering that no such spaces exist in the Business Park today.

5. **Use Natural Resources Wisely:** The Project will promote the conservation of energy, water, and building materials as discussed below.

**Land:** (see Principle 4 above).

**Energy:** The Project aims to reduce energy usage by using some of the following technologies:

- Energy efficient appliances.
- High efficiency lighting and controls.
- Reflective roofs where appropriate.

**Water:** Water conservation is important given the close proximity of the Project to both the Dedham-Westwood Water District's (DWWD) largest well field and the Neponset River. Water conservation efforts at the Project site are therefore focused on limiting the amount of water pumped from the wells and increasing the amount of recharge to the local aquifers, which ultimately feed the base flow in the Neponset River. The following approaches are being incorporated into the Project.

- Collection of rain from rooftops.
- A robust water conservation program.
- Design of LID storm water management to reduce runoff & recharge to the local aquifer.
- Stormwater will be collected in cisterns and used for irrigation.



### ***Building Materials/Recycling:***

- Much of the concrete and brick from demolition of the existing buildings is being crushed and reused on-site, diverting waste from landfills and reducing emissions from transportation.
- Virtually all metals encountered during demolition will be recycled.
- A minimum of 75% of construction waste will be diverted from landfills.
- New construction materials will include recycled content.
- Low concentrations of VOCs will be a key factor in selecting new construction materials.
- All buildings will include user friendly recycling systems.

**6. Expand Housing Opportunities:** The residential portion of the Westwood Station development program includes up to 1000 new units that will attract a range of socioeconomic groups including young couples, singles, and empty nesters, as well as semi-retired/retired persons. The Project will also offer a mix of rental and for-sale housing opportunities, and will include affordable housing units.



**7. Provide Transportation Choice:** The existing Route 128 MBTA Station will play a major role in serving the transportation needs of the Project. This transportation hub has been a key component of the overall master plan, which provides viable options for alternative methods of transportation. Dependence on cars will be minimized through a multi-modal transit hub and bike and pedestrian pathways. Residential neighborhoods and the core of the retail area will be linked to the train station with direct pedestrian access in order to reduce vehicle trips. The concentration of land uses will permit residents, office workers, and visitors the opportunity to walk to the MBTA train station in under 10 minutes. In addition to the above, the Project includes other important Transportation Demand Management (TDM) measures.

**8. Increase Job and Business Opportunities:** Thousands of new permanent jobs will be created on the site. Office employers and employees alike will benefit from the presence of new housing units within walking distance of Class A office space. Financial employers in particular will benefit from commuter rail linkage to Boston's Financial District. As described under Principle 2, the Project will also include thousands of retail and construction jobs that may be accessed via public transportation, which will provide important social equity benefits.

**9. Promote Clean Energy:** In addition to the measures listed under principle 5, Westwood Station will include the following measures to promote the use of clean energy:

- Photovoltaic Solar Array
- The Project is working to develop a recognition program for tenants who purchase alternative energy and/or carbon offsets, and who incorporate sustainability measures into their fitouts.



**10. Plan Regionally:** The Westwood Station project emphasizes a mixed-use approach to address the needs of the local and regional markets. Creating new employment opportunities, business recruitment, additional tax revenue and recreational opportunities are supported by the Town of Westwood and the surrounding area.

The Metropolitan Area Planning Council supports mixed-use approaches. The Council believes:

*“Smart growth supports the integration of mixed land uses (such as residential, commercial, and civic uses) into neighborhoods, communities and the region as critical components of achieving better places to live and work. By locating a variety of uses in close proximity to each other at an appropriate scale, alternatives to driving, such as walking, bicycling and transit become viable. Diverse, well designed, mixed use development also enhances the vitality and quality of life in our communities and the region as a whole, eventually weaving a fabric that supports broader housing, economic development and transportation goals.” :([http://www.mapc.org/regional\\_planning](http://www.mapc.org/regional_planning))*

The Developer has included all of the stakeholders in the planning process. The master plan and mitigation measures have been shaped by community input. This process started with the establishment of a pre-permitting Town Steering Committee, and continued through hundreds of meetings and discussions that were held over the more than two years of State and local permitting. There have been an extensive number of meetings with state agencies, regional agencies and organizations, including MAPC and the Neponset River Watershed Association and surrounding towns. Issues related to transportation (I-93/I-95 Interchange, TMA coordination) and the environment (aquifer protection and recreation) have been discussed and incorporated into the project planning.



## Section 12 - Delivery of Public Infrastructure Improvements

The Commonwealth has proposed to fund the on-site regional infrastructure (Westwood Station Boulevard/New University Avenue, and Canton St. at University Avenue intersection) with approximately \$19 million in funds from the Executive Office of Housing and Economic Development. The \$19 million is expected to include \$6 million of I-Cubed funds and \$13 million in other funding. We understand that the \$13 million amount is contemplated to be filled by other State programs that are likely to include a public procurement requirement. This work is therefore expected to be procured through the Town of Westwood in accordance with applicable public procurement laws. Coordination issues at the interface between this work and the private work will be addressed as the design progresses.

### SEC. 12.1 COMPETITIVE BID PROCESS

The Developer and the Town will take all appropriate measures to procure the public infrastructure work at the most competitive cost. A bid package (including drawings and specifications) will clearly define the scope of work. Bidders will be required to demonstrate that they have the capability of relocating complex networks of pipelines and utilities without disruption, completing the work on schedule, and delivering the work at a competitive cost.

For a project of this scale and complexity, it is inevitable that changes and field conditions will result in an adjustment of the contract price. A contingency is included in the budget to deal with these changes. Exposure to change orders will be managed effectively through the construction administration process, and the construction administration team will ensure that costs of change orders are fair and reasonable. This management process will occur at a number of levels. First, engineering field staff, will be responsible for determining whether a change order is legitimate, and will document that time and materials have been charged to change orders in a fair and honest manner. Second, the civil engineering and geotechnical consultants that work for owner and/or the town (including an on-site presence) will verify these findings. Third, the Developer will oversee the process with an experienced in-house team.

### SEC. 12.2 GENERAL CONTRACTOR'S QUALITY ASSURANCE/CONTROL PLAN

Contractors will be requested to submit a quality assurance/control plan. The following are examples of quality assurance/control procedures that were proposed for the original Phase 1 program (at which time the developer intended to construct the infrastructure through its own procurement procedures). These are only examples and may be different than what is proposed by the selected contractor. These processes will be incorporated into the bid documents as appropriate for publicly procured projects and will result in delivery of projects on time and on budget, while maintaining the highest level of quality. The main focus areas of the approach revolves around early planning and involvement, and pro-active, rather than reactive, decision making. Field quality issues generally arise when decisions are made late in the process. Failure to make timely decisions can result in compromises in product selection and installation details, or failure to properly plan and sequence the work. The developer will take steps to eliminate or greatly reduce these issues beginning in the preconstruction process, and continuing through completion of a project. In addition to this QAQC philosophy a comprehensive safety program will be enforced.



Listed below are some of the main components of the approach.

**Preconstruction planning** – Early in the process, the project construction manager was involved in the infrastructure planning. Since the work is now contemplated to be publicly procured, a different contractor may build the infrastructure. Nonetheless, the early involvement of the construction manager will benefit the project for the following reasons. Very detailed construction schedules with direct input from field staff were developed. This involvement helps the design team and owner to identify long lead time components, and linkages among tasks so that decisions can be finalized early in the process, preventing compromises in quality or installation details. Concurrent with this process, field and purchasing staff perform an in-depth review of the details and means and methods of installation. Spending time early in the process developing buildable details, and getting these details incorporated into the construction documents helps to ensure quality installations and minimizes change orders. The construction manager was involved in the preconstruction process for Westwood Station (including the Public Infrastructure Improvements) since 2006.

**Project Engineering** – To ensure timely selection, review and fabrication, and installation durations/sequencing, procurement schedules will be developed in conjunction with the project schedule and purchasing requirements. These activities will be continually monitored and updated. As the project progresses, submittals will track conformance with specifications among related items and trades.

**Field Administration and Management** – Once construction has started, component of the Project will be assigned to dedicated staff to oversee (assignments are developed based on workload of each staff person and the complexity of each component). Staff members will be required to hold a series of preconstruction conferences with specific trades and the actual on-site foreman so that sequencing, means and methods, and safety issues are discussed and understood. The safety program will be implemented as part of each award and reviewed at pre-job kickoff conferences before any work starts. Over the duration of construction, staff members will be responsible for following their component of work through to completion of a punchlist, which ensures accountability and follow-through.

**Occupancy and Closeout** - Local authorities will be involved in oversight of the infrastructure well before the final step in the QAQC process (state and municipal inspections and signoffs) occurs. This involvement prevents many last-minute issues that can result in the need for redoing already completed work under a tight time frame. During the closeout period, as-builts, Operations and Maintenance (O &M) manuals, and warranty information are provided to the Project's owner so that they can effectively manage their new asset.



## SEC. 12.3 CONSTRUCTION ADMINISTRATION AND OVERSIGHT

The construction of the on-site and regional transportation infrastructure (public and other infrastructure) will be managed by the following team:

**In-House Construction Team** - Staff members at Cabot, Cabot & Forbes and New England Development have many years of experience managing complex construction projects.

**Site/Civil Engineer - Tetra Tech Rizzo (TTR)** - Tetra Tech Rizzo (TTR), a civil engineering firm, has been retained by the owner to assist in construction administration for the Westwood Station Project. TTR will review and take appropriate action on civil-related plans, shop drawings, and other data related to the construction of the Public Infrastructure Improvements that the Contractor is required to submit. TTR also reviews and responds to Contractor's Requests for Information (RFI's) as required. TTR provides drawings and sketches revising or supplementing the proposed design as necessary to address field issues arising through the RFI process, throughout the length of the Project. These drawings include minor document revisions and other sketches required for the Project. TTR attends weekly construction meetings at the site to review ongoing site and utility construction, responds to questions, and reviews alternative solutions for issues that may arise.

Since the start of construction TTR has had a representative on site on a part time basis (20 hours per week) to observe the site related construction to help ensure that the Project's public and private infrastructure is constructed in accordance with the site work plans and specifications. TTR will provide a "punch-list" once construction is substantially complete, and provide comments to the contractor/owner as applicable. Once items have been addressed, TTR will review the contractor's as-built drawings and ensure completeness before they are provided to the appropriate public entity (Town or State). Based on their oversight of construction, TTR will be required to certify that the Project was constructed in accordance with the site work plans and specifications.

TTR also reviews related portions of the contractor's applications for payment to ensure consistency with the construction observed in the field.

**Geotechnical Engineer – Sanborn Head Associates (SHA)** – Sanborn, Head and Associates (SHA), a geotechnical engineering firm, has been retained to assist the Developer in monitoring the geotechnical aspects of the construction of the Westwood Station project for compliance with their geotechnical recommendations and the requirements of the town permits, and Massachusetts Highway Department Specifications. Since the start of construction, SHA has had a representative on the site on a full time basis to observe the earthwork construction.

SHA construction services for the Project and for the Public Infrastructure Improvements include: observation of subgrade preparation, overexcavation of unsuitable materials, fill placement and compaction, foundation preparation and observation of subsurface conditions to evaluate whether they are consistent with those anticipated. If subsurface conditions are observed to be different from design requirements, SHA provides geotechnical recommendations so that the work is completed in accordance with the Project requirements. To complete these tasks, SHA collects samples of fill to be placed and submits these samples for testing to confirm they are in compliance with the Project specifications, observes that materials placed are consistent with those tested, monitors lift thicknesses and compaction effort, and performs field density testing. SHA prepares daily reports that summarize the construction activities. SHA also reviews related portions of the earthwork contractor's applications for payment and verifies whether the earthwork quantities shown on the applications are consistent with those observed and recorded in their daily field reports.



**Town of Westwood DPW** – The Town of Westwood has hired two full time site inspectors to oversee the construction of the on-site public improvements. The Town of Westwood employs these inspectors because the Town will ultimately accept responsibility for these improvements, and wants to ensure that the roads and utilities are constructed to the appropriate standards.

**MassDOT Highway Division** – MassDOT will likely engage their own staff or consultants to oversee the construction of the off-site improvements. Appendix H contains additional background information on these parties as required.

## **SEC. 12.4 SECURITY FOR COMPLETION**

Security for completion will be addressed in the bid documents based on Town procurement requirements.