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FOR DISCUSSION PURPOSES ONLY

University Station **Westwood, Massachusetts**



Preliminary Economic Development Proposal

April __, 2013

Table of Contents

SECTION 1 EXECUTIVE SUMMARY	3
SECTION 2 – PROJECT TEAM	9
2.1 Sponsorship Information and Contact Information.....	9
2.2 Relevant Experience of the Developer – Selected Projects	10
2.3 References from Government Officials on Similar Development Projects	15
SECTION 3 – PROJECT DESCRIPTION AND PROJECT TIMELINE	16
3.1 Existing Conditions	16
3.2 Vision	17
3.3 Project Description	18
3.4 Consistency with the Commonwealth’s Sustainable Development Principles	21
3.5 Compliance with Zoning & Status of Permitting	23
3.6 Project Schedule	24
3.7 Project Costs and Financing	26
SECTION 4 – PUBLIC INFRASTRUCTURE IMPROVEMENTS	28
4.1 Boundaries of the Proposed Economic Development District and Proposed Assessment Parcel.....	28
4.2 Need for and Benefits of Public Infrastructure Improvements	31
4.3 Proposed Public Infrastructure Improvements	31
4.4 Ownership of Public Infrastructure Improvements and Public Bidding	35
4.5 Need for I-Cubed Funding for Public Infrastructure Improvements.....	35
SECTION 5 – PROJECTIONS OF NEW STATE TAX REVENUES.....	36
5.1 Summary of Economic Activity Prior to Redevelopment	36
5.2 Support from and Collaboration with the Town of Westwood.....	36
5.3 Summary of Anticipated Tenants.....	36
5.4 New State Tax Revenue from Phase 1	38
SECTION 6 – I-CUBED BOND DEBT SERVICE DURING OCCUPANCY.....	43
6.1 Certification of the Proponent Confirming Project Requirements.....	43
6.2 Funding of the Municipal Liquidity Reserve	43
6.3 Security for Completion	43
6.4 Allocation of Responsibility for Local Infrastructure Development Assistance	44
6.5 Requested Waivers from the I-Cubed Regulations	44
6.6 Assumptions	45
APPENDICES	48

SECTION 1 EXECUTIVE SUMMARY

University 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 130-acre site (the “**Site**”) located in an aging industrial park into a vibrant, mixed-use neighborhood (the “**Project**”). The portion of the Project to be constructed as “Phase 1” will bring significant benefits to the Town of Westwood (the “**Town**”), the surrounding region, and the Commonwealth, including advancing the Commonwealth’s policies favoring smart growth and transit-oriented development, generating state tax revenue, and creating new transit-accessible permanent jobs. Westwood Marketplace Holdings LLC (the “**Proponent**”), has extensive experience creating large, successful mixed use development projects throughout the Commonwealth and beyond. As detailed below, the Project will generate jobs and tax revenues, and provide many other benefits to the Town, surrounding communities, and the Commonwealth.

The first phase (“**Phase 1**”) of the Project will include approximately 560,000 square feet of retail and restaurant uses, including a 140,000 square foot grocery store and a 140,000 square foot department store. In addition to the proposed retail component, Phase 1 also includes 350 residential units totaling approximately 410,000 square feet, and parking designed to accommodate 2,394 vehicles. Future phases are currently anticipated to include housing and a modern, transit-accessible office center. Once fully developed, University Station is anticipated to include up to 750,000 square feet of retail/restaurant/grocery store use, 650 residences, 100 assisted living/memory care units, approximately 325,000 square feet of Class A office space, and a 160-room hotel. The design of the Project and the integrated mix of uses will create a vibrant atmosphere, unique to the region.

Based on the revised analysis prepared by RKG Associates, Inc., the Project will create approximately: 1,136 short-term construction jobs and 919 permanent retail positions. As shown below in the *Phase 1 Revenue Summary*, these jobs, combined with the increase in taxable sales expected to result from the Project, are anticipated to result in “one-time” direct construction revenues of more than \$5.7 million and more than \$1.4 million in direct, net new revenue (following deductions for vacancy, displacement and set-asides) on an annual basis.

PHASE 1 REVENUE SUMMARY

<i>A. One-Time Economic Benefits</i>	<i>Direct Revenues Created</i>
Wage Taxes from Construction Jobs	\$3,004,251
Sales Taxes from Construction Materials	\$2,732,093
TOTAL	\$5,736,344

<i>B. Recurring (Annual) Economic Benefits</i>	<i>Direct Revenues Created</i>
Net New Sales Taxes from Retail/Restaurant/Grocery	\$724,011

DRAFT 3/26/13
FOR DISCUSSION PURPOSES ONLY

Net New Wages Taxes from Retail/Restaurant/Grocery	\$685,750
TOTAL	\$1,409,761

As a result, the annual net new revenue to the Commonwealth is well in excess of the anticipated debt service of approximately \$666,480 for a \$10 million bond. In the first year of occupancy, the Project's debt service coverage ratio would equal approximately 2.12, which exceeds the requirements of the I-Cubed Regulations. When construction period revenues are included (in accordance with discussions with the Executive Office for Administration and Finance), the debt service coverage ratio for the first year of occupancy would equal 4.27.

As discussed in greater detail herein, the Project has significant upfront infrastructure costs due to the existing, deteriorating roadways in the vicinity of the University Avenue Industrial Park. The existing roadways are unable to accommodate anticipated traffic volumes associated with desirable redevelopment, which is likely to occur in the vicinity of the interchange of Routes I-95 and I-93. The Proponent has worked with the Massachusetts Department of Transportation ("MassDOT") and the Town to coordinate much-needed roadway and infrastructure improvements in the vicinity of the Project, including renovating and widening the Blue Hill Drive highway ramp and improvements to the Canton Street Corridor. Additional infrastructure improvements (the "Public Infrastructure Improvements"), including roadway, utility, and other infrastructure improvements, are required along University Avenue, between Blue Hill Drive and Canton Street, and the nearby roadways of Harvard Street and Rosemont Road. These improvements will provide substantial and much-needed updates to the local transportation system, including traffic flow improvements, enhanced safety, accessibility improvements, and improved access to public transportation services.

The Public Infrastructure Improvements will result in the following benefits to the Town of Westwood, the region and all roadway users:

- Creation, by enabling the Project to proceed, of approximately 1,136 short-term construction jobs, approximately 919 permanent retail positions, and approximately 17 permanent residential jobs;
- Generation, through construction of the Project, of almost \$1,434,086 in one-time, net new construction period revenues¹ and over \$1,409,761 in net new wage and sales tax revenues on an annual basis;
- Reduction in cut-through traffic on residential roadways along Canton Street Corridor;
- Preservation and enhancement of open space and local groundwater resources;
- Improved safety measures; and

¹ Per direction of the Executive Office of Administration and Finance, all construction revenues provided herein include a 75% overall displacement factor applied to all anticipated net new jobs and net new sales.

DRAFT 3/26/13
FOR DISCUSSION PURPOSES ONLY

- Expansion of pedestrian, bicycle and public transportation opportunities.

Due to the recent constrained lending environment and current market conditions, it is not possible for the Project to move forward without financing to offset the substantial initial infrastructure that is required. The success of the Project, and the substantial benefits to the Commonwealth, the Town, and surrounding communities that will result from the Public Infrastructure Improvements, are dependent upon I-Cubed financing. For these reasons, the Project qualifies for priority status under 801 CMR 51.00 *et. seq.* (the “**I-Cubed Regulations**”). The Proponent, together with the Town of Westwood, submits this Preliminary Economic Development Proposal (the “**PEDP**”) to the Secretary of the Executive Office for Administration and Finance (the “**Secretary**”) for approval of Ten Million Dollars (\$10,000,000) of Massachusetts Infrastructure Investment Incentive (“**I-Cubed**”) funding, which is authorized under Chapter 293 of the Acts of 2006, as amended by Chapter 129 of the Acts of 2008 and Chapter 238 of the Acts of 2012 (as so amended, the “**I-Cubed Statute**”). In summary and as discussed further herein, the Project achieves the criteria for acceptance as a preferred project under the I-Cubed Regulations, for the following reasons:

1. Project “would not happen or would not achieve the level of development, jobs or other economic activity” described in the application without the Public Infrastructure Improvements and the financing assistance from the I-Cubed program, §51.03(2)(a):

As shown in the pro forma (to be provided under separate cover), the Project cannot sustain the level of returns required to enable the Project to move forward without assistance in defraying the costs of the substantial off-site improvements required.

2. Project is financially feasible, §51.03(2)(b):

Based upon extensive reviews of the market trade area surrounding the Project Site and the estimated costs to construct the Public Infrastructure Improvements and the Project, the Project, with public funding of a portion of the infrastructure costs, will generate the substantial amounts of revenue projected and is financially feasible.

3. Project is consistent with the Commonwealth’s sustainable development principles, discussed herein, §51.03(2)(c):

As further detailed in Section 3.4 herein, the Project is designed in accordance with the sustainable development principles.

4. Minimum of \$10,000,000 in Public Infrastructure costs, §51.03(5):

Section 4 outlines the projected cost of the Public Infrastructure Improvements for which I-Cubed funding is sought, which is estimated to be approximately \$_____, in excess of the minimum \$10,000,000 that is required.

DRAFT 3/26/13
FOR DISCUSSION PURPOSES ONLY

5. The projected annual new state tax revenues are expected to be at least 1.5 times greater than the projected annual debt service on the related bonds, after adjustment for displaced revenues, vacancy and set-asides, §51.03(2)(d):

As shown in Figure 6.1 and **Appendix H** (30 year projections), the Project is estimated to create revenues in excess of the projected annual debt service on the bonds. More specifically, in the most conservative sense, without accounting for indirect revenues, the Project is expected to create enough annual, net new revenue to cover more than twice the debt service, excluding construction, in the first year of occupancy.

6. Commitment to use a competitive bid process for the selection of a qualified contractor for the construction of the Public Infrastructure Improvements, §51.03(2)(e):

As further described in Section 4.4, the Proponent will utilize a competitive bid process in the selection of its contractor for the Public Infrastructure Improvements.

7. Proponent has sufficient resources or financing commitments to carry out the Project (or the phase of the Project for which the Developer is seeking I-Cubed financing), §51.03(2)(f):

The Proponent has sufficient resources to carry out the Project, provided I-Cubed funding is secured for the Public Infrastructure Improvements. The Proponent has already obtained financing, in the form of a land loan, in support of the Project. The Proponent intends to secure a construction loan to support the construction of Phase 1. The details of the loan arrangements will be provided to the Mass Development Finance Agency (“**MassDevelopment**”) under separate cover. Upon securing construction financing, the Proponent will fund the additional equity that may be required to fund the remainder of the Project not covered by the loans or the I-Cubed bond proceeds.

8. The Project, or the phase for which I-Cubed financing is sought, is “reasonably likely to commence in a timely manner following approval” of the application, §51.03(2)(g):

As discussed in greater detail below in Section 3.5, the Proponent has been actively pursuing approvals for the Project. The Proponent has worked closely with Town officials as they have drafted zoning bylaws applicable to the Project. Upon approval of the Project’s Master Plan and other approvals anticipated to be granted at a Special Town Meeting scheduled for May 6, 2013, the Project will proceed without the need for obtaining further zoning relief. In connection with the previously proposed Westwood Station project, the Site is subject to a Certificate on the Final Environmental Impact Report, issued by the Secretary of the Executive Office of Energy and Environmental Affairs under the Massachusetts Environmental Protection Act (“**MEPA**”) on September 24, 2010. The Proponent will submit a Notice of Project Change to the MEPA Office to

DRAFT 3/26/13
FOR DISCUSSION PURPOSES ONLY

reflect the current University Station Project plans, including significant reductions in the projected environmental impacts.

Construction of the Project and the Public Infrastructure Improvements is expected to commence onsite during spring/summer of 2013. Construction of the first phase of the Project is anticipated to be completed in the summer/fall of 2014, with a Project opening in fall of 2014.

9. Compliance with the pre-conditions of the Act, §51.03(2)(h):

As detailed herein, the commercial components of the Project will generate sufficient new state tax revenues to cover the debt service of the bonds. Prior to approval of the Economic Development Proposal, the Proponent will provide the Secretary with information to show that the Proponent has obtained sufficient tenant and financing commitments to fund the costs of construction of the proposed economic development project, exclusive of the Public Infrastructure Improvements. In addition, the Proponent will provide evidence of actual committed financing and will work with the Town to create the required municipal liquidity reserve.

10. Project has not received and will not receive other public assistance prohibited by the Act, §51.03(4):

Included with this PEDP in **Appendix I** is a certification from the Proponent that the Project has not and will not receive public assistance prohibited by the Act, other than the MassWorks Infrastructure Program grant, for which a waiver is requested from the Secretary in accordance with 801 CMR 51.03(4). In addition, the Project Site is located in an existing Tax Increment Financing (“**TIF**”) economic development zone (as defined under the I-Cubed Statute), which was designated as such prior to January 1, 2009. Therefore, the Project remains eligible to receive financial assistance pursuant to the Commonwealth’s TIF Program, in accordance with the I-Cubed Statute. The Town and the Proponent plan to amend the existing TIF Agreement affecting the Project Site, to reflect the current Project.

11. Project will include Public Infrastructure Improvements that have been previously contemplated and desired by the Commonwealth and its agencies, §51.04(3)(c):

As described in greater detail throughout, including in Section 3 herein, the Commonwealth and its agencies, including MassDOT, have been prioritizing improvements to the I-93/I-95 Interchange in Canton for two decades. The Public Infrastructure Improvements been planned to coordinate and advance the implementation of the Blue Hill Drive highway ramp and Canton/Dedham Street Corridor projects to be undertaken by MassDOT. These improvements have been identified by the Governor as “Regional Priority Projects” over the next 10 years.

DRAFT 3/26/13
FOR DISCUSSION PURPOSES ONLY

12. In addition, the Public infrastructure Improvements are reasonably likely to make other sites available for future economic development and redevelopment projects, §51.04(3)(d):

Future development in the vicinity of the Route 128 MBTA Station is constrained because of the deteriorated state of the roadway network. By way of example, the Project Site has remained underdeveloped and underutilized for several years. As described in more detail below in Section 3, construction of the Public Infrastructure Improvements will not only open up the Project Site to redevelopment, but also other sites in the vicinity which are currently underutilized.

As further described herein, the Project complies with all of the criteria under the I-Cubed Regulations. Accordingly, the Proponent and the Town of Westwood respectfully request your support for the University Station Preliminary Economic Development Proposal.

DRAFT 3/26/13
FOR DISCUSSION PURPOSES ONLY

SECTION 2 – PROJECT TEAM

2.1 Sponsorship Information and Contact Information

The Proponent is a joint venture comprised of New England Development (“**NED**”), Eastern Real Estate LLC (“**Eastern**”), and National Development (“**National**”), three of the preeminent real estate development companies in New England. The biographies of the Proponent’s key personnel are included in Appendix A. Each of NED, Eastern, and National are actively involved in the financing and development of the Project.

NED is nationally recognized for its ability to design innovative and vibrant mixed-use projects throughout the region, which successfully combine retail and residential components. Founded by Stephen R. Karp in 1982, New England Development has a proven track record of success in developing and operating large-scale projects from Maine to Florida. NED has an over thirty (30) year history of development and has created some of the largest “economic engines” in the Commonwealth, including Cambridgeside Galleria (a mixed-use hotel, retail, residential project), Solomon Pond Mall (a 1,000,000 square foot regional mall), The Pinehills (a 3,000 unit residential and commercial project which today generates over \$7,000,000 annually in real estate tax revenues), and many other projects. Two recent mixed-use projects that are slated to come online within the next several months include Pier 4 in Boston and Chestnut Hill Square in Newton, Massachusetts. The firm’s success is based on a thorough understanding of the local conditions and cooperation with local communities. NED is nationally recognized for its ability to design innovative and vibrant mixed-use projects throughout the region, which successfully combine retail and residential components.

Eastern is a privately held commercial real estate firm with expertise in capital investment, real estate development, and asset management. Eastern was founded and is led by principals Daniel J. Doherty III and Brian J. Kelly. During their twenty year careers Doherty and Kelly have had direct involvement in over 25 million square feet of transactions, building Eastern a well earned reputation for industry leading insight and unwavering professional integrity. Originally founded in 2000, the company features a fully integrated team of real estate experts who specialize in acquisition, investment, development, finance, leasing, property management and asset management. This in-house expertise, coupled with the vision and entrepreneurial leadership of Eastern’s principals, enables the company to capitalize on market opportunities with speed and focused insight. Eastern has developed over 10 million square feet of first class retail, office, and mixed use real estate having a market value in excess of \$1 billion.

National has developed numerous financially sound, best-in-class office, industrial, retail, multi-family, senior housing, and hotel developments throughout Massachusetts and beyond. National’s entrepreneurial spirit is set by its principals, including its founding partners Tom Alperin, Jack O’Neil, and Ted Tye have guided the firm for more than 25 years, and its senior leadership. It has twice been recognized by NAIOP Massachusetts as the region’s outstanding development firm.

As set forth below, the Proponent’s projects include urban mixed-use facilities, waterfront developments, shopping centers, and suburban residential communities located throughout Massachusetts and New England, including Boston, Wellesley, Burlington, Lynnfield, Cambridge, Worcester, North Attleboro, Peabody, Plymouth, Brockton, Nantucket and Marlborough. Recent mixed-use projects of the Proponent include CambridgeSide Galleria; The Pinehills retail, residential and conference center in Plymouth; Wisconsin Place retail, office and residential complex in Friendship Heights, Maryland; and Pier 4 Waterfront Development that includes a mix of uses, including office space, residential and retail on the Boston Harbor.

Contact Information:

New England Development, One Wells Avenue, Westwood, MA 02459, 617-965-8700; NED Contact: Paul Cincotta, Vice President

Eastern Real Estate LLC, 120 Presidential Way, Suite 300, Woburn, MA 01801, 781-926-6400; Eastern Contact: Ray Murphy, Managing Director and General Counsel

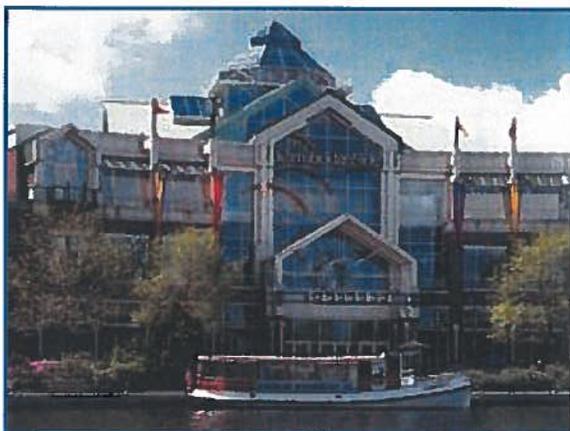
National Development, 2310 Washington Street, Newton Lower Falls, MA 02462, 617-527-9800; National Contact: John J. O’Neil III, Managing Partner

Town of Westwood, _____

2.2 Relevant Experience of the Developer – Selected Projects

NED 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 California Pizza Kitchen, as well as a waterfront Food Festival food court. As a result of the Proponent’s investment in the CambridgeSide Galleria, the Commonwealth receives approximately \$9,000,000 in annual sales tax revenues.

**Newburyport,
Newburyport, Massachusetts**



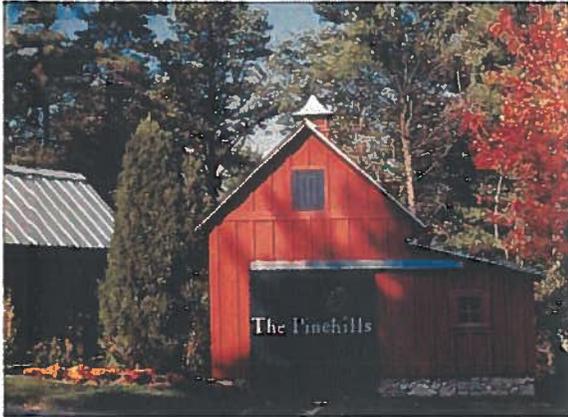
New England Development has acquired numerous properties in the center of downtown Newburyport and adjacent land along the waterfront and offers 50 of Newburyport's premier retail locations. Newburyport is a classic New England town center with a mix of shops, galleries and restaurants. Historic Federalist 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, residential apartments, exciting boutiques, department stores, a Whole Foods market, a community center, park-like public spaces and underground parking. The complex will be the crown jewel in an already well established shopping destination that includes Neiman Marcus, Saks Fifth Avenue and Tiffany & Co. 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 1,300,000 square feet that includes shops, restaurants, office space and hotel. Based on a recent economic analysis prepared by Connery Associates for the Town of Plymouth, The Pinehills residential and commercial components generate over \$7,000,000 in annual real estate tax revenues.

Solomon Pond Mall Marlborough, Massachusetts



The Solomon Pond Mall, located in Marlborough, was constructed by New England Development in 1997. While the Mall's location may now seem ideal for retail, being located along I-290 near its intersection with I-495, at the time of construction, the area was underdeveloped and remote. New England Development spent a significant amount of money on off-site improvements to enable the construction of the mall and in so doing brought significant economic development to the area. In connection with the construction of the Mall (now owned by Simon Property Group), totaling around 900,000 square feet, the Proponent invested over \$5,000,000 in roadway ramp construction. The Mall continues to be one of most significant economic engines in the Marlborough and Worcester region generating approximately \$3,000,000 in annual real estate tax revenues.

Eastern Projects

Linden Square Wellesley, Massachusetts

Formerly operated as a family-owned lumberyard for over 100 years in the heart of Wellesley, Eastern acquired this site through a complicated reverse merger transaction and redeveloped this site into a 275,000 square foot lifestyle shopping center

anchored by Roche Bros., CVS, Citizens Bank, Beacon Hill Athletic Club, Starbucks, and others.

**350 Washington Street
Boston, Massachusetts**

This former Woolworth building is located at the corner of Washington and Franklin Streets in Downtown Crossing, one of New England's busiest shopping districts. Eastern's unique insight led to a creative approach to this project, which had been stalled for more than ten years. Working closely with the state, city, and local interests, Eastern moved decisively to divest 600,000 square feet of air rights and an 850 car parking garage now known as 33 Arch Street. Eastern retained and redeveloped 150,000 square feet of prime retail space where Marshall's, H&M, T.J. Maxx and Boston Sports Club now enjoy the benefits of this premier location.

**Crosspoint
Lowell, Massachusetts**

Brian Kelly and Dan Doherty, two of the principals of Eastern, are known through the real estate industry for their involvement in the well-publicized purchase of the 1.2 million square foot former Wang corporate headquarters located in Lowell, Massachusetts for a stunning \$525,000 and converting, the site to a first-class multi-tenant office tower through an innovative four-year transformation process.

**NATIONAL DEVELOPMENT
PROJECTS**

**Arborpoint at Woodland Station,
Newton, Massachusetts**



When the MBTA looked to find a developer to create a model transit-oriented development at Woodland Station in Newton, National Development responded to the challenge. National transformed a narrow five acre surface parking lot into a thriving residential community. National's vision for the site was to create a pleasant residential street along the trolley tracks in what had once been a parking lot. National lined the street with well-scaled two story townhomes and hid a two level garage behind them. Above the garage are 180 luxury apartments.

Arborpoint at Woodland Station has been lauded by residential abutters who found, despite its size, that it is compatible with its neighborhood. Its Newton location, on-site MBTA station, access to Newton-Wellesley Hospital and proximity to two area golf courses has made it a popular choice for area renters.

**75SL,
Medford, Massachusetts**



National Development looked to find a market differentiator for the planned fourth residential building at its award-winning Station Landing development. After market research, it became clear that prospective residents were looking for the opportunity to live in a LEED-certified green building with chic urban architectural design that had great access to public transportation. Out of this idea was born 75SL, the first LEED Gold multi-family rental building in the Boston market. So successful was the concept that the building was 75% occupied within just three months of opening and it has remained one of the most sought after residential addresses in the Boston area. In addition to sustainable materials, dual flush toilets and energy saving appliances, the building features floor-to-ceiling glass in many units. The Skywalk to the MBTA is just steps away as is access to Zip Car service. The restaurants, fitness club, stores and parks of Station Landing are all conveniently available to 75SL's residents.

**Marketstreet Lynnfield,
Lynnfield, Massachusetts**



MarketStreet Lynnfield is the redevelopment of the former Colonial Country Club property. Working in partnership with the Towns of Lynnfield and Wakefield, the new development will include a unique mix of retail stores, restaurants and entertainment all designed to become a vibrant center. Anchored by Whole Foods, Legal C Bar and King's, MarketStreet is designed with a classic main street, town square and village green. In addition to the retail space, MarketStreet will also include 80,000 s.f. of office space and a 180 unit residential community. As part of a community partnership, a nine hole golf course will be retained on the property, which is also adjacent to a hotel and sports

club. MarketStreet is being developed in partnership with WS Development.

Shops at Landing Station, Medford, Massachusetts



National's challenge at Station Landing was to create an upscale retail center that would be complimentary to its luxury residential plan for the property. National worked to re-position and re-build a site that formerly hosted less desirable uses, the strategy was to create a new image and vibrant street life by attracting multiple restaurants. Retail enlivens the ground floor and typically sits below seven stories of residential apartments on the upper levels of most buildings. Station Landing is now positioned as the "go-to" place for area diners. For residents of Station Landing, the shops and restaurants are an essential part of the project's "live-work-play" philosophy. Tenants include Not Your Average Joes, Pizzeria Regina, Margarita's, Yoki, Kelly's Roast Beef and Starbucks.

2.3 *References from Government Officials on Similar Development Projects*

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

B.

SECTION 3 – PROJECT DESCRIPTION AND PROJECT TIMELINE

3.1 Existing Conditions

University Station will be developed on approximately 130 acres of land in the University Avenue Industrial Park, which occupies approximately 250 acres of land near the I-93/I-95 interchange (Route 128 and I-95). The park is accessible to these two highways via a nearby interstate highway ramp, which will be reconstructed as part of a separate infrastructure project being undertaken by the Massachusetts Department of Transportation (MassDOT), as described further below. The Project Site is 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 Site currently exists of cleared, vacant land. The prior owners of the Site demolished virtually all of the previously existing underutilized and functionally obsolete industrial buildings in connection with the previously proposed Westwood Station project. In an economic sense, both the previously existing buildings and the currently vacant land are several steps below the “highest and best use” of the Site. The University Avenue Industrial Park is also underperforming, as evidenced by lower density, significantly lower rents, and higher vacancy rates compared to other locations on Route 128.

Like the previously existing buildings, the existing roadway and utility infrastructure is 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 master plan. The roadway infrastructure is also outdated and incapable of supporting a significant increase in density on the Site or in the vicinity of the Site.

The utility infrastructure is also roughly 35-45 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 a 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.

The Site is currently comprised several parcels owned or controlled by the Proponent, which are more specifically described in **Appendix C**. As further described in Section 4.1, these parcels will constitute the Economic Development District. Prior to construction of Phase 1 and issuance of the bonds under I-Cubed, the majority of the parcels within the proposed Economic Development District that comprise the main retail component of the Project will be consolidated into a single lot that will serve as the Assessment Parcel for I-Cubed.

The Project is not located within a growth district or economically distressed area as defined in the I-Cubed Statute.

3.2 *Vision*

University Station will transform an underutilized industrial park into a vibrant, mixed-use neighborhood. When completed, the Project is anticipated to include a first class grocery store anchor, a mix of retail, restaurant, and other commercial uses, up to 650 residential units, a memory care/assisted living facility, Class A office space and a 160-room hotel. As a result, the Site will be transformed from an underutilized and vacant parcel into an economic engine spurring private development, job growth, and much-needed tax revenues.

By creating a multi-function mix of uses, the Project will decrease automotive dependency by providing, among other benefits, bicycle accommodations and designated car and vanpool parking areas. University Station further embodies smart growth principles because of its location in close proximity to public transportation. Ideally situated to take advantage of available public transportation services in the area, including the Route 128 commuter rail and intercity passenger train station, it is anticipated that many of the visitors to the Site and/or future residents will take advantage of the public transportation options. Improved pathways and sidewalks will encourage pedestrian, rather than vehicle, travel between destinations within the Project.

In addition, the Project will advance equity by creating affordable housing units that will be available to the community. It is currently contemplated that the first phase will include two (2) residential buildings collectively comprised of 350 units. For each building, between 10% and 25% of the total number of units will be restricted as affordable to individuals and families with incomes at or below 80% of area-wide median income levels, in accordance with 801 CMR 5 1.06(2)(e)(3). Future residential phases of the Project will also include affordable units, consistent with inclusionary housing provisions of the Town's Zoning Bylaws. The inclusion of affordable units at Project will provide residents of the community with opportunities for affordable housing with access to landscaped public parks, public amenity areas, and jobs, using a variety of low-impact transportation options, including bicycling, walking, and public transportation.

The Project's concentrated mix of uses, infrastructure improvement, and design components will also demonstrate a commitment to sustainable, "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 area surrounding an important regional highway hub and access to public transportation. With the investment in public infrastructure to be funded by I-Cubed, the Project will also spur growth in the vicinity of the Project. Improved roadways will allow for sustainable, controlled growth in this area. Vital environmental resources, such as groundwater and the Neponset River, will be protected by improvements to the existing drainage infrastructure. Because of its situation near an important highway interchange and vital environmental resources, the Project will benefit not only the Town, but also the surrounding communities.

3.3 Project Description

Once fully built-out, this transit-oriented Project will include up to 650 residences and 100 assisted living/memory care units, up to 750,000 square feet of destination retail, approximately 325,000 square feet of Class A office space, and a 160 room hotel. Table 1 below provides a summary of the proposed development program.

Table 1 – University Station Mixed Use Project

Land Use	Detail*
Class A Office Space	325,000 sf
Hotel	160 rooms
Residences	650 units
Assisted Living/Memory Care Units	One central facility of 100 units
Grocery Anchor	140,000 sf
General Merchandise Anchor	140,000 sf
Restaurants/Banks	35,000 sf
General Retail	370,000 sf
Small Retail Shops	70,000 sf

*All figures are estimates and are subject to change.

As shown on the site plan in Figure 3.3 below and as currently contemplated, the first phase of the University Station Project will consist of four (4) “Core Development Areas.” Core Development Area #1 (the “**Core Retail Area**”) is currently anticipated to include three (3) main buildings and three (3) smaller buildings, collectively comprising approximately 541,680 square feet to be used for retail and service uses, including large anchor grocery and department store tenants, and a variety of other retailers. Core Development Area #2 (the “**Core Residential Area**”) will include 350 residential units and secondary retail uses in buildings collectively comprising approximately 410,000 square feet. Core Development Areas #3 and 4 (the “**Core Restaurant Areas**”) are anticipated to include restaurant uses, in buildings collectively comprising approximately 18,000 square feet. Further, the retail buildings will be designed with a high degree of detail and quality materials to create an attractive shopping destination.

Primary vehicle access to the Core Retail Area will be provided by way of two (2) driveways that will intersect the north side of University Avenue. These driveway intersections will be fully signalized. A driveway along the western side of the redesigned Rosemont Road will provide primary vehicle access to the Core Residential Area. Access to the Core Restaurant

Areas will be provided by driveways intersecting the south side of University Avenue, which driveway intersections will be fully signalized.

Direct pedestrian access between all development areas of the Project is provided by way of the extensive network of sidewalks and pedestrian crossing locations that link the Site to the sidewalk system along University Avenue and to Blue Hill Drive. These facilities also serve to link these areas to the Route 128 MBTA train station adjacent to the Project.

The Project will feature an enhanced open space network that will create a rich park-like environment intended to foster pedestrian activity and to benefit commercial activity at the Project, as well as the surrounding Whitewood residential neighborhood. The Project will feature an active retail streetscape near the Blue Hill Drive portion of the Site, with restaurants and retail uses.

3.4 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 meets the Commonwealth's first goal through the reuse of a deteriorated and underutilized site in an already developed area. Further, the Project activates this Site by bringing together retail, restaurant, office, recreational, and residential uses that complement one another in a pedestrian friendly development.

2. Advance Equity: As described in greater detail in Section 5, a large number of both construction and permanent jobs will be created at all levels of the income spectrum, creating important social equity benefits. These jobs will be available to residents of Westwood and the region as a whole and in many cases will provide opportunities for advancement. Many of these jobs will also be accessible by public transportation and, as a result, will not be constrained to those who own or have access to a vehicle. The residential component will advance the Town of Westwood's housing equality goals by including affordable housing units as part of Phase 1. The inclusion of such units at the Project will provide individuals in the community with opportunities for housing with access to landscaped public parks, public amenity areas, and jobs at all levels of the income spectrum, using a variety of low impact transportation options, including bicycling, walking, and using public transportation. Furthermore, the Proponent has hosted a series of community meetings to foster inclusive community planning and decision making.

3. Make Efficient Decisions: The Project has benefitted from a regulatory and permitting process that was intended to streamline the process. The Town of Westwood has hired a project management staff and planning consultants in order to manage the approval process in an efficient manner. The anticipated zoning changes will allow for Town-wide approval of the entire Project's Master Plan, and staged final approvals that move in lock step with the logical sequencing of the evolution of the development of the Project. The basic entitlements for the Project will be obtained at a single Town Meeting and, as each component of the Project reaches a more detailed level of design, the Developer will apply for essentially non-discretionary approvals (Conformance Determinations) from the Town's Planning Board. Future phases that incorporate substantial changes from the Project's Master Development Plan would require additional approvals, such as a special permit for later residential phases. In addition, the Project is consistent with the principal goals of the Town's Comprehensive Plan, which is currently being revised, and will include preservation of open space, redevelopment of existing sites, promoting public transportation and mixing uses to better activate sites. This Project meets many of the goals of Westwood's long-term plans.

4. Protect Land and Ecosystems: The Project takes advantage of underutilized, previously-developed land thereby freeing undeveloped land for open space or conservation opportunities. The Project will improve the environmental conditions of the Site which suffer from uncontrolled stormwater run-off. The Project will comply with existing Order of Conditions applicable to the Property. Further, the Project will create open space areas and pedestrian connections both from the neighboring areas and within the Site.

5. Use Natural Resources Wisely: As discussed in greater detail herein, the Proponent developed a comprehensive strategy to conserve resources. In addition to implementing other mitigation designs, the Project will promote the conservation of energy and water by including new technologies designed to reduce energy and water consumption. Further, many of the building materials from the demolition of the existing buildings on the Site will be recycled or re-used.

6. Expand Housing Opportunities: The residential portion of the Project includes up to 650 new units, including approximately 350 in the first phase. These units will be one and two-bedroom apartments, which will increase the diversity of housing options available within the Town of Westwood, which is largely comprised of single-family housing. The Project will attract individuals from a range of socioeconomic groups, including young couples, singles, and empty nesters, as well as semi-retired/retired persons. In addition, the Phase 1 residential buildings will include designated affordable units, which will expand housing opportunities to those earning 80% or less of area-wide median income levels.

7. Provide Transportation Choice: The Project is situated near one of the most important highway interchanges in the Commonwealth, and is near the MBTA's Route 128 railway station, which facilitates opportunities to minimize vehicle trips and encourages alternative modes of travel. The mix of uses and the inclusion of pedestrian pathways and sidewalks will provide residents of the Project with opportunities for working and shopping without the need for a vehicle. Further, the Public Infrastructure Improvements will reduce congestion, conserve fuel and improve air quality by improving University Avenue, which will act as a main thoroughfare connecting the Project and nearby sites to the MBTA Station and the highways. In addition to the Public Infrastructure Improvements, the Proponent has committed to fund \$2.1 million for Town-controlled traffic calming and speed mitigation measures, which will make the roadways in the area safer for pedestrian and bicycle travel.

8. Increase Job and Business Opportunities: The Project will attract businesses and jobs to locations near housing, infrastructure and transportation options. Construction of Phase 1 of the Project is anticipated to create approximately 1,136 full-time construction jobs. The Project will also generate a large number of jobs at a variety of wage and skill levels in the retail and residential sectors. Specifically, after accounting for displacement in accordance with the I-Cubed Regulations, approximately 919 net new full time equivalent retail jobs are anticipated to be created, at an average wage of approximately \$24,523. The Project will also include retail and construction jobs that may be accessed via public transportation, or from housing (including affordable housing) at the Project, which will provide important social equity benefits.

9. Promote Clean Energy: Through the implementation of a comprehensive strategy, including responsive mitigation design and operational commitments, the Project will achieve reductions in green house gas levels consistent with the MEPA Greenhouse Gas Policy recently promulgated by the Executive Office of Energy and Environmental Affairs. These and additional measures will provide environmental benefits ranging from the preservation of natural resources and water conservation, to the diversion of construction waste from landfills and improved indoor environmental quality for building occupants. Additional measures will be detailed in the Proponent's Notice of Project Change, which is further described below in Section 3.5. The benefits to be realized by these measures, combined with the Proponent's long-

standing commitment to responsive design and overall environmental stewardship, reinforces the Project's consistency with the objectives set forth in the Policy.

10. Plan Regionally: The Project emphasizes a mixed-use approach to address the needs of the local and regional markets. Further, the Project is situated near the I-93/I-95 interchange, which is a focal point of activity for both local and through traffic, which is determinant of a significant area of development. The Public Infrastructure Improvements will upgrade existing deteriorated local roadways and enable important economic development in the Route 128 corridor. The Route 128 corridor has been an area of focus for regional planning, as evidenced by the emphasis of the Metropolitan Area Planning Council ("**MAPC**") and MassDOT for infrastructure improvements. The Project and the related Public Infrastructure Improvements complement the planned improvements to the Blue Hill Drive off-ramp and the Canton/Dedham Street Corridor improvements to be undertaken by MassDOT. In this and many other ways, the Project is consistent with the goals outlined in the Westwood Comprehensive Plan and the MAPC's MetroFuture Regional Plan 2008.

3.5 Compliance with Zoning & Status of Permitting

Zoning and Local Permits and Approvals

As described above, the Proponent submits this PEDP with acknowledgement of the potential for the imposition of infrastructure assessments on the Assessment Parcel in the event of a shortfall, in accordance with the terms of an Infrastructure Development Assistance Agreement to be executed by the Proponent, the Commonwealth, and the Town (the "**IDAA**"). The Proponent has spent approximately a year planning and permitting the Project in close consultation with local and state officials, as well as area residents and businesses. The Project enjoys widespread support in the community.

The Site is currently zoned into the Industrial Zoning District, as well as the Mixed-Use Overlay District, the Flexible Multiple Use Overlay District, and the Water Resource Protection Overlay District. At a Special Town Meeting (the "**Town Meeting**") scheduled for May 6, 2013, it is anticipated that the Town will vote to approve an amendment to the Town's Zoning Bylaw to rezone the Site to the University Avenue Mixed Use District ("**UAMUD**"). The related UAMUD Zoning Bylaw has been meticulously crafted by the Town's Planning Board, with the cooperation of the Proponent. Upon the anticipated approval of the Project's Master Development Plan (the "**Master Plan**") at Town Meeting, the Project will be permitted to move forward, without requiring further zoning relief. Final design plans will be submitted to the Town's Planning Board, which will review such plans for conformance with the Project's Master Plan. Provided such final plans conform to the Master Plan, the Planning Board will issue a Conformance Determination (the "**Conformance Determination**"). Upon approval of the Master Plan at Town Meeting and the issuance of a Conformance Determination from the Town's Planning Board, the Proponent will be in compliance with all zoning regulations applicable to the Public Infrastructure Improvements, including water resource protection regulations.

The Project is consistent with the Town of Westwood's Comprehensive Master Plan and the broader planning goals established by the MAPC in the MetroFuture Regional Plan 2008. In

accordance with both plans, the Project utilizes smart growth strategies to redevelop existing sites served by existing infrastructure and public transportation and the Project will contribute to the mix of housing types available to Westwood residents, including affordable housing units. The Project evidences excellent design, creating a pedestrian friendly environment with connections between the retail, restaurant, office, and residential uses, as well as public transportation options. Additionally, the Project significantly furthers Westwood's Comprehensive Plan by revitalizing a degraded and underutilized parcel, which the Town has specifically identified as a priority site for mixed-use development.

The Project Site is subject to an existing and valid Order of Conditions from the Westwood Conservation Commission (for on-site wetlands and storm water management), dated June 28, 2007, and extended on July 26, 2010 (as so extended, the "**Order**"). The Project will comply with all of the conditions of the Order. In connection with the Project, the Proponent will work with the Conservation Commission to substitute plans on file to accurately reflect the Project's current development program.

In connection with the previously proposed Westwood Station project, the Site is subject to a Certificate on the Final Environmental Impact Report, issued by the Secretary of the Executive Office of Energy and Environmental Affairs under the Massachusetts Environmental Protection Act ("**MEPA**") on September 24, 2010 (EEA No. 12928). The Westwood Station project was planned to be much larger than the University Station Project. Prior to construction of the Project and the Public Infrastructure Improvements, the Proponent will submit a Notice of Project Change to the MEPA Office to reflect the current Project plans, which, although comprised of many of the same project elements as Westwood Station, include a significant reduction in the scale of proposed project and its anticipated environmental impacts.

The opinion from Proponent's Counsel addressing the Project's compliance with state and local land use laws and regulations is attached hereto as **Appendix D**.

3.6 Project Schedule

- Preliminary Overview of I-Cubed Approval Process .

Below please find a list of the major anticipated milestones for the I-Cubed Approval Process:

Approval by the Town of Westwood (May 2013): The Town's Board of Selectmen will review the PEDP and the proposed submission of the final Economic Development Proposal (the "**EDP**") at a public hearing to be held in mid to late April. The Town will vote on whether to approve the submission of the final EDP at the Special Town Meeting scheduled to be held on May 6, 2013.

Preliminary Approval (Completed Summer/Fall 2013): The PEDP will be reviewed by the Massachusetts Department of Revenue (DOR), the Secretary, MassDevelopment, and an Independent Consultant.

Proponent Updates Economic Development Proposal (Summer/Fall 2013): Assuming that the PEDP is approved, the Proponent will update the proposal for submission of a revised

EDP. This timeframe will depend upon the nature of the conditions that are imposed and the required commitment documentation.

Final Approval (Fall/Winter 2013): Consistent with the I-Cubed Regulations, the Secretary must issue a decision on the EDP within sixty (60) days of submission of the same.

Issuance of Bonds (Winter/Spring 2014): Negotiate the Infrastructure Development Assistance Agreement concurrently with the review of the final Economic Development Proposal, enabling bond issuance soon after a decision by the Secretary on the final approval of the EDP. However, it is possible that practical constraints will cause the execution of this Agreement and the issuance of bonds to lag final state approval by a few months.

- Project Schedule & Occupancy Date

The first phase of the Project will include gross leasable areas of approximately 560,000 square feet of retail and restaurant space, including a 140,000 square foot grocery store and a 140,000 square foot department store which will anchor the Project's retail component. Phase 1 will also include 350 residential units. On-site parking is estimated to accommodate 2,394 vehicles. Additional retail, office, and residential components are anticipated to be constructed as part of later phases. Construction of required off-site improvements, including the Public Infrastructure Improvements, is anticipated to begin in late 2013 and will be completed in the summer 2014. On-site construction, including site preparation, will commence in summer of 2013 and is also planned for completion in the summer of 2014, enabling Phase 1 of the Project to be open for business in the fall of 2014. The relatively short permitting and construction periods for such a large development will enable the Project to quickly produce significant new state tax revenues from both construction and occupancy period, which will immediately be available to cover the debt service on the I-Cubed bonds when the payment is due, sometime in 2015.

3.7 Project Costs and Financing

- Project Costs

The I-Cubed Regulations require the Proponent to provide information regarding the total development costs of the Project. The following Project costs are solely for Phase 1 of the Project and exclude the costs of later phases. The table below summarizes the allocation of the anticipated development costs of the Project among labor, materials, equipment and other, but excluding construction costs associated with the Public Infrastructure Improvements.

Table 2 - Estimated Development Costs for University Station Phase 1

Component	SF	\$/SF	Costs	Labor	Material	Equip	Other/Soft
Retail	420,000	\$105	\$44,100,000	\$17,640,000	\$21,168,000	\$2,205,000	\$3,087,000
Grocery	140,000	\$150	\$21,000,000	\$8,400,000	\$10,080,000	\$1,050,000	\$1,470,000
Parking (spaces)	2,394	\$300	\$718,200	\$287,280	\$344,736	\$35,910	\$50,274
<i>Subtotal</i>			\$65,818,200	\$26,327,280	\$31,592,736	\$3,290,910	\$4,607,274
Residential	410,000	\$275	\$112,750,000	\$45,100,000	\$54,120,000	\$5,637,500	\$7,892,500
Grand TOTAL	NA	NA	\$178,568,200	\$71,427,280	\$85,712,736	\$8,928,410	\$12,499,774

Source: RKG Associates, Inc. and New England Development

As set forth in Table 2, construction of the first phase of the University Station Project is estimated to result in expenditures of approximately \$71,427,280 for labor; \$85,712,736 for materials; \$8,928,410 for equipment; and, \$12,499,774 for other costs. In total, the proposed Phase 1 development will result in approximately \$178,568,200 in construction expenses, which includes tenant allowances and non-reimbursed tenant expenditures.

- Financing Status

The recent constrained lending environment has made it difficult for private projects with large initial infrastructure requirements, such as this, to obtain the financing required for the substantial initial investment. Without some public financing, such as I-Cubed bond financing, the long-desired transportation improvements associated with the Project could not be financed. I-Cubed bond financing, together with a potential MassWorks grant, will enable the Proponent to bridge the gap between the financing that is available for this Project and the estimated Project costs. Based on the Project's pro forma (to be provided under separate cover), if the approximately \$_____ in infrastructure costs were added to the budget, the Project would not create sufficient returns on investment to enable the Proponent to proceed. As the requested funding is for Public Infrastructure Improvements, many of which are needed today, even without the Project, there is increased difficulty in obtaining funding for these infrastructure costs in the tight credit market.

The Proponent has, however, been able to secure land financing from a major lending institution, culminating in the execution of a Loan Agreement and Note, secured by a Mortgage on the Site, in May of 2012. In addition, the Proponent is currently advancing conversations

with other financial institutions and intends to secure a construction loan to finance construction of Phase 1. In addition, once construction financing is secured, the Proponent will fund the equity required to build the remainder of Phase 1, not covered by the loans or I-Cubed Proceeds. The details of the loan arrangements will be provided to the Commonwealth under separate cover.

SECTION 4 – PUBLIC INFRASTRUCTURE IMPROVEMENTS

4.1 Boundaries of the Proposed Economic Development District and Proposed Assessment Parcel

In accordance with 801 CMR 51.06(2)(d)(1), a map of the proposed Economic Development District is provided on Figure 4.1(a), below, and a textual description of the boundaries is provided in **Appendix C**, attached hereto.

The portions of the Site that would act as the Assessment Parcel under I-Cubed and that would be subject to assessment for any shortfalls and maintenance of the liquidity reserve pursuant to the terms of the IDAA are depicted on the map provided below on Figure 4.1(b), and a textual description of the boundaries is provided in **Appendix C**, attached hereto.

A detailed description of the methodology for the allocation of Debt Service to each Assessment Parcel will be provided under separate cover.

Figure 4.1(a) – Boundaries of Proposed Economic Development District



[REQUESTED PLAN - AWAITING FROM NATE CHEAL]

Figure 4.1(B) – Boundaries of Assessment Parcel



[REQUESTED PLAN - AWAITING FROM NATE CHEAL]

4.2 Need for and Benefits of Public Infrastructure Improvements

Over the last few decades, development along the Route 128 corridor has continued to grow, in many cases without regard to the adequacy and condition of the infrastructure in the area. The Public Infrastructure Improvements will complement MassDOT projects to reconfigure the Blue Hill Drive Off-Ramp from I-95 (Route 128), and associated roadway work on the Dedham/Canton Street corridor. The Commonwealth has long identified these improvements as being critical to not only the continued operation of the roadway, but also to open up controlled growth in the vicinity of a major highway interchange.

The existing roadways in the University Avenue Industrial Park have significantly deteriorated and are currently insufficient to support growth in the vicinity of the long-planned highway improvements. These roadways are outdated and automobile oriented. These 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. University Avenue will be reconstructed and widened and include a landscaped median. Two northbound lanes will be added near the University Avenue/Canton Street intersection, allowing traffic travelling north and west on Dedham Street to utilize University Avenue to access University Station, I-95 and the MBTA Station. Secondary roadways, including Harvard Street, NStar Way, and Rosemont Road will be realigned, widened, and improved to encourage use of University Avenue instead of neighborhood streets and pedestrian travel.

As described in the chart below, signalized intersections will be modified or installed in conjunction with the Project. 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 Industrial Park.

The proposed Public Infrastructure Improvements will provide substantial and much-needed improvements to the local transportation system, which will result in traffic flow improvements, enhanced safety, accessibility improvements, and improved access to public transportation services that will benefit the Town of Westwood, the surrounding communities and all roadway users. The infrastructure improvements will encourage growth and redevelopment not only at the Project, but also in the surrounding area, allowing for the creation of additional jobs, growth in property values and local tax revenues, and an increase in state tax revenues. This redevelopment activity will likely occur concurrently with future phases of development at the Project. The development of underutilized land along the Dedham Street corridor and University Avenue are likely to begin once the first phase of the Project is open, and to continue for a period of 10 to 20 years. For these reasons, the Project qualifies for priority status under the I-Cubed Regulations.

4.3 Proposed Public Infrastructure Improvements

As described above, the proposed Public Infrastructure Improvements include substantial contributions to the local roadway network, including intersection, roadway and traffic control improvements along University Avenue and surrounding streets. Additional landscaping improvements along University Avenue are part of the off-site upgrades. As described further

below, the Proponent may also pursue MassWorks grant funding for additional off-site improvements.

The Public Infrastructure Improvements for which I-Cubed bond financing is being sought are shown in red on Figure 4.3 and are described in Table 3, below, including their estimated cost: [Additional Information Requested from Nate Cheal]

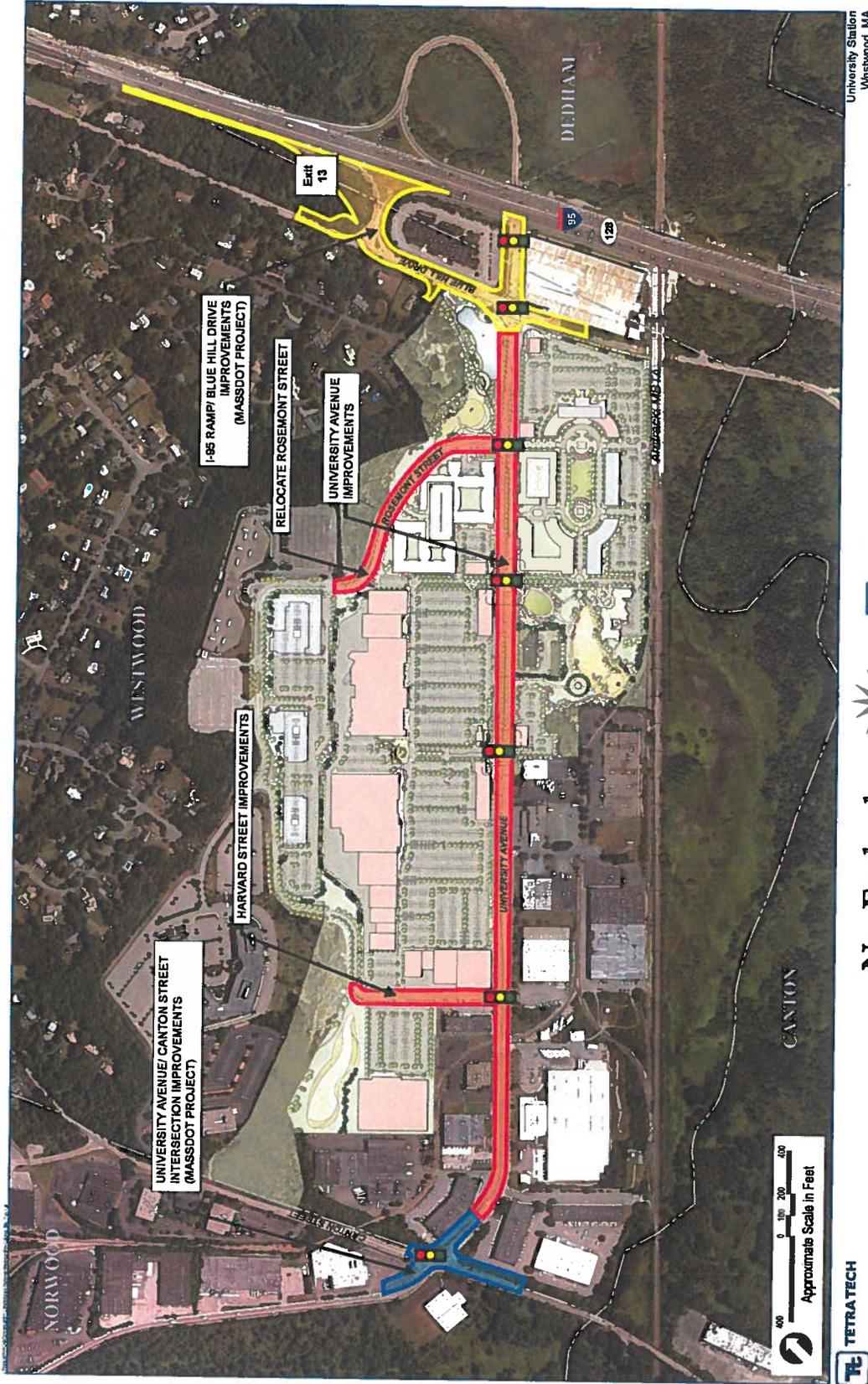
Table 3 – Public Infrastructure Improvement Costs

<i>Improvement</i>	<i>Cost</i>
Rosemont Road: Construction of retaining wall and upgrade of existing roadway and utility infrastructure, including installation of water, sewer, and drainage works, concrete sidewalks and islands, landscaping, street lighting.	\$1,500,000
University Avenue: Installation of three traffic signals, landscaped median, and upgrade of existing roadway and including installation of water, sewer, and drainage works, concrete sidewalks and islands, landscaping, street lighting.	\$8,000,000
Harvard Street: Upgrade of existing roadway and including installation of water, sewer, and drainage works, concrete sidewalks and islands, landscaping, street lighting.	\$1,000,000
Additional Utilities:	\$ _____
Total Costs:	\$ _____*
*The Proponent seeks I-Cubed funding for \$10,000,000 of the Public Infrastructure Improvement costs.	

As described in greater detail above, the construction of the Public Infrastructure Improvements will serve a regional need. As noted above, each of the traffic improvements listed above will be constructed with the proceeds received from the issuance of the I-Cubed bonds. Without public funding under the I-Cubed program, the improvements cannot be completed and construction of the Project, as well as other important economic development in the surrounding area, cannot be justified. However, with the I-Cubed funds, the Project could

proceed and is anticipated to generate more than enough revenue to cover the debt service on the bonds on annual basis until the bonds are repaid.

Figure 4.3 – Planned Transportation Infrastructure Improvements [To be updated to show Rosemont and Harvard]



4.4 Ownership of Public Infrastructure Improvements and Public Bidding

The majority of the land on which the Public Infrastructure Improvements will be constructed is owned by the Town of Westwood. A small portion of the land required for the widening of University Avenue is owned by the Proponent, and will be transferred to the Town, in fee or in easement, at no cost to the Town.

In accordance with the requirements of the I-Cubed Regulations, the Proponent will conduct a competitive process for the selection of a contractor or contractors for the construction of the public infrastructure improvements. The Proponent will take all reasonable and appropriate measures to procure the public infrastructure work at a 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 relevant experience completing similar projects, and that they have the capability to complete the work on schedule and at a competitive cost.

4.5 Need for I-Cubed Funding for Public Infrastructure Improvements

As described above, further economic development/redevelopment in the vicinity of the I-95/I-93 interchange cannot occur without significant improvements to University Avenue and the neighboring roadways. The Commonwealth has long identified this area as a high priority for significant repairs. To date, private developers have made very few contributions to upgrading the roadway network and other infrastructure in the vicinity of the University Avenue Industrial Park. However, as the economy has faltered, it has become increasingly difficult to obtain financing for these improvements and for private projects as a whole. Given the current state of funding sources and the high costs of constructing both the off-site mitigation and the Project itself, this Project cannot proceed without public investment, especially given the extent of the public roadway improvements needed to address this existing regional need. Based on the Project's pro forma (to be provided under separate cover), if the \$_____ in infrastructure costs were added to the budget, the Project would not create sufficient returns on investment to enable the Proponent to proceed. However, as discussed in Section 5, the Project is expected to generate more than enough revenues (both during the construction and occupancy periods) to cover the debt service on the bonds issued. The Public Infrastructure Improvements to be funded by I-Cubed will support not only the development of the Project, but also growth in the surrounding area near the vital Route I-93/I-95 interchange.

SECTION 5 – PROJECTIONS OF NEW STATE TAX REVENUES

5.1 Summary of Economic Activity Prior to Redevelopment

As described above, the Site had deteriorated significantly over many years and is currently vacant. Prior to the commencement of construction, there was no economic activity on the Site. The Project will redevelop the Site and bring significant revenue to the Town of Westwood (in the form of increased property tax revenues) and the Commonwealth. The Proponent has retained RKG Associates, Inc. to create an economic analysis to support the information provided in this PEDP (the “**RKG Report**”). The RKG Report is attached hereto as **Appendix E**. The following Sections utilize and summarize the information contained in the RKG Report.

5.2 Support from and Collaboration with the Town of Westwood

The statement of interest from the Town of Westwood’s municipal officers confirming their preliminary support for the proposed economic development project is attached in **Appendix F**.

5.3 Summary of Anticipated Tenants

Based on discussions with a variety of retailers interested in space at University Station, a mix of tenants have been selected for the Project that will create a unique retail experience at the Site and create significant revenues for the Commonwealth and the Town. On the retail/restaurant side, the tenants are currently estimated to consist of a variety of apparel stores, sporting goods and craft stores, specialty shops, restaurants, other retail, and an approximately 140,000 square foot anchor grocery store.

The Proponent specializes in the development and leasing of retail projects and has focused on a select group of retailers to establish the overall retailing strategy for the Project. The Project will include a mix of sophisticated and high-end retailers anchored by the vibrant and highly anticipated Wegmans supermarket. The Project’s retail space has been featured at trade conferences, listed with on-line commercial real estate services and advertised in retail trade magazines. Currently, the Proponent is actively negotiating the economic terms for the retail space, and economic terms have been agreed to with all major tenants. Leases have been executed with tenants who together comprise approximately 65% of the retail space at the Project, with the remaining leases to be executed shortly. The Proponent will provide MassDevelopment with additional information about the leases executed or anticipated to be executed in connection with the Project. The RKG Report, attached hereto as **Appendix E**, also provides detailed information regarding the percentage of jobs and commercial activity generated by the Project’s proposed tenants.

-Retail/ Restaurant/Grocery

University Station is attractive to unique retailers who are new to the market or new to this location for a variety of reasons. First, the demographics of the Westwood area market are extremely attractive to retailers. The average family income in Westwood is high (i.e., \$103,242 per household, compared to \$80,425 statewide). Very little new retail has been introduced to the

Town in recent years due to the difficulty of locating land and the difficulty of obtaining development approvals. Last, the Proponent's expert leasing staff has a long history of attracting strong and exciting new tenants to its projects, such as when The Cheesecake Factory first came to Massachusetts in the Atrium Mall and quickly become the highest grossing location in the chain. This is a prime example of a tenant who created net new revenue and jobs for the Commonwealth. As listed above, the Proponent has executed leases or secured leasing commitments from a wide variety of unique retailers and is in discussions with numerous others who have expressed a strong interest in coming to the Project and who are anticipated to create significant revenue.

The grocer, Wegmans Food Markets, will be a high-end grocer featuring a large variety of gourmet foods aimed at an upscale market, as well as a Market Café that includes in-store dining areas. This will likely result in an increased amount of money spent per trip and a higher amount of net taxable sales than a traditional grocer. The area surrounding the Project is underserved by grocers of this type. The Project will also include a mix of restaurants that will be new to the area. Entertainment and dining options have historically been limited within the Town, so the Project is well positioned to produce jobs and tax revenues in a previously underserved market.

As described in the RKG Report, attached hereto as **Appendix E**, Massachusetts employment trends have shown that growth in the grocery and restaurant sectors have resulted in an increased number of jobs in these sectors, providing further evidence that the addition of a grocery store and restaurants at the Project will not cause other businesses to close or lose employees, and will not substantially detract from the other stores' revenues. In addition, the Proponent has already established a track record of success with this particular tenant; Wegmans opened its first location in Massachusetts at the Proponent's Northborough Crossing Development and has so far achieved overwhelming success in terms of overall sales and positive publicity. Wegmans is expected to open its second location in Massachusetts at the Proponent's Chestnut Hill Square location later this year or early next year.

The Project's other anchor, Target, has a track record success locating near major highway interchanges in Massachusetts and anchoring retail centers. Target will draw shoppers to the Project's other retail stores, which will include sporting goods and craft stores, as well as major stores selling clothes and accessories for men, women, and children. Many of these stores currently conduct a robust online and retail store shopping business in the region and as such, already have name recognition and a reputation for quality merchandise with many shoppers in the Westwood area. However, none of the Projects proposed tenants are anticipated to be relocated from other locations in the Commonwealth. As a result, these tenants will attract new customers to the Project and new revenues to the Commonwealth. University Station presents a unique opportunity to transform the existing Site from its current blighted condition into a new destination for the Town.

- Residential

The Proponent has worked closely with the Town to develop the Project's residential component. The Proponent is also currently working with an award-winning national developer of luxury apartments, to develop an exciting residential component to the Project, which will

support the economic activity being generated by the Project's retail component. The first phase of the Project will include up to 350 high-end one and two-bedroom apartment units, catering to young professionals and mature adults. The residential component will consist of two four-story, red brick buildings with contemporary elements, which will be located in close walking distance to Project and to the Route 128 MBTA train station. As described above in Section 3.4, a range of 10 to 25% of each building's units will be designated as affordable, which will advance equity interests at the Project. There is no distinction in amenities between market and affordable residential units.

5.4 New State Tax Revenue from Phase 1

- Total Revenues Anticipated from Occupancy of Phase 1

As described below, Phase 1 of the Project, once occupied, is anticipated to create approximately \$724,000² in net new sales tax revenues each year, accounting for necessary vacancy and adjustments and set asides, as well as approximately \$686,000 in net new income taxes from the retail/restaurant/grocery components. In total, more than \$1,400,000 in net new state tax revenues are anticipated on an annual basis, after deducting the set-aside for the Massachusetts School Building Authority and the MBTA ("**Dedicated Revenue**"). Additional indirect income tax revenue is anticipated to be created from the retail and medical office components, resulting in additional annual income tax receipts. An example of indirect revenue creation would be a construction worker using a portion of his paycheck to buy lunch near the Site rather than eating at home. Later phases of the Project, once completed, would also produce additional income tax and sales tax revenues; however, the following discussion and data are limited to the economic impact of Phase 1.

- New State Sales Tax Revenue from Retail/Restaurant/Grocery

The retail, restaurant, and grocery components of the first phase of the Project, amount to approximately 560,000 square feet, approximately 58% of the total building area of the first phase. These components are anticipated to generate over \$269,000,000 in total annual sales.

As required by the I-Cubed Regulations, sales tax revenue projections must be discounted to factor in displacement of sales from other stores within the Commonwealth. Before applying displacement factors, the retail, restaurant and grocery stores were divided into three categories: (1) "New to Market", reflecting those retailers that do not yet have any stores in the Commonwealth; (2) "New to Location", reflecting those retailers which have some presence in the region but are adding the proposed store in addition to their existing stock; and (3) "Relocated Stores", reflecting those retailers which would close a store elsewhere in the region to relocate to the Project. All of the major tenants at the Project are anticipated to be New to Location, and are not expected to involve the relocation of any stores. According to RKG, for large projects with a mix of tenants, retail displacement (or sales transfer from other stores) factors typically range from 75% to 90%. After examining the Project's tenant mix, to be conservative RKG applied average displacement of 85% to all retail sales at the Project, indicating that 15% of the retail sales occurring at University Station are considered to be net new.

² For ease of reference, numbers have been rounded. Please refer to [Appendix E](#) for the exact calculations.

After applying the aforementioned displacement factors, the net new retail sales generated by University Station are estimated to be approximately \$40,373,000 (15% of total gross sales) of which approximately \$12,958,000 are taxable sales. These sales result in approximately \$1,065,000 in net new sales taxes for the Commonwealth. As required by the I-Cubed Regulations, the estimated sales tax numbers have to be discounted by 32% to account for Dedicated Revenue (approximately \$341,000). The final net new sales tax generated by the Project is estimated to be approximately \$724,000. The calculations are shown below in Table 4.

- Table 4 – Estimated Annual Retail Sales Tax Contribution

Store Type or Use Merchandise Line(s)	Count / Units	Total SF	NET NEW (2015) \$000's	Estimated % Taxable	Estimated	Estimated Sales	Less Dedicated Sales Tax (2015)	NET NEW Sales Tax (2015)
					Taxable (2015) \$000's	Tax Receipts (2015)		
General Merchandise(s)	2	176,000	\$12,433	57%	\$7,119	\$444,924	(\$142,376)	\$302,548
Apparel & Accessory	4	84,000	\$4,430	22%	\$961	\$60,056	(\$19,218)	\$40,838
Sporting Goods & Crafts	2	57,000	\$2,256	47%	\$1,053	\$65,799	(\$21,056)	\$44,743
Specialty & Other	3	34,000	\$1,838	89%	\$1,628	\$101,757	(\$32,562)	\$69,194
Grocer	1	140,000	\$16,154	\$1.64/\$100	\$162	\$264,921	(\$84,775)	\$180,146
Undefined Restaurant	3	18,000	\$1,350	80%	\$1,080	\$67,500	(\$21,600)	\$45,900
Undefined Retail	3	51,000	\$1,913	50%	\$956	\$59,766	(\$19,125)	\$40,641
Total Retail	18	560,000	\$40,373	32.1%	\$12,958	\$1,064,722	(\$340,711)	\$724,011
RESIDENTIAL	350	410,000	NA	NA	NA	NA	NA	NA
GRAND TOTAL	368	970,000	\$40,373	32.1%	\$12,958	\$1,064,722	(\$340,711)	\$724,011

Source: RKG Associates, Inc.
and New England
Development

- New Income Tax Revenue from Retail/Restaurant/Grocery

The retail/restaurant/grocery components³ of University Station are projected to create approximately 1,838 full-time equivalent⁴ permanent jobs. RKG used standard industry displacement factors, and conservatively discounted 50% of all jobs to account for displacement of employees from other stores in the Commonwealth. After this reduction and, the projected net new full-time equivalents are projected to be approximately 919 jobs, as shown below in Table 5.

³ The residential component of the Project is also anticipated to create jobs; however, to be conservative, these jobs were omitted from this analysis.

⁴ Assuming that two (2) part-time jobs would typically equate to one (1) full-time job.

Table 5 – Estimated Jobs from Retail Employment

Store Type or Use Merchandise Line(s)	Count / Units	Total SF	AVG SF per FTE /2 (unit)	Estimated FTE	Displaced FTE	NET NEW FTE
General Merchandiser(s)	2	176,000	408	431	(216)	216
Apparel & Accessory	4	84,000	300	280	(140)	140
Sporting Goods & Crafts	2	57,000	300	190	(95)	95
Specialty & Other	3	34,000	300	113	(57)	57
Grocer	1	140,000	275	509	(255)	255
Undefined Restaurant	3	18,000	125	144	(72)	72
Undefined Retail	3	51,000	300	170	(85)	85
Total Retail	18	560,000	305	1,838	(919)	919
RESIDENTIAL	420	410,000	0.04	17	0	17
GRAND TOTAL	438	970,000	NA	1,854	(919)	936

Source : RKG Associates, Inc.
and New England
Development

/2 Urban Land Institute and proprietary data

The anticipated annual wages for each type of retail or service tenant range from roughly \$22,000 for sporting goods and crafts to more than \$27,000 for specialty stores, resulting in an average wage of approximately \$24,500. Net new wages for the Project (after displacement) are anticipated to be in excess of \$22,488,000, resulting in approximately \$685,750 in net new income tax on an annual basis, as shown below in Table 6. These figures do not include salaried retail management positions, which could be expected to pay from \$75,000 to \$125,000 per year. Also not included in the above estimate are an additional approximately 473 retail/restaurant/grocery jobs indirectly created by the Project.

- Table 6 – Estimated Wages and Income Tax from Retail Employment

Store Type or Use Merchandise Line(s)	Count / Units	Total SF	NET NEW FTE	Annual Wage (2015) /3	Total Wage (2015) \$000's	Eff. Tax Rate /4	NET NEW (2015) Taxes
General Merchandiser(s)	2	176,000	216	\$26,295	\$5,668	3.2%	\$183,386
Apparel & Accessory	4	84,000	140	\$23,765	\$3,327	2.9%	\$96,857
Sporting Goods & Crafts	2	57,000	95	\$22,266	\$2,115	2.9%	\$60,492
Specialty & Other	3	34,000	57	\$27,519	\$1,559	3.3%	\$51,640
Grocer	1	140,000	255	\$22,786	\$5,800	3.0%	\$173,314
Undefined Restaurant	3	18,000	72	\$24,606	\$1,772	3.0%	\$52,938
Undefined Retail	3	51,000	85	\$26,427	\$2,246	3.0%	\$67,123
Total Retail	18	560,000	919	\$24,476	\$22,488	3.0%	\$685,750
RESIDENTIAL	420	410,000	17	\$27,083	\$455	3.3%	\$15,067
GRAND TOTAL	438	970,000	936	\$24,523	\$22,943	3.1%	\$700,817

Source : RKG Associates, Inc.
and New England
Development

/3 Massachusetts Executive Office of Labor and Workforce Development

/4 Massachusetts Department of Revenue

- New State Tax Revenues from Construction

The construction of Phase 1 is anticipated to directly generate additional jobs, as well as both wage and sales tax revenues. Like the retail components, estimates for such wage and sales

tax revenue projections have been discounted to factor in displacement of sales from other construction projects within the Commonwealth. Construction of the commercial components of Phase 1 of the Project, including site work and construction of the buildings (but excluding the construction of the Public Infrastructure Improvements), is anticipated to cost approximately \$178,568,200, as shown in Table 7 below. Of that total, approximately \$71,427,280 reflects labor costs for the estimated 1,136 construction jobs; while approximately \$85,712,736 reflects the costs of materials (75% of which materials are anticipated to be purchased locally).

- Table 7 – Estimated Costs of Phase 1 Construction

Component	SF	\$/SF	Costs	Labor	Material	Equip	Other/Soft
Retail	420,000	\$105	\$44,100,000	\$17,640,000	\$21,168,000	\$2,205,000	\$3,087,000
Grocery	140,000	\$150	\$21,000,000	\$8,400,000	\$10,080,000	\$1,050,000	\$1,470,000
Parking (spaces)	2,394	\$300	\$718,200	\$287,280	\$344,736	\$35,910	\$50,274
Subtotal			\$65,818,200	\$26,327,280	\$31,592,736	\$3,290,910	\$4,607,274
Residential	410,000	\$275	\$112,750,000	\$45,100,000	\$54,120,000	\$5,637,500	\$7,892,500
Grand TOTAL	NA	NA	\$178,568,200	\$71,427,280	\$85,712,736	\$8,928,410	\$12,499,774

Source: RKG Associates, Inc. and New England Development

As shown in Table 8 below, the \$71,427,280 anticipated to be spent on labor would result in approximately \$3,004,300 in one-time income tax wages (not including additional wages indirectly created thereby) to the Commonwealth, with an average annual wage of \$63,232. Because of the high unemployment rates among the construction trades, all of the construction jobs can be counted as new jobs, with the resulting income tax wages as net new to the Commonwealth. The \$64,284,552 anticipated to be spent on materials purchased locally results in one-time sales tax revenues to the Commonwealth in the amount of approximately \$4,017,785. As with post-occupancy projections for retail sales, the sales tax generated by the construction of the commercial components of the Project must be discounted by 32% to reflect the revenue which the Commonwealth dedicates to the Massachusetts School Building Authority and the MBTA. Net sales tax is therefore estimated to be approximately \$2,732,093. Overall, as shown in Table 8 below, the construction of University Station will result in approximately \$5,736,344 in one-time direct revenues for the Commonwealth. Indirect impacts would account for an additional 1,602 jobs created, with a payroll of approximately \$91,469,800, resulting in approximately \$3,757,700 in income tax revenues. Based on several discussions with A&F, and as further described below in Section 6, only 25% of surplus construction period revenues will be counted towards meeting the Project's debt service coverage requirements with respect to the I-Cubed bonds.

- Table 8 – Impacts from Phase 1 Construction

Component	SF	Total Costs	Employment /1	Local \$
Retail	420,000	\$44,100,000	279	\$15,876,000
Grocery	140,000	\$21,000,000	133	\$7,560,000
Parking (spaces)	2,394	\$718,200	11	\$258,552
Subtotal		\$65,818,200	423	\$23,694,552
Residential	410,000	\$112,750,000	713	\$40,590,000
Grand TOTAL	NA	\$178,568,200	1,136	\$64,284,552
		<i>Eff. Tax Rate /2</i>	4.2%	
		<i>Payroll Tax</i>	\$3,004,251	
		<i>Sales Tax</i>		\$4,017,785
		<i>Dedicated Tax</i>		(\$1,285,691)
		<i>Net Tax</i>		\$2,732,093

Source : RKG Associates, Inc.

/1 Massachusetts Executive Office of Labor and Workforce Development

/2 Massachusetts Department of Revenue

SECTION 6 – I-CUBED BOND DEBT SERVICE DURING OCCUPANCY

As indicated in Section 5 hereof, University Station will generate significant new state tax revenues. New state tax revenue projections and debt service coverage for the first ten years of the Project are shown in Figure 6.1 at the end of this section. Debt service coverage amounts for the entire thirty year term of the bonds are shown in **Appendix H**.

As shown in Figure 6.1, new state tax revenues generated by the Project (exclusive of construction period revenues) are projected to exceed I-Cubed bond debt service by a factor of 2.12 at the time of the grand opening of the Project, in compliance with the requirements of the I-Cubed Regulations requiring a coverage factor of 1.5 times. When 25% of surplus construction period revenues are added, the revenues cover the debt service by a factor of 4.27. These high debt service coverage ratios result from the short permitting and construction periods for such a large, revenue productive Project. As noted above in Section 3.6, the Project will begin producing significant new state tax revenues that will immediately be available for debt service on the bonds. It is currently anticipated that bonds will be issued in 2014, which would require an initial debt service payment in 2015, one year after bond issuance. All construction period revenues and the first year of occupancy period revenues would be available to cover the payment and the remainder would be available as surplus for use in later years.

6.1 Certification of the Proponent Confirming Project Requirements

Attached hereto as **Appendix I** is the Proponent's Certification that the Project complies with the requirements imposed under the I-Cubed Statute and confirming that there is not litigation or administrative proceeding that is pending or, to the knowledge of the Proponent, threatened which is likely to: (1) prevent, delay or interfere in any material respect with the development of the Project and completion of the Public Infrastructure Improvements; or (2) materially adversely affect the power and authority of the Proponent to perform its obligations with respect to the Project and the Public Infrastructure Improvements; or (3) materially adversely affect the financial position of the Proponent.

6.2 Funding of the Municipal Liquidity Reserve

The Proponent 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 Commonwealth. The Proponent will maintain the reserve throughout the Town's obligation to provide local infrastructure development assistance with respect to the Project. The Proponent is currently reviewing available options and will make a proposal to the Town's municipal officers to be memorialized in the IDAA.

6.3 Security for Completion

The contractor or contractors selected to complete each of the Project components and the Public Infrastructure Improvements will secure its obligations with payment, performance and lien bonds. The payment, performance and lien bonds for the Public Infrastructure Improvements will name the Proponent and MassDevelopment as co-obligees. The Proponent

will secure its own obligation to complete the portion of the Public Infrastructure Improvements not funded by the bonds with payment, performance and lien bonds listing MassDevelopment as obligee. Documentation specifying the security plan determined by the Proponent and MassDevelopment will be provided with, or prior to submission of, the final Economic Development Proposal and memorialized in the IDAA.

6.4 Allocation of Responsibility for Local Infrastructure Development Assistance

As demonstrated in this proposal, the Project will have a debt service coverage ratio in the first occupied year of 2.12 (excluding construction revenues), thereby exceeding the required ratio of 1.5. To the extent there is a shortfall, the Municipal Liquidity Reserve will provide the difference. Furthermore, the Proponent agrees to allow the Town to assess the Assessment Parcel, in the event of a shortfall, to reimburse the Municipal Liquidity Reserve. The Town and the Proponent have discussed the appropriate mechanisms and security for this obligation, which will be memorialized in the IDAA.

6.5 Requested Waivers from the I-Cubed Regulations

In accordance with Section 63 of Chapter 238 of the Acts of 2012, the Proponent requests permission to use a portion of the construction period revenue to pay debt service on the bonds during the construction period, if applicable, and then for surplus revenues to be applied to future debt service payments. This analysis assumes that (i) 75% of construction materials will be purchased locally (or with Massachusetts as the point of transfer) and will result in more than \$2.7 million in direct net new sales tax, excluding the approximately \$1.3 million that will be set aside for the MBTA and education; and (ii) 100% of the 1,136 construction-related jobs will be net new, and therefore, more than \$3 million in directly created income tax will be available to cover the debt service. Based on discussions with the Executive Office of Administration and Finance, however, this PEDP only utilized 25% of the construction related revenues for purposes of calculating the debt-service coverage analysis, attached hereto as **Appendix H**. As described above, it is likely that Project construction will be completed prior to the due date of the first debt service payment for the bonds; therefore, it is unlikely that this waiver will be necessary with respect to paying debt service during a construction period, prior to occupancy. The Proponent respectfully requests, however, that interest only will be repaid during the construction period in the event that the Project has not opened within one year of bond issuance.

The Proponent seeks a waiver from 801 CMR 51.11, which requires the submission of the final EDP with the Secretary and MassDevelopment within 60 days of municipal approval. A waiver would allow the Proponent and the Town to submit the EDP more than sixty days after the Town approved the EDP, enabling the Proposed to provide a more detailed analysis, based on updated leasing and financial commitments for the Project.

The Proponent also requests a waiver from 801 CMR 51.12(6) which requires a developer's construction lender to agree to advance construction loan proceeds to cover the Public Infrastructure costs even if the developer is in default of the construction loan. The provision is untenable and would not be agreed to by construction lenders, including the Project's construction lender, in this difficult lending environment.

Additionally, the Proponent requests a waiver from the definition of “commitments” in 801 CMR 51.02, which requires each lease term to be ten years or longer in order to be counted through the term of the bonds. The proponent seeks permission to have lease terms greater than five (5) years but less than ten (10) years be counted through the term of the bonds. The Project will contain many different types of tenants, and this provision is untenable for some. Flexibility on this provision will allow for a mix of tenants that will make the Project more successful in the long term.

The Proponent requests a waiver from 801 CMR 51.03(4), so that it may pursue a grant for additional infrastructure funding under the Commonwealth’s MassWorks Program set forth in Chapter 23A, Section 63 of the Massachusetts General Laws.

Finally, the Proponent requests a waiver from 801 CMR 51.03(7) to allow the Town to approve the submission of the final Economic Development Proposal prior to the issuance of a preliminary approval by the Secretary in relation to this PEDP.

6.6 Assumptions

- *Amortization:*
 - The 30-year amortization schedule is attached as **Appendix J**.
- *Interest Rate:* As required by the I-Cubed Regulations, the interest rate is assumed to be 5% annually.
- *Bond Issuance Costs:* In conformity with the I-Cubed Regulations, bond issuance costs equal to 3% of the principal amount were included in the amount requested in financing.
- *Bond Issuance Date:* The Proponent requests that the bonds be issued in the summer of 2014.
- *Definitions:* Any capitalized word, not defined herein, shall have the same definition as provided in 801 CMR 51.02.
- *New State Tax Revenues from Occupied Phase 1:* The revenues anticipated to be created are described in Section 4 hereof.
- *New State Tax Revenue Growth:* Income tax and sales tax revenues were anticipated to inflate at a rate of 3% per year commencing in the year following the first year of occupancy.
- *Tenants in-place at Occupancy:* Because the Project has already secured its major tenants for the Project, it has been presumed that such tenants will be in place at occupancy.

Figure 6.1 - Debt Service Coverage for the First Ten Years of Occupancy

CATEGORY		Total (over 30 years)	Occupancy Period - Projected Cash Flows By Year ⁵										
			1	2	3	4	5	6	7	8	9	10	
Annual Debt Service⁶		\$19,986,271	\$666,480	\$666,480	\$666,480	\$666,480	\$666,480	\$666,480	\$666,480	\$666,480	\$666,480	\$666,480	\$666,480
Construction Activity Revenues⁷	Net New Income Tax Revenues from Construction	\$751,063	\$751,063	-	-	-	-	-	-	-	-	-	-
	Net New Sales Tax Revenues from Construction	\$683,023	\$683,023	-	-	-	-	-	-	-	-	-	-
	Total Net New Direct Revenues from Construction Activity	\$1,434,086	\$1,434,086	-	-	-	-	-	-	-	-	-	-
Revenues from Occupied Project Components	Net New Income Tax Revenue from Retail/Restaurant/Grocery	\$32,624,841	\$685,750	\$706,323	\$727,521	\$749,338	\$771,818	\$794,972	\$818,821	\$843,386	\$868,688	\$894,748	
	Net New Sales Tax Revenues from Retail/Restaurant/Grocery	\$34,445,124	\$724,011	\$745,731	\$768,103	\$791,146	\$814,881	\$839,327	\$864,507	\$890,442	\$917,155	\$944,670	
	Total Net New Direct Revenues from Occupied Project Components	\$67,069,966	\$1,409,761	\$1,452,054	\$1,495,615	\$1,540,484	\$1,586,698	\$1,634,299	\$1,683,328	\$1,733,828	\$1,785,843	\$1,839,418	
Debt Service Coverage Ratio (Direct Impacts Only)			2.12	2.18	2.24	2.31	2.38	2.45	2.53	2.60	2.68	2.76	
			including surplus construction period revenues: 4.27										

⁵ Inflation at 3% annually after initial year.

⁶ \$12,000,000 in principal plus \$360,000 in costs (3%), 30-year term, biannual payments, 5% interest

⁷ Net new construction revenues (based on 75% displacement factor) applied to Occupancy Year 1.

Conclusion

As described throughout this I-Cubed Preliminary Economic Development Proposal, University Station presents a unique opportunity for growth in the Town of Westwood, the surrounding region, and the Commonwealth. The Project takes an existing, blighted site and transforms it into a vibrant, mixed-use center which the residents of Westwood and the region can enjoy. Further, the Project's commitment to build the necessary infrastructure will resolve traffic problems long identified by the Commonwealth and will enable redevelopment of other parcels near the important interchange of I-93 and I-95 in Canton. Because of its mix of uses and its location near not only important regional highways, but also a multi-modal train station, the Project meets many of the Commonwealth's transportation and environmental priorities, and symbolizes the smart, controlled growth that the Commonwealth is seeking. In accordance with the I-Cubed Regulations, the Project is estimated to create more than enough revenues, after accounting for displacement, vacancy and Dedicated Revenue, to cover the debt service on the bonds, making a shortfall in the future unlikely. The Proponent's commitment to high quality projects throughout the region, combined with its more than thirty year proven track record of delivery on promises and commitment to making investments in infrastructure throughout the Commonwealth, make it uniquely positioned to ensure the success of this Project under the I-Cubed program. The Proponent has already secured leases for the bulk of the retail component of the Project. Further, the Proponent already executed financing in this difficult lending environment, and is anticipated to secure additional funding enabling the commencement of vertical construction in late 2013, and allowing for a fall 2014 Project opening.

The University Station Project, in accordance with the central intent of the I-Cubed program, makes the goal of real, sustainable job creation a reality. In addition to millions of dollars in new tax revenues, the first phase of the Project alone will directly generate more than 1,100 construction jobs and 900 retail/restaurant/grocery jobs. The job creation and tax revenue production projections contained herein are based on conservative displacement factors and do not include any indirect economic benefits or any economic growth resulting from later phases of the Project. Even with these conservative assumptions, in the first year of occupancy, University Station is anticipated to have a debt service coverage ratio of 2.12, without factoring in any construction revenues. These ratios easily exceed the debt service ratio required under the I-Cubed regulations. The Project, as described above, meets all of the I-Cubed requirements and complies with all regulations. Based on the foregoing, the Proponent respectfully requests your support of this Preliminary Economic Development Proposal.

APPENDICES

Appendix A – Biographies of Key Personnel

Appendix B – Letters of Recommendation for NED from Local Officials

Appendix C – Legal Description of District

Appendix D – Opinion by Proponent’s Counsel

Appendix E – RKG Report

Appendix F – Statement of Support from Town Officials

Appendix G – Tenant Commitments

Appendix H – 30 Year Debt Service Coverage Chart

Appendix I – Proponent’s Certification

Appendix J – Amortization Schedule

APPENDIX A

Key Personnel

NEW ENGLAND DEVELOPMENT

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 1982. 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, COO

Steven S. Fischman, together with Stephen R. Karp, has overseen the expansion of New England Development into a multifaceted real estate development and investment company. Prior to joining New England Development, 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 Westwood-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. Her 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.

William R. Cronin, Jr. – Senior Vice President

William R. Cronin, Jr. is involved in all aspects of New England Development's various development projects, with a particular emphasis in permitting at the local, state and federal levels. He manages the permitting and development of the proposed University Station project, as well as the permitting for a number of NED's other projects, including the Pier 4 project in the South Boston waterfront. Since joining New England Development in 1974, Mr. Cronin has also overseen the permitting of the Emerald Square Mall, the North Shore Mall, the Square One Mall, the Liberty Tree Mall, and the Solomon Pond Mall. Mr. Cronin, a retired Lieutenant Commander in the US Naval Reserve, holds a Bachelor of Arts degree from Harvard College and is a member of the International Council of Shopping Centers. Mr. Cronin is also a member of the Board of Directors and Treasurer of the Massachusetts Wetlands Restoration Partnership.

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.

EASTERN REAL ESTATE

Daniel J. Doherty III – Principal

Daniel J. Doherty III is co-founder and a principal of Eastern Real Estate LLC, one of New England's leading commercial real estate investment, development and asset management firms.

Mr. Doherty, together with his business partner Brian Kelly and their team of twenty five industry professionals, have built a hard-earned reputation for success through superior industry insight, diligent work ethic, and precise execution of sound investment strategy. Dan's entrepreneurial approach, long-term industry relationships, and twenty years of extensive experience have allowed him to develop and implement creative solutions to a wide range of commercial real estate opportunities. Dan and his partner have developed more than 100 projects totaling over 10 million square feet with a value in excess of \$1 billion and have transacted in excess of 25 million square feet of commercial real estate.

Mr. Doherty has been awarded the degree of Bachelor of Science – Honoris Causa from Tufts University and serves on the Tufts University Board of Trustees, Board of Advisors for Athletics and was Chairman of the Tufts University Development Corporation.

Dan is a strong advocate for many youth causes and is an avid supporter and board member of numerous charitable and academic concerns. Among the charities he is most active in are Autism Speaks, YMCA, The Jimmy Fund/Dana Farber Cancer Institute and Big Brothers of Mass Bay. In addition, Dan has established the Doherty Family Scholarship to assist economically challenged students who demonstrate exceptional leadership potential.

Mr. Doherty is also on the Board of Trustees of Tufts Medical Center and sits on the strategic planning committee.

Brian J. Kelly – Principal

Brian J. Kelly is co-founder and a principal of Eastern Real Estate LLC, one of New England's leading commercial real estate investment, development and asset management firms.

Brian, Dan and their team of twenty five industry professionals have built a hard-earned reputation for success through superior industry insight, diligent work ethic, and precise execution of sound investment strategy. Brian's entrepreneurial approach, long-term industry relationships, and twenty years of extensive experience have allowed him to develop and implement creative solutions to a wide range of commercial real estate opportunities. Brian and his partner have developed more than 100 projects totaling over 10 million square feet with a

value in excess of \$1 billion and have transacted in excess of 25 million square feet of commercial real estate.

Mr. Kelly is an advocate for autism and autism related causes. Mr. Kelly is on both the Board of Directors and Executive Board of Autism Speaks. Autism Speaks is the nation's leading nonprofit organization related to Autism. In addition, Mr. Kelly is the recipient of the UC Santa Barbara's Gevirtz School 2008 Thomas G. Haring Memorial Award and he is on the Board of Directors of the Montecito Education Foundation.

Raymond M. Murphy – Managing Director/General Counsel

Raymond M. Murphy is the Managing Director and General Counsel of Eastern Real Estate LLC. Since joining Eastern in May of 2000, Ray has been responsible for the management of all legal aspects of the company and the transactions it has undertaken. Working closely with Eastern's team of multi disciplinary professionals, Ray and the Eastern legal staff have overseen hundreds of transactions, including acquisitions and dispositions, financings, syndications, developments, leases, joint ventures, foreclosures, and bankruptcy designations. Ray takes pride in his ability to craft practical, creative and flexible solutions to the challenges posed by each deal or situation. Prior to joining Eastern, Ray was a partner in the Boston Law Firm of Palmer & Dodge, now known as Edwards Wildman Palmer LLP.

Ray is a graduate of Dartmouth College and the George Washington University National Law Center.

Paul J. Waystack – Chief Financial Officer

Paul J. Waystack is the Chief Financial Officer for Eastern Real Estate LLC. Mr. Waystack has been with Eastern and its affiliates since 1997 and is responsible for all of Eastern's financial operations including finance, cash management, accounting, financial reporting and compliance. In addition, he is responsible for Eastern's capital market activities, and is involved with the structuring and analysis of investments.

Prior to joining Eastern, Mr. Waystack worked as a CPA specializing in auditing, tax and accounting as well as advisory and information technology services for a diverse client base. Mr. Waystack received a Bachelor of Science Degree in Accounting from Merrimack College and received the designation of Certified Public Accountant in the Commonwealth of Massachusetts.

Stuart T. Hunziker – Director

Mr. Hunziker is Director, Asset Management at Eastern Real Estate LLC and serves as Managing Partner for Eastern Asset Management LLC, and oversees all aspects of asset management across Eastern's diverse portfolio of investments. Mr. Hunziker is active in the daily management of Eastern Capital, LLC working with his management team to monitor the value and performance of the acquired assets. Eastern continues to look towards Mr. Hunziker's

industry experience, strong work ethic and track record in portfolio risk management to achieve projected portfolio returns with controlled and well managed growth.

A graduate of Tufts University in 1981, B.A. Economics, Mr. Hunziker has worked with Dan Doherty and Brian Kelly since 1996 when he teamed up to establish and lead their wholly owned management companies, Atlantic Asset Management LLC, and its successor in 2000, Eastern Asset Management LLC. Mr. Hunziker left a 10 year banking career to join the team. Eastern's management team established under Mr. Hunziker's watch was instrumental in executing the defined strategies to add tangible value to Eastern's real estate portfolio.

NATIONAL DEVELOPMENT

Thomas M. Alperin – President

With a background as mortgage broker and a founder of National Development, Tom plays a leadership role in the firm's strategic planning, deal initiation and financing activities. His background in developing assisted living and multi-family projects in the 1980's in the Washington, DC and Pennsylvania markets has contributed to the firm's growth and activities in these areas. As an active participant in the market over the past 29 years, Tom is very involved in networking in the real estate and business community and plays a leadership role in initiating investment and development opportunities for the firm.

Theodore R. Tye – Managing Partner

A founding partner of National Development, Ted oversees National Development's award-winning development projects such as Station Landing, MarketStreet Lynnfield, Woodland Station, Waterstone at Wellesley, Ink Block South End and 20+ senior housing projects. For over 25 years, he has been involved in permitting and developing projects in thirty different communities.

John J. O'Neil, III – Managing Partner

As a founding partner of National Development, Jack overviews many projects with special focus on commercial, retail and, more recently, mixed-use. These include: 9/90 Corporate Center; MetroNorth Corporate Center; Lowell Connector Park; 25 Washington Street, Wellesley; Longwood Center; Littleton Corporate Center; and The MathWorks.

Stephen A. Kinsella – Partner and Chief Financial Officer

Responsible for all financial operations of the firm including accounting and budget related matters, corporate and project financing activities, investor reporting and the management of the firm's human resource and information technology groups. Prior to National Development, Steve was a partner at the public accounting firm of Tofias PC.

Edward L. Marsteiner, II – Partner, Director of Acquisitions

With a diverse background in engineering, development and real estate private equity investment, Ed's experiences have ranged from the rezoning, permitting and financing of complex mixed-use development projects to the acquisition and disposition of varied product types throughout the eastern half of the United States. He remains involved in the asset management of acquired projects to ensure that acquisition strategies are effectively implemented throughout the life cycle of the property.

APPENDIX B

Letters of Recommendation from Local Officials

[TO BE INSERTED]

APPENDIX C

Legal Description of Economic Development District

University Station
Westwood, Massachusetts

APPENDIX C

Legal Description of Economic Development District

University Station Westwood, Massachusetts

LEGAL DESCRIPTION OF: Lot 1

From the **POINT OF BEGINNING**;

Thence, S 25° 10' 53" W for a distance of 123.05 feet to a point on a line.

Thence, S 20° 03' 09" W for a distance of 103.96 feet to the beginning of a curve,
Said curve turning to the right, having a radius of 40.00 feet, for a distance of 62.43 feet.

Thence, N 70° 31' 40" W for a distance of 5.53 feet to a point on a line.

Thence, S 19° 28' 20" W for a distance of 60.00 feet to a point on a line.

Thence, S 70° 31' 40" E for a distance of 22.08 feet to the beginning of a curve,
Said curve turning to the right, having a radius of 43.00 feet, for a distance of 36.49 feet to the
beginning of a non-tangential curve.

Said curve turning to the right, having a radius of 4.00 feet, a distance of 2.93 feet.

Thence, S 20° 03' 09" W for a distance of 554.82 feet to a point on a line.

Thence, S 25° 18' 43" W for a distance of 120.00 feet to a point on a line.

Thence, S 20° 03' 09" W for a distance of 68.59 feet to a point on a line.

Thence, S 19° 28' 20" W for a distance of 48.40 feet to the beginning of a curve,
Said curve turning to the right, having a radius of 19.00 feet, for a distance of 12.03 feet to the
beginning of a non-tangential curve.

Said curve turning to the right, having a radius of 43.00 feet, for a distance of 41.97 feet to a
point of intersection with a non-tangential line.

Thence, S 19° 28' 20" W for a distance of 81.82 feet to a point on a line.

Thence, S 70° 31' 40" E for a distance of 8.00 feet to the beginning of a curve,
Said curve turning to the right, having a radius of 43.00 feet, for a distance of 67.54 feet.

Thence, S 19° 28' 20" W for a distance of 532.32 feet to a point on a line.

Thence, S 16° 53' 44" W for a distance of 610.64 feet to the beginning of a curve,
Said curve turning to the right, having a radius of 14.00 feet, for a distance of 10.25 feet to the
beginning of a curve.

Said curve turning to the right, having a radius of 53.00 feet, for a distance of 30.39 feet to the
beginning of a curve.

Said curve turning to the right, having a radius of 203.00 feet, for a distance of 57.74 feet.

Thence, N 71° 59' 42" W for a distance of 22.07 feet to a point on a line.

Thence, N 70° 31' 40" W for a distance of 566.69 feet to the beginning of a curve,
Said curve turning to the right, having a radius of 40.00 feet, for a distance of 62.83 feet.

Thence, N 19° 28' 20" E for a distance of 320.59 feet to the beginning of a non-tangential curve,
Said curve turning to the left, having a radius of 210.00 feet, for a distance of 216.25 feet.

Thence, N 70° 31' 40" W for a distance of 17.18 feet to a point on a line.

Thence, N 19° 28' 20" E for a distance of 726.15 feet to a point on a line.

Thence, N 54° 23' 35" E for a distance of 108.76 feet to a point on a line.

Thence, N 19° 28' 20" E for a distance of 110.28 feet to a point on a line.

Thence, N 05° 31' 40" W for a distance of 42.59 feet to a point on a line.

Thence, N 19° 28' 20" E for a distance of 361.03 feet to a point on a line.

Thence, N 44° 28' 20" E for a distance of 20.11 feet to a point on a line.

APPENDIX C

Legal Description of Economic Development District

Thence, N 19° 28' 20" E for a distance of 295.59 feet to a point on a line.
Thence, S 70° 31' 40" E for a distance of 58.63 feet to a point on a line.
Thence, S 70° 31' 40" E for a distance of 5.27 feet to the beginning of a curve,
Said curve turning to the left, having a radius of 170.00 feet for a distance of 227.40 feet.
Thence, N 32° 49' 47" E for a distance of 133.85 feet to the beginning of a curve,
Said curve turning to the right, having a radius of 757.00 feet, for a distance of 388.86 feet.
Thence, N 62° 15' 44" E for a distance of 133.56 feet to the beginning of a curve,
Said curve turning to the right, having a radius of 191.00 feet, for a distance of 155.84 feet.
Thence, S 70° 59' 20" E for a distance of 140.23 feet to the beginning of a curve,
Said curve turning to the right, having a radius of 34.00 feet, for a distance of 54.03 feet.
Thence, S 20° 03' 09" W for a distance of 361.00 feet to the **POINT OF BEGINNING**;

Containing 2,110,988 square feet

APPENDIX C

Legal Description of Economic Development District

LEGAL DESCRIPTION OF: Lot 2

From the **POINT OF BEGINNING**;

Thence, N 19° 28' 20" E for a distance of 136.84 feet to a point on a line.

Thence, N 20° 03' 09" E for a distance of 290.12 feet to a point on a line.

Thence, S 70° 31' 40" E for a distance of 251.54 feet to a point on a line.

Thence, S 19° 28' 20" W for a distance of 426.94 feet to a point on a line.

Thence, N 70° 31' 40" W for a distance of 254.48 feet to the **POINT OF BEGINNING**;

Containing 108222 square feet

LEGAL DESCRIPTION OF: Lot 3

From the **POINT OF BEGINNING**;

Thence, N 21° 13' 28" E for a distance of 489.27 feet to a point on a line.

Thence, N 22° 08' 23" E for a distance of 76.69 feet to the beginning of a curve,

Said curve turning to the right, having a radius of 33.94 feet, for a distance of 37.96 feet to the beginning of a non-tangential curve.

Said curve turning to the left, having a radius of 4040.00 feet, for a distance of 95.30 feet to the beginning of a curve.

Said curve turning to the left, having a radius of 4040.00 feet, for a distance of 264.65 feet to a point of intersection with a non-tangential line.

Thence, S 19° 43' 43" W for a distance of 264.37 feet to a point on a line.

Thence, N 70° 31' 40" W for a distance of 159.59 feet to a point on a line.

Thence, S 51° 30' 47" W for a distance of 159.63 feet to the beginning of a curve,

Said curve turning to the left, having a radius of 152.67 feet, for a distance of 85.38 feet.

Thence, S 19° 28' 20" W for a distance of 71.06 feet to a point on a line.

Thence, N 70° 31' 40" W for a distance of 103.74 feet to a point on a line.

Thence, N 19° 43' 43" E for a distance of 54.52 feet to the beginning of a non-tangential curve,

Said curve turning to the right, having a radius of 10.00 feet, for a distance of 15.97 feet to the **POINT OF BEGINNING**.

Containing 158593 square feet

APPENDIX C

Legal Description of Economic Development District

LEGAL DESCRIPTION OF: Lot 4

From the **POINT OF BEGINNING**;

Thence, S 19° 28' 20" W for a distance of 232.32 feet to a point on a line.
Thence, S 16° 53' 44" W for a distance of 59.74 feet to a point on a line.
Thence, N 70° 37' 34" W for a distance of 293.82 feet to a point on a line.
Thence, N 19° 28' 20" E for a distance of 143.14 feet to a point on a line.
Thence, N 70° 31' 40" W for a distance of 592.05 feet to a point on a line.
Thence, N 19° 28' 20" E for a distance of 426.36 feet to a point on a line.
Thence, S 70° 31' 40" E for a distance of 406.24 feet to a point on a line.
Thence, N 64° 28' 20" E for a distance of 94.75 feet to a point on a line.
Thence, S 70° 31' 40" E for a distance of 154.81 feet to a point on a line.
Thence, S 19° 28' 20" W for a distance of 48.00 feet to a point on a line.
Thence, S 70° 31' 40" E for a distance of 63.00 feet to a point on a line.
Thence, S 19° 28' 20" W for a distance of 236.00 feet to a point on a line.
Thence, S 70° 31' 40" E for a distance of 75.12 feet to a point on a line.
Thence, S 19° 28' 20" W for a distance of 60.00 feet to a point on a line.
Thence, S 70° 31' 40" E for a distance of 117.01 feet to the **POINT OF BEGINNING**;

Containing 383334 square feet

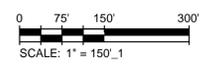
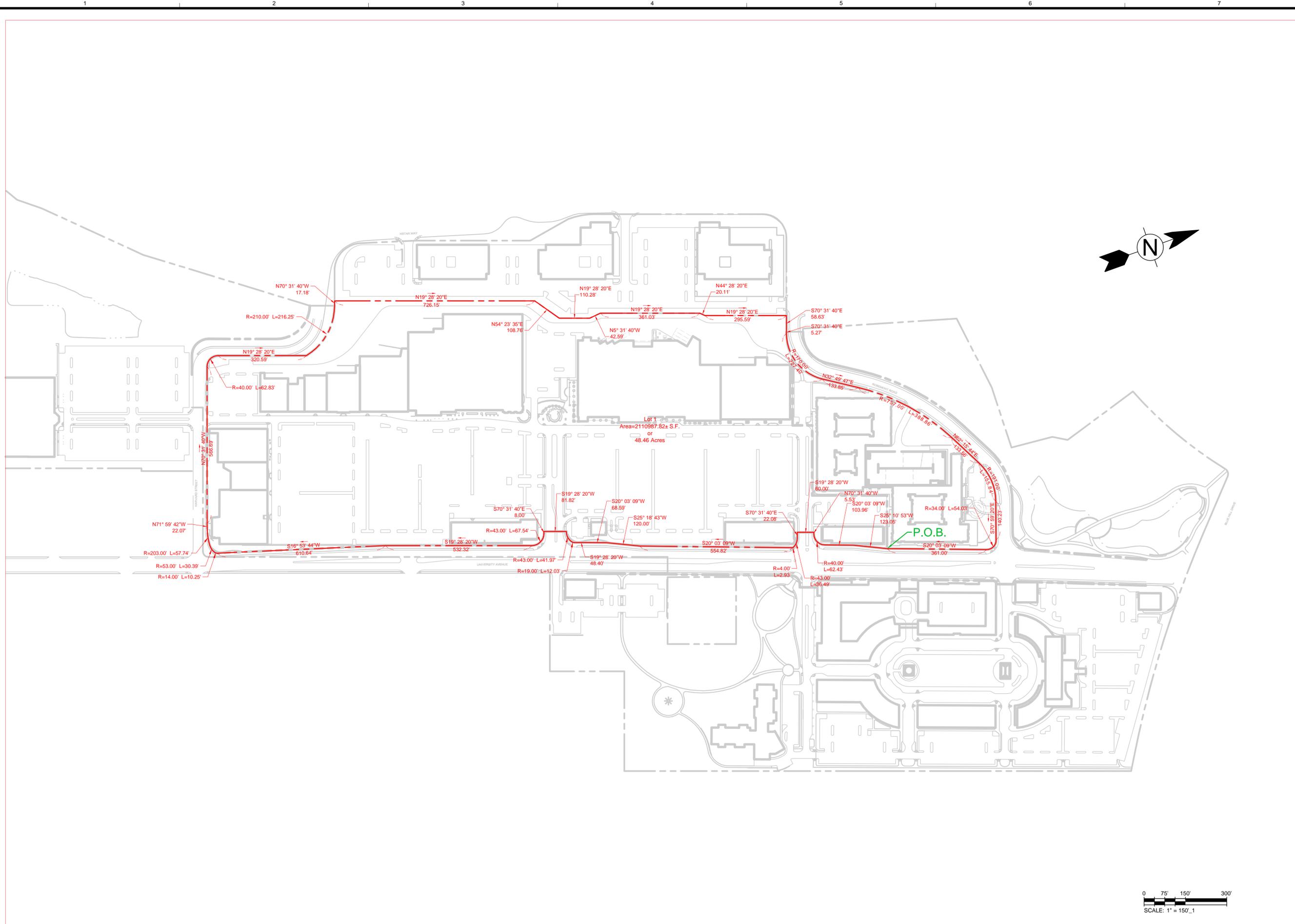
LEGAL DESCRIPTION OF: Lot 5

From the **POINT OF BEGINNING**;

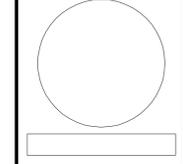
Thence, S 20° 03' 09" W for a distance of 361.00 feet to a point on a line.
Thence, S 25° 10' 53" W for a distance of 0.63 feet to a point on a line.
Thence, N 70° 31' 40" W for a distance of 191.93 feet to a point on a line.
Thence, S 19° 28' 20" W for a distance of 271.34 feet to a point on a line.
Thence, N 70° 31' 40" W for a distance of 252.64 feet to a point on a line.
Thence, S 19° 28' 20" W for a distance of 71.03 feet to a point on a line.
Thence, N 70° 31' 40" W for a distance of 248.57 feet to the beginning of a non-tangential curve,
Said curve turning to the left, having a radius of 170.00 feet, for a distance of 139.18 feet.
Thence, N 32° 49' 47" E for a distance of 133.85 feet to the beginning of a curve,
Said curve turning to the right, having a radius of 757.00 feet, for a distance of 388.86 feet.
Thence, N 62° 15' 44" E for a distance of 133.56 feet to the beginning of a curve,
Said curve turning to the right, having a radius of 191.00 feet, for a distance of 155.84 feet.
Thence, S 70° 59' 20" E for a distance of 140.23 feet to the beginning of a curve,
Said curve turning to the right, having a radius of 34.00 feet, for a distance of 54.03 feet to the
POINT OF BEGINNING.

Containing 288105 square feet

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TETRA TECH
www.tetra.tech.com
One Grant Street
Framingham, MA 01701
PHONE: (508) 903-2000 FAX: (508) 903-2001



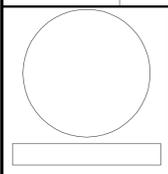
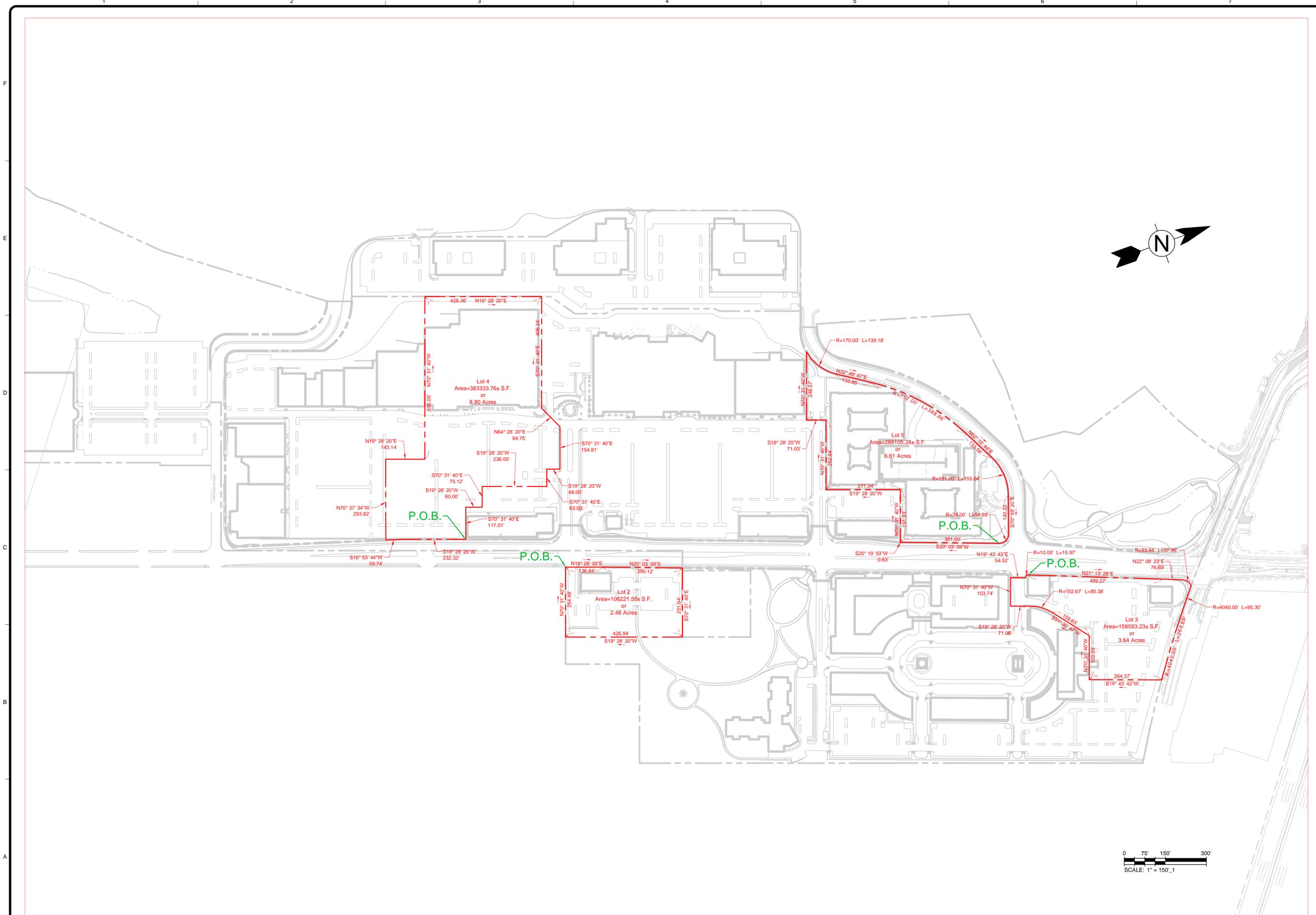
MARK	DATE	DESCRIPTION	BY
1	10/9/12	Preliminary Site Development Plans	N.H.C.
2	11/30/12	Revised Site Development Plans	N.H.C.
3	03/22/13	Revised Site Development Plans	N.H.C.

Client: Westwood Marketplace Holdings LLC
 Proj. Loc.: University Ave, Westwood, MA
 University Station - University Avenue
 Redevelopment
Parcel 1

Project No.: 127-3659-12003
 Designed By: A.F.T./M.K.M.
 Drawn By: J.V.B./S.C.V.
 Checked By: N.H.C./R.F.D.

C-801
 Sheet of 999
 Copyright: Tetra Tech
 Bar Measures 1 inch

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MARK	DATE	DESCRIPTION
1	10/9/12	Preliminary Site Development Plans
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3	03/22/13	Revised Site Development Plans

BY	N.H.C.

Client: Westwood Marketplace Holdings LLC
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 Drawn By: J.V.B./S.C.V.
 Checked By: N.H.C./R.F.D.

C-802
 Sheet of 999

Bar Measures 1 inch

Copyright: Tetra Tech

APPENDIX D

Opinion of Proponent's Counsel

[TO BE INSERTED]

APPENDIX E

RKG Report

**ECONOMIC IMPACT EVALUATION
OF THE PROPOSED
UNIVERSITY STATION PROJECT
IN
WESTWOOD, MASSACHUSETTS
MARCH 18, 2013**

Prepared for:

New England Development
One Wells Avenue
Newton, Massachusetts 02459

Prepared by:

RKG Associates, Inc.
Economic, Planning and Real Estate
Consultants
634 Central Avenue
Dover, New Hampshire 03820

Tel: 603-953-0202

Web: www.rkgassociates.com



TABLE OF CONTENTS

A. Introduction and Overview	1
1. Proposed Development.....	1
B. Summary of Key Findings.....	1
C. Construction Related Impacts	2
D. Retail Related Impacts.....	3
1. Taxable Sales and Sales Tax	4
2. Employment, Wage and Income Tax Impacts.....	5
E. Indirect Impacts	7

A. Introduction and Overview

RKG Associates, Inc. (RKG) has been retained to complete an evaluation of the economic impacts that would be associated with the proposed development of the University Station project, located in Westwood, Massachusetts. This analysis has been prepared as part of the requirements for I-Cubed financing, whereby governmental agencies and private developers share in the cost and risk associated with the public infrastructure required to support new job growth and economic development. This report presents RKG's findings and conclusions¹.

1. Proposed Development

The University Station project (the Project) is comprised of three separate development phases. The first phase (which is the focus of this analysis) includes approximately 560,000 square feet (SF) of retail and likely tenants included in Phase 1 are presented in Table 1. In addition to the proposed retail component, Phase 1 also includes 350 residential units totaling approximately 410,000 SF. Combined, Phase 1 is 970,000 SF with 58% as retail and 42% as residential. Finally, on-site parking is estimated to accommodate 2,394 vehicles.

Table 1 – Phase 1 – University Station

Store Type or Use Merchandise Line(s)	Count / Units	Total SF	% of Total SF
General Merchandiser(s)	2	176,000	18.1%
Apparel & Accessory	4	84,000	8.7%
Sporting Goods & Crafts	2	57,000	5.9%
Specialty & Other	3	34,000	3.5%
Grocer	1	140,000	14.4%
Undefined Restaurant	3	18,000	1.9%
Undefined Retail	3	51,000	5.3%
Total Retail	18	560,000	57.7%
RESIDENTIAL	350	410,000	42.3%
GRAND TOTAL	368	970,000	100.0%

Source : RKG Associates, Inc.
and New England
Development

B. Summary of Key Findings

Table 2 summarizes key findings of this economic impact evaluation of the proposed University Station development for Phase 1, indicating the project will generate:

- An estimated 1,136 direct (short-term) new construction jobs reflecting both retail and residential construction, with a payroll of \$71.5 million, resulting in new income tax receipts totaling slightly more than \$3 million.

¹ Much of the narrative presents the findings of this analysis in rounded dollars or SF for the ease of the reader, unrounded information appears in the respective tables and figures.

- New sales tax receipts (short term) from locally purchased construction materials of more than \$2.7 million, not including an additional \$1.3 million in sales tax revenue set aside for the MBTA and education.
 - Indirect impacts from the construction activity result in another 1,602 jobs with an estimated payroll of \$91.5 million and income tax of \$3.8 million.
- Direct and ongoing retail employment of 919 net new jobs, with an annual payroll of \$22.5 million, with \$685,700 in income tax receipts.
 - Indirect and ongoing employment of 473 positions and \$15.6 million in wages and \$554,600 in income tax receipts.
- Net new annual sales taxes from ongoing consumer activity of \$724,100, as well as an additional \$340,700 in sales tax revenue set aside for the MBTA and education.
- Direct and ongoing residential employment (on-site management and maintenance) of 17 positions with annual wages of \$455,000 and \$15,100 in income tax receipts. This analysis does not estimate indirect impacts from this estimated direct employment.

Table 2 – Project Summary Impacts

Summary Impacts - Net New	Employment	Wages \$000's	Payroll Tax \$000's	Sales Tax \$000's
Short-Term Impacts /1.				
Direct	1,136	\$71,427.3	\$3,004.3	\$2,732.1
Indirect	1,602	\$91,469.8	\$3,757.7	
Ongoing Impacts /2.				
RETAIL - Direct	919	\$22,488.0	\$685.7	\$724.0
Indirect	473	\$15,561.7	\$554.6	
RESIDENTIAL - Direct	17	\$455.0	\$15.1	

Source : RKG Associates, Inc.

/1. Short-Term impacts reflect current dollars.

/2. Ongoing impacts reflect 2015 dollars.

C. Construction Related Impacts

The construction costs associated with Phase 1 (and surface parking) are estimated to include \$71.5 million for labor (40%); \$85.7 million for materials (48%); \$8.9 million for equipment (5%); and \$12.5 million for other costs (7%), as shown in Table 3. In total, Phase 1 results in an estimated \$178.6 million in total construction costs.

Table 3 – Estimated Project Construction Costs for Phase 1

Component	SF	\$/SF	Costs	Labor	Material	Equip	Other/Soft
Retail	420,000	\$105	\$44,100,000	\$17,640,000	\$21,168,000	\$2,205,000	\$3,087,000
Grocery	140,000	\$150	\$21,000,000	\$8,400,000	\$10,080,000	\$1,050,000	\$1,470,000
Parking (spaces)	2,394	\$300	\$718,200	\$287,280	\$344,736	\$35,910	\$50,274
Subtotal			\$65,818,200	\$26,327,280	\$31,592,736	\$3,290,910	\$4,607,274
Residential	410,000	\$275	\$112,750,000	\$45,100,000	\$54,120,000	\$5,637,500	\$7,892,500
Grand TOTAL	NA	NA	\$178,568,200	\$71,427,280	\$85,712,736	\$8,928,410	\$12,499,774

Source : RKG Associates, Inc. and New England Development

The \$71.5 million in labor costs (from Table 3) would be reflected in net new construction wages (and resulting income tax); while a portion of the materials costs would result in new sales tax to Massachusetts, as indicated in Table 4.

- Construction employment is 1,136 jobs (\$71.5 million in wages divided by an average wage of \$63,232).
- Utilizing information from the Massachusetts Department of Revenue (Division of Statistics), the effective income tax rate for an annual wage of \$63,232 is 4.2%, which is used in this analysis. As such, the estimated \$71.5 million in total wages results in an estimated \$3 million in income tax receipts.
- The gross sales tax on construction material (\$85.7 million from Table 3), with an estimated 75% purchased locally (or with Massachusetts as the point of transfer), is \$4 million, less a set aside for MBTA/education of nearly \$1.3 million, resulting in net new sales tax receipts of slightly more than \$2.7 million.

Table 4 – Impacts from Phase 1 Project Construction

Component	SF	Total Costs	Employment /1	Local \$
Retail	420,000	\$44,100,000	279	\$15,876,000
Grocery	140,000	\$21,000,000	133	\$7,560,000
Parking (spaces)	2,394	\$718,200	11	\$258,552
Subtotal		\$65,818,200	423	\$23,694,552
Residential	410,000	\$112,750,000	713	\$40,590,000
Grand TOTAL	NA	\$178,568,200	1,136	\$64,284,552
		<i>Eff. Tax Rate /2</i>	4.2%	
		Payroll Tax	\$3,004,251	
		<i>Sales Tax</i>		\$4,017,785
		<i>Dedicated Tax</i>		(\$1,285,691)
		Net Tax		\$2,732,093

Source : RKG Associates, Inc.

/1 Massachusetts Executive Office of Labor and Workforce Development

/2 Massachusetts Department of Revenue

D. Retail Related Impacts

This section develops estimates of the sales activity, employment, wage and tax impacts (both retail sales and personal income) by store type, for the proposed Project. The first full year of sales activity among the various tenants is assumed to be 2015. Total retail sales (unadjusted for displacement) are estimated to be \$269.2 million (Table 5). The retail market in and around the proposed Project is generally well developed with numerous retail shopping venues and alternatives, including sister stores to those proposed for University Station, indicating that some displacement or retail sales transfer is likely.

In RKG's experience in other I-Cubed projects, in conjunction with the review process by Massachusetts Department of Revenue and other agencies, retail displacement (or sales transfer) factors typically range from 75% to 90%. In this analysis RKG has considered an across the board average displacement of 85%, indicating that 15% of the retail sales occurring at University Station, or \$40.4 million, are considered to be net new (see Table 5).

Table 5 – Estimated NET NEW Retail Sales at the Project

Store Type or Use Merchandise Line(s)	Count / Units	Total SF	Avg Sales (2015) per SF /1	Estimated (2015) \$000's	Displaced (2015) \$000's	NET NEW (2015) \$000's
General Merchandiser(s)	2	176,000	\$471	\$82,885	(\$70,453)	\$12,433
Apparel & Accessory	4	84,000	\$352	\$29,534	(\$25,104)	\$4,430
Sporting Goods & Crafts	2	57,000	\$264	\$15,040	(\$12,784)	\$2,256
Specialty & Other	3	34,000	\$360	\$12,255	(\$10,416)	\$1,838
Grocer	1	140,000	\$769	\$107,692	(\$91,538)	\$16,154
Undefined Restaurant	3	18,000	\$500	\$9,000	(\$7,650)	\$1,350
Undefined Retail	3	51,000	\$250	\$12,750	(\$10,838)	\$1,913
Total Retail	18	560,000	\$481	\$269,155	(\$228,782)	\$40,373
RESIDENTIAL	350	410,000	NA	NA	NA	NA
GRAND TOTAL	368	970,000	\$481	\$269,155	(\$228,782)	\$40,373

Source : RKG Associates, Inc.
and New England
Development

/1 Annual Reports and International Council of Shopping Centers

1. Taxable Sales and Sales Tax

The adjusted net new retail sales are next adjusted by the estimated percent of sales that are subject to sales tax in Massachusetts². With respect to grocery store sales, as indicated in Table 6, approximately 26% of the typical \$100 in grocery expenditures includes taxable items. Applying the Massachusetts sales tax rate (6.25%) to these items indicates an approximate \$1.64 in sales tax revenue for every \$100 spent.

Table 6 – Estimated Taxable Grocery Stores Sales

Typical \$100 Grocery Store Shopping Bag	\$ Amount	% of Total	Sales Tax @ 6.25%
Perishables	\$50.10	50.1%	NA
All other grocery food	\$11.30	11.3%	NA
Beverages	\$8.26	8.3%	\$0.52
Nonfood grocery	\$7.94	7.9%	NA
Main meal items/Prepared foods	\$6.84	6.8%	\$0.43
Snack foods	\$4.42	4.4%	NA
General Merchandise	\$4.38	4.4%	\$0.27
Health & Beauty	\$3.58	3.6%	\$0.22
Pharmacy	\$3.18	3.2%	\$0.20
TOTAL	\$100.00	100.0%	\$1.64

Source : Food Marketing Institute (FMI) and RKG Associates, Inc.

The estimated annual taxable retail sales tax from the ongoing net new retail sales, of \$40.4 million, at University Station is estimated to be nearly \$13 million (Table 7), with annual sales tax receipts of nearly \$1.1 million, prior to any adjustments. Massachusetts legislation references an approximate 32% (or effectively a 2% sales tax rate) set aside for the MBTA and education, resulting in a dedicated \$340,700 in sales tax from the Project. As a result, the estimated annual net new annual sales tax receipts from University Station are \$724,100.

² Reference *Massachusetts Department of Revenue A Guide to Sales and Use Tax 2004*.

Table 7 – Estimated Annual Taxable Retail Sales and NET NEW Tax from the Project

Store Type or Use Merchandise Line(s)	Count / Units	Total SF	NET NEW (2015)		Estimated	Estimated	Less Dedicated	NET NEW Sales
			\$000's	% Taxable	Taxable (2015) \$000's	Tax Receipts (2015)	Sales Tax (2015)	Tax (2015)
General Merchandiser(s)	2	176,000	\$12,433	57%	\$7,119	\$444,924	(\$142,376)	\$302,548
Apparel & Accessory	4	84,000	\$4,430	22%	\$961	\$60,056	(\$19,218)	\$40,838
Sporting Goods & Crafts	2	57,000	\$2,256	47%	\$1,053	\$65,799	(\$21,056)	\$44,743
Specialty & Other	3	34,000	\$1,838	89%	\$1,628	\$101,757	(\$32,562)	\$69,194
Grocer	1	140,000	\$16,154	\$1.64/\$100	\$162	\$264,921	(\$84,775)	\$180,146
Undefined Restaurant	3	18,000	\$1,350	80%	\$1,080	\$67,500	(\$21,600)	\$45,900
Undefined Retail	3	51,000	\$1,913	50%	\$956	\$59,766	(\$19,125)	\$40,641
Total Retail	18	560,000	\$40,373	32.1%	\$12,958	\$1,064,722	(\$340,711)	\$724,011
RESIDENTIAL	420	410,000	NA	NA	NA	NA	NA	NA
GRAND TOTAL	438	970,000	\$40,373	32.1%	\$12,958	\$1,064,722	(\$340,711)	\$724,011

Source : RKG Associates, Inc.
and New England
Development

2. Employment, Wage and Income Tax Impacts

In terms of net new retail employment, it is RKG's opinion that essentially all of these positions would be net new employment, particularly given the loss of employment over the last several years with regard to the economic recession and sluggish consumer activity. It is RKG's opinion that, while there would certainly be some degree of sales transfer (or displacement) in retail activity, the opening of new stores does not result in a direct and proportional loss in employment. In fact, information from the Commonwealth, as presented in Table 8, indicates just the opposite. Over the 2002 to 2011 timeframe, Massachusetts realized a decline of about 3% in the number of retail businesses and a near 4% decline in retail employment; however, the loss in employment occurred where there was a loss in store count. As is shown in the table, for all store types experiencing an increase in their numbers, there was an increase in employment. In other words, where there was an increase in the number of stores (indicating an increase in SF) there was also an increase in employment.

Table 8 – Massachusetts Employment Trends – Selected Retail Sectors

Change in Establishments and Employment by NAICS Code - Massachusetts		Number of Establishments			Number of Employees		
		2002	2011	%	2002	2011	%
44-45	Retail Trade	25,023	24,270	-3.0%	357,437	343,365	-3.9%
442	Furniture and Home Furnishings Stores	1,318	1,185	-10.1%	12,853	9,956	-22.5%
443	Electronics and Appliance Stores	1,261	1,042	-17.4%	12,861	10,168	-20.9%
444	Building Material & Garden Supply Stores	1,644	1,590	-3.3%	26,705	24,934	-6.6%
445	Food and Beverage Stores	4,465	4,863	8.9%	91,900	95,832	4.3%
446	Health and Personal Care Stores	1,709	2,009	17.6%	26,074	26,308	0.9%
448	Clothing and Clothing Accessories Stores	3,526	3,441	-2.4%	38,871	34,650	-10.9%
451	Sporting Goods/Hobby/Book/Music Stores	1,888	1,417	-24.9%	19,088	15,108	-20.9%
452	General Merchandise Stores	608	876	44.1%	43,381	51,115	17.8%
453	Miscellaneous Store Retailers	3,239	2,610	-19.4%	23,820	18,013	-24.4%

Source ; MA Labor and Workforce Development and RKG Associates, Inc.

Utilizing industry standards (and proprietary data) of employment on a per SF basis, the University Station project is estimated to result in 1,838 full time (FTE) retail employees, prior to any adjustments. Although RKG does not consider that a new store or an increase in SF of retail development results in diminished employment (refer to Table 8) in order to

present a conservative impact for net new retail employment, RKG has applied an across the board 50% displacement factor, indicating net new retail employment of 919 positions at the University Station project (Table 9). RKG has also applied an average residential employment factor of 0.05 persons per unit, resulting in an estimated 17 employment positions as on-site property managers and personnel for the proposed 350 residential units. It is assumed that all residential employment positions would be net new. As a result, the estimated net new FTE employment associated with Phase 1 is 936 jobs.

Table 9 – Estimated Employment at the Project

Store Type or Use Merchandise Line(s)	Count /		AVG SF per FTE /2 (unit)	Estimated FTE	Displaced FTE	NET NEW FTE
	Units	Total SF				
General Merchandise(s)	2	176,000	408	431	(216)	216
Apparel & Accessory	4	84,000	300	280	(140)	140
Sporting Goods & Crafts	2	57,000	300	190	(95)	95
Specialty & Other	3	34,000	300	113	(57)	57
Grocer	1	140,000	275	509	(255)	255
Undefined Restaurant	3	18,000	125	144	(72)	72
Undefined Retail	3	51,000	300	170	(85)	85
Total Retail	18	560,000	305	1,838	(919)	919
RESIDENTIAL	350	410,000	0.05	17	0	17
GRAND TOTAL	368	970,000	NA	1,855	(919)	936

Source: RKG Associates, Inc.
and New England
Development

/2 Urban Land Institute and proprietary data

Utilizing average annual wage data from Massachusetts Labor and Workforce Development (for Norfolk County), the net new employment of 936 results in an annual 2015 payroll³ of nearly \$23 million (Table 10 for retail and residential), which in turn equates to estimated annual net new income tax receipts of \$700,800.

Table 10 – Estimated Wages & Income Tax from NET NEW Employment

Store Type or Use Merchandise Line(s)	Count /		NET NEW FTE	Annual Wage (2015) /3	Total Wage (2015) \$000's	Eff. Tax Rate /4	NET NEW (2015) Taxes
	Units	Total SF					
General Merchandise(s)	2	176,000	216	\$26,295	\$5,668	3.2%	\$183,386
Apparel & Accessory	4	84,000	140	\$23,765	\$3,327	2.9%	\$96,857
Sporting Goods & Crafts	2	57,000	95	\$22,266	\$2,115	2.9%	\$60,492
Specialty & Other	3	34,000	57	\$27,519	\$1,559	3.3%	\$51,640
Grocer	1	140,000	255	\$22,786	\$5,800	3.0%	\$173,314
Undefined Restaurant	3	18,000	72	\$24,606	\$1,772	3.0%	\$52,938
Undefined Retail	3	51,000	85	\$26,427	\$2,246	3.0%	\$67,123
Total Retail	18	560,000	919	\$24,476	\$22,488	3.0%	\$685,750
RESIDENTIAL	350	410,000	17	\$27,083	\$455	3.3%	\$15,067
GRAND TOTAL	368	970,000	936	\$24,523	\$22,943	3.1%	\$700,817

Source: RKG Associates, Inc.
and New England
Development

/3 Massachusetts Executive Office of Labor and Workforce Development

³ The average 2011 wage, by specific retail sector was inflated to 2015 by an annual factor of 1.5%.

E. Indirect Impacts

Indirect impacts account for the multiplier effect of the direct economic activity, or what is commonly referenced to as the spinoff impacts, whereby a dollar spent re-circulates throughout the economy. The direct construction (short-term) and direct ongoing retail activity associated with the Project are increased by the multipliers presented in Table 11.

Table 11 – Applicable RIMS II Multipliers

Sector	Employment	Wages
Retail	0.51460	0.69200
Construction	1.41010	1.28060

Source : RIMS II US Department of Commerce

- Direct construction and retail employment are increased via RIMS II multipliers to arrive at estimated total indirect ongoing employment (across a multitude of industry sectors) and for Massachusetts as a whole. By way of example, the retail employment multiplier of 0.51460 is applied against the estimated direct and net new, retail employment to derive the estimated indirect/induced employment, or $0.51460 \times 919 = 473$ indirect positions. Similarly, the construction employment multiplier of 1.41010 is applied against the estimated direct FTE construction employment to derive the estimated indirect/induced employment.
- Direct wages for construction and retail form the basis for estimating indirect wages, which are increased via RIMS II multipliers to arrive at estimated total indirect wages (across a multitude of industry sectors) for Massachusetts as a whole. In this case, the retail wage multiplier of 0.69200 is applied against the estimated direct retail wage to derive the estimated indirect/induced wages, or $0.69200 \times \$22.5 \text{ million} = \15.6 million . Similarly the construction wage multiplier of 1.28060 is applied against the estimated direct construction wage to derive the estimated indirect/induced wages.
- Finally, the indirect wages also result in estimated income tax receipts to Massachusetts. This analysis considers the average wage for indirect retail, assuming $\$15.6 \text{ million in wages} \div 473 \text{ employees} = \$32,900$, against which an effective income tax rate of 3.6% is applied, resulting in \$554,600 in “indirect” income tax receipts from the retail employment spinoff. A similar calculation was completed for the indirect construction related employment and wages, resulting in indirect income tax receipts of \$3.8 million.

APPENDIX F

Statement of Municipal Support

[TO BE INSERTED]

APPENDIX G

Tenant Commitments

[TO BE INSERTED]

APPENDIX H

30 Year Debt Service Coverage Chart

University Station 30 Year Debt Service \$10M - RKG Figures

Year	Principal Balance	Principal Payment	Interest Payment	Total Debt to be paid	DEBT SERVICE Payment (P & I)	DIRECT Construction		DIRECT Retail	DIRECT Retail	Occupancy Total	Occupancy + Const	CONST	OCCUPANCY	Surplus	Debt
						Sales Tax	Income Tax	Sales Tax 1/	Income Tax 1/	Revenues 1/	Revenues	Left over after Pay	Left over after Pay		Ratio
1	\$10,300,000	\$153,373	\$513,107	\$10,146,627	\$666,480	\$683,023	\$751,063	\$724,011	\$685,750	\$1,409,761	\$2,843,847	\$1,434,086	\$743,281	\$2,177,367	2.12
2	\$10,146,627	\$161,138	\$505,342	\$9,985,489	\$666,480			\$745,731	\$706,323	\$1,452,054			\$785,574	\$2,962,941	2.18
3	\$9,985,489	\$169,296	\$497,184	\$9,816,193	\$666,480			\$768,103	\$727,512	\$1,495,615			\$829,135	\$3,792,076	2.24
4	\$9,816,193	\$177,866	\$488,614	\$9,638,327	\$666,480			\$791,146	\$749,338	\$1,540,484			\$874,004	\$4,666,080	2.31
5	\$9,638,327	\$186,871	\$479,609	\$9,451,456	\$666,480			\$814,881	\$771,818	\$1,586,698			\$920,218	\$5,586,299	2.38
6	\$9,451,456	\$196,331	\$470,149	\$9,255,125	\$666,480			\$839,327	\$794,972	\$1,634,299			\$967,819	\$6,554,118	2.45
7	\$9,255,125	\$206,270	\$460,210	\$9,048,855	\$666,480			\$864,507	\$818,821	\$1,683,328			\$1,016,848	\$7,570,967	2.53
8	\$9,048,855	\$216,713	\$449,767	\$8,832,142	\$666,480			\$890,442	\$843,386	\$1,733,828			\$1,067,348	\$8,638,315	2.60
9	\$8,832,142	\$227,684	\$438,796	\$8,604,458	\$666,480			\$917,155	\$868,688	\$1,785,843			\$1,119,363	\$9,757,678	2.68
10	\$8,604,458	\$239,210	\$427,270	\$8,365,248	\$666,480			\$944,670	\$894,748	\$1,839,418			\$1,172,938	\$10,930,616	2.76
11	\$8,365,248	\$251,320	\$415,160	\$8,113,928	\$666,480			\$973,010	\$921,591	\$1,894,601			\$1,228,121	\$12,158,737	2.84
12	\$8,113,928	\$264,043	\$402,437	\$7,849,885	\$666,480			\$1,002,201	\$949,238	\$1,951,439			\$1,284,959	\$13,443,696	2.93
13	\$7,849,885	\$277,411	\$389,069	\$7,572,474	\$666,480			\$1,032,267	\$977,716	\$2,009,982			\$1,343,502	\$14,787,198	3.02
14	\$7,572,474	\$291,454	\$375,025	\$7,281,020	\$666,480			\$1,063,235	\$1,007,047	\$2,070,282			\$1,403,802	\$16,191,000	3.11
15	\$7,281,020	\$306,209	\$360,271	\$6,974,810	\$666,480			\$1,095,132	\$1,037,258	\$2,132,390			\$1,465,910	\$17,656,910	3.20
16	\$6,974,810	\$321,711	\$344,769	\$6,653,099	\$666,480			\$1,127,986	\$1,068,376	\$2,196,362			\$1,529,882	\$19,186,792	3.30
17	\$6,653,099	\$337,998	\$328,482	\$6,315,101	\$666,480			\$1,161,825	\$1,100,427	\$2,262,253			\$1,595,773	\$20,782,564	3.39
18	\$6,315,101	\$355,109	\$311,371	\$5,959,992	\$666,480			\$1,196,680	\$1,133,440	\$2,330,120			\$1,663,640	\$22,446,205	3.50
19	\$5,959,992	\$373,086	\$293,394	\$5,586,906	\$666,480			\$1,232,580	\$1,167,443	\$2,400,024			\$1,733,544	\$24,179,748	3.60
20	\$5,586,906	\$391,974	\$274,506	\$5,194,932	\$666,480			\$1,269,558	\$1,202,467	\$2,472,024			\$1,805,544	\$25,985,293	3.71
21	\$5,194,932	\$411,818	\$254,662	\$4,783,115	\$666,480			\$1,307,644	\$1,238,541	\$2,546,185			\$1,879,705	\$27,864,998	3.82
22	\$4,783,115	\$432,666	\$233,814	\$4,350,449	\$666,480			\$1,346,874	\$1,275,697	\$2,622,571			\$1,956,091	\$29,821,089	3.93
23	\$4,350,449	\$454,569	\$211,910	\$3,895,879	\$666,480			\$1,387,280	\$1,313,968	\$2,701,248			\$2,034,768	\$31,855,857	4.05
24	\$3,895,879	\$477,582	\$188,898	\$3,418,297	\$666,480			\$1,428,898	\$1,353,387	\$2,782,285			\$2,115,805	\$33,971,662	4.17
25	\$3,418,297	\$501,760	\$164,720	\$2,916,538	\$666,480			\$1,471,765	\$1,393,989	\$2,865,754			\$2,199,274	\$36,170,936	4.30
26	\$2,916,538	\$527,161	\$139,319	\$2,389,376	\$666,480			\$1,515,918	\$1,435,808	\$2,951,726			\$2,285,247	\$38,456,183	4.43
27	\$2,389,376	\$553,849	\$112,631	\$1,835,528	\$666,480			\$1,561,396	\$1,478,882	\$3,040,278			\$2,373,798	\$40,829,981	4.56
28	\$1,835,528	\$581,887	\$84,593	\$1,253,640	\$666,480			\$1,608,238	\$1,523,249	\$3,131,487			\$2,465,007	\$43,294,988	4.70
29	\$1,253,640	\$611,345	\$55,135	\$642,295	\$666,480			\$1,656,485	\$1,568,946	\$3,225,431			\$2,558,951	\$45,853,939	4.84
30	\$642,295	\$642,295	\$16,057	\$0	\$658,352			\$1,706,179	\$1,616,015	\$3,322,194			\$2,663,842	\$48,517,781	5.05
Total or Average	\$10,300,000	\$9,686,271			\$19,986,271	\$683,023	\$751,063	\$34,445,124	\$32,624,841	\$67,069,966	\$2,843,847	\$1,434,086	\$47,083,695	\$48,517,781	3.36

with coi

4.27

Source : RKG Associates, Inc.

1/ Inflation at 3% annually after initial year

2/ Assuming a 2% vacancy

\$10,000,000 financed, 3% issuance cost (\$300,000), 30 year term, 2 year construction period

APPENDIX I

Proponent Statement Regarding Use of Public Funds and
Certification of Conformance with Project Requirements

NEW ENGLAND DEVELOPMENT
One Wells Avenue
Newton, Massachusetts 02459

April __, 2013

Mr. Glen Shor
Secretary of the Executive Office for Administration & Finance
The Commonwealth of Massachusetts
State House, Room 373
Boston, MA 02133

Re: I-Cubed Certification Confirming Project Requirements for University Station, Westwood, Massachusetts

Dear Secretary Shor:

On behalf of Westwood Marketplace Holdings LLC (the "**Proponent**") and in accordance with the provisions of 801 CMR §51.00, *et seq.*, we hereby certify the following:

- (1) The Proponent has not received, or applied for, and will not apply for public assistance for the Project prohibited under Sec. 11(b) of St. 2006 c.293 as amended by St. 2008, c. 129, §§13-14. However, the Proponent may supply information and assistance to relevant agencies in furtherance of requests by the Town of Westwood or other applicable state or local entities for funding for off-site improvements within, or in the vicinity of, the proposed Economic Development District, including requests by the Town of Westwood for grant funding under the Commonwealth's MassWorks program pursuant to 801 CMR 51.03(4).
- (2) The Proposed Economic Development Project was not approved by the municipality prior to September 7, 2006.
- (3) The Proponent has not applied for and will not apply for any other public assistance funded by the Commonwealth for infrastructure improvements within the Economic Development District until any Bonds issued under the provisions of 801 CMR §51.00 are no longer outstanding.

If you have any questions, please do not hesitate to contact us. Thank you.

Very truly yours,

Westwood Marketplace Holdings LLC

By: _____
Name: _____
Title: _____

APPENDIX J

30-Year Amortization Schedule

Loan Amortization Schedule

Enter values	
Loan amount	\$ 10,300,000.00
Annual interest rate	5.00 %
Loan period in years	30
Number of payments per year	2
Start date of loan	7/1/2014
Optional extra payments	\$ -

Loan summary	
Scheduled payment	\$ 333,239.98
Scheduled number of payments	60
Actual number of payments	60
Total early payments	\$ -
Total interest	\$ 9,686,270.86

Lender name:

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	1/1/2015	\$ 10,300,000.00	\$ 333,239.98	\$ -	\$ 333,239.98	\$ 75,739.98	\$ 257,500.00	\$ 10,224,260.02	\$ 257,500.00
2	7/1/2015	10,224,260.02	333,239.98	-	333,239.98	77,633.48	255,606.50	10,146,626.55	513,106.50
3	1/1/2016	10,146,626.55	333,239.98	-	333,239.98	79,574.31	253,665.66	10,067,052.23	766,772.16
4	7/1/2016	10,067,052.23	333,239.98	-	333,239.98	81,563.67	251,676.31	9,985,488.56	1,018,448.47
5	1/1/2017	9,985,488.56	333,239.98	-	333,239.98	83,602.76	249,637.21	9,901,885.80	1,268,085.68
6	7/1/2017	9,901,885.80	333,239.98	-	333,239.98	85,692.83	247,547.14	9,816,192.96	1,515,632.83
7	1/1/2018	9,816,192.96	333,239.98	-	333,239.98	87,835.15	245,404.82	9,728,357.81	1,761,037.65
8	7/1/2018	9,728,357.81	333,239.98	-	333,239.98	90,031.03	243,208.95	9,638,326.78	2,004,246.60
9	1/1/2019	9,638,326.78	333,239.98	-	333,239.98	92,281.81	240,958.17	9,546,044.97	2,245,204.77
10	7/1/2019	9,546,044.97	333,239.98	-	333,239.98	94,588.85	238,651.12	9,451,456.11	2,483,855.89
11	1/1/2020	9,451,456.11	333,239.98	-	333,239.98	96,953.57	236,286.40	9,354,502.54	2,720,142.29
12	7/1/2020	9,354,502.54	333,239.98	-	333,239.98	99,377.41	233,862.56	9,255,125.12	2,954,004.86
13	1/1/2021	9,255,125.12	333,239.98	-	333,239.98	101,861.85	231,378.13	9,153,263.28	3,185,382.99
14	7/1/2021	9,153,263.28	333,239.98	-	333,239.98	104,408.40	228,831.58	9,048,854.88	3,414,214.57
15	1/1/2022	9,048,854.88	333,239.98	-	333,239.98	107,018.61	226,221.37	8,941,836.27	3,640,435.94
16	7/1/2022	8,941,836.27	333,239.98	-	333,239.98	109,694.07	223,545.91	8,832,142.20	3,863,981.85
17	1/1/2023	8,832,142.20	333,239.98	-	333,239.98	112,436.42	220,803.56	8,719,705.78	4,084,785.40
18	7/1/2023	8,719,705.78	333,239.98	-	333,239.98	115,247.33	217,992.64	8,604,458.45	4,302,778.05
19	1/1/2024	8,604,458.45	333,239.98	-	333,239.98	118,128.52	215,111.46	8,486,329.93	4,517,889.51
20	7/1/2024	8,486,329.93	333,239.98	-	333,239.98	121,081.73	212,158.25	8,365,248.20	4,730,047.76
21	1/1/2025	8,365,248.20	333,239.98	-	333,239.98	124,108.77	209,131.21	8,241,139.43	4,939,178.96
22	7/1/2025	8,241,139.43	333,239.98	-	333,239.98	127,211.49	206,028.49	8,113,927.94	5,145,207.45
23	1/1/2026	8,113,927.94	333,239.98	-	333,239.98	130,391.78	202,848.20	7,983,536.16	5,348,055.64
24	7/1/2026	7,983,536.16	333,239.98	-	333,239.98	133,651.57	199,588.40	7,849,884.58	5,547,644.05
25	1/1/2027	7,849,884.58	333,239.98	-	333,239.98	136,992.86	196,247.11	7,712,891.72	5,743,891.16
26	7/1/2027	7,712,891.72	333,239.98	-	333,239.98	140,417.68	192,822.29	7,572,474.03	5,936,713.46
27	1/1/2028	7,572,474.03	333,239.98	-	333,239.98	143,928.13	189,311.85	7,428,545.91	6,126,025.31
28	7/1/2028	7,428,545.91	333,239.98	-	333,239.98	147,526.33	185,713.65	7,281,019.58	6,311,738.95
29	1/1/2029	7,281,019.58	333,239.98	-	333,239.98	151,214.49	182,025.49	7,129,805.09	6,493,764.44
30	7/1/2029	7,129,805.09	333,239.98	-	333,239.98	154,994.85	178,245.13	6,974,810.24	6,672,009.57
31	1/1/2030	6,974,810.24	333,239.98	-	333,239.98	158,869.72	174,370.26	6,815,940.52	6,846,379.83
32	7/1/2030	6,815,940.52	333,239.98	-	333,239.98	162,841.46	170,398.51	6,653,099.05	7,016,778.34
33	1/1/2031	6,653,099.05	333,239.98	-	333,239.98	166,912.50	166,327.48	6,486,186.55	7,183,105.82
34	7/1/2031	6,486,186.55	333,239.98	-	333,239.98	171,085.31	162,154.66	6,315,101.24	7,345,260.48
35	1/1/2032	6,315,101.24	333,239.98	-	333,239.98	175,362.45	157,877.53	6,139,738.79	7,503,138.01
36	7/1/2032	6,139,738.79	333,239.98	-	333,239.98	179,746.51	153,493.47	5,959,992.28	7,656,631.48

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
37	1/1/2033	5,959,992.28	333,239.98	-	333,239.98	184,240.17	148,999.81	5,775,752.11	7,805,631.29
38	7/1/2033	5,775,752.11	333,239.98	-	333,239.98	188,846.18	144,393.80	5,586,905.94	7,950,025.09
39	1/1/2034	5,586,905.94	333,239.98	-	333,239.98	193,567.33	139,672.65	5,393,338.61	8,089,697.74
40	7/1/2034	5,393,338.61	333,239.98	-	333,239.98	198,406.51	134,833.47	5,194,932.09	8,224,531.20
41	1/1/2035	5,194,932.09	333,239.98	-	333,239.98	203,366.68	129,873.30	4,991,565.42	8,354,404.51
42	7/1/2035	4,991,565.42	333,239.98	-	333,239.98	208,450.84	124,789.14	4,783,114.58	8,479,193.64
43	1/1/2036	4,783,114.58	333,239.98	-	333,239.98	213,662.11	119,577.86	4,569,452.46	8,598,771.51
44	7/1/2036	4,569,452.46	333,239.98	-	333,239.98	219,003.67	114,236.31	4,350,448.80	8,713,007.82
45	1/1/2037	4,350,448.80	333,239.98	-	333,239.98	224,478.76	108,761.22	4,125,970.04	8,821,769.04
46	7/1/2037	4,125,970.04	333,239.98	-	333,239.98	230,090.73	103,149.25	3,895,879.31	8,924,918.29
47	1/1/2038	3,895,879.31	333,239.98	-	333,239.98	235,842.99	97,396.98	3,660,036.32	9,022,315.27
48	7/1/2038	3,660,036.32	333,239.98	-	333,239.98	241,739.07	91,500.91	3,418,297.25	9,113,816.18
49	1/1/2039	3,418,297.25	333,239.98	-	333,239.98	247,782.55	85,457.43	3,170,514.70	9,199,273.61
50	7/1/2039	3,170,514.70	333,239.98	-	333,239.98	253,977.11	79,262.87	2,916,537.59	9,278,536.48
51	1/1/2040	2,916,537.59	333,239.98	-	333,239.98	260,326.54	72,913.44	2,656,211.05	9,351,449.92
52	7/1/2040	2,656,211.05	333,239.98	-	333,239.98	266,834.70	66,405.28	2,389,376.35	9,417,855.19
53	1/1/2041	2,389,376.35	333,239.98	-	333,239.98	273,505.57	59,734.41	2,115,870.78	9,477,589.60
54	7/1/2041	2,115,870.78	333,239.98	-	333,239.98	280,343.21	52,896.77	1,835,527.57	9,530,486.37
55	1/1/2042	1,835,527.57	333,239.98	-	333,239.98	287,351.79	45,888.19	1,548,175.78	9,576,374.56
56	7/1/2042	1,548,175.78	333,239.98	-	333,239.98	294,535.58	38,704.39	1,253,640.20	9,615,078.96
57	1/1/2043	1,253,640.20	333,239.98	-	333,239.98	301,898.97	31,341.01	951,741.23	9,646,419.96
58	7/1/2043	951,741.23	333,239.98	-	333,239.98	309,446.45	23,793.53	642,294.78	9,670,213.49
59	1/1/2044	642,294.78	333,239.98	-	333,239.98	317,182.61	16,057.37	325,112.17	9,686,270.86
60	7/1/2044	325,112.17	333,239.98	-	325,112.17	325,112.17	0.00	0.00	9,686,270.86