



August 13, 2019

Union Square Neighborhood Council  
Somerville, Massachusetts  
Attn: William Cavellini, Co-Chair  
Michèle Hansen, Co-Chair

Reference: **Union Square Community Benefits Agreement Term Sheet**

Dear Michèle and Bill:

Attached is the final Community Benefits Agreement term sheet, which our respective teams have negotiated and which I understand the Neighborhood Council negotiating team will recommend to the Neighborhood Council board for its approval in accordance with its organizational procedures.

This will confirm US2's commitment that if this is approved by the Neighborhood Council, US2 will enter into the Community Benefits Agreement in accordance with the term sheet, and to continue to work in good faith with the Neighborhood Council in accordance with its terms. Upon such approval by the Neighborhood Council, I would appreciate it if you will countersign a copy of this letter to indicate the commitment of the Neighborhood Council to do the same.

Thank you.

Best regards,

A handwritten signature in blue ink, appearing to read 'G. Karczewski'.

Greg Karczewski

Countersigned by: **Union Square Neighborhood Council**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**US2**  
**Community Benefits Agreement Term Sheet**  
**August 13, 2019**

US2 shares USNC’s vision of Union Square as a diverse, welcoming, and economically robust community. US2 commits that the USQ Project (i.e., the Union Square Revitalization Project) will be the most community-responsive project that Somerville has ever seen, setting the bar for future development in the city.

**Housing:**

The USQ Project will contribute nearly 1,000 new affordable and market housing units to the Union Square neighborhood, helping to alleviate the burden of a demand for housing that is not met by the current supply and creating permanent affordable housing alternatives across a range of income levels and unit types.

- 1) In addition to constructing 90 permanently affordable units across three income tiers on D2 and contributing approximately \$1,480,000 in housing linkage fees for D2, US2 has proposed the following program to accelerate development of affordable housing units in Union Square:
  - a. US2 will use commercially reasonable efforts to execute a transaction with an affordable housing developer (“AH Developer”) whereby the AH Developer will construct approximately 51 units of housing on D4.3, including approximately 39 units of affordable housing (“D4.3 Project”). The D4.3 Project will endeavor to deliver the units as close to the opening of the Union Square GLX station as practicable. A conceptual D4.3 schedule estimates that the D4.3 Project will be ready for occupancy in 2022, assuming timely approvals, permits and land acquisition.
  - b. The D4.3 Project will be designed to help achieve USNC’s affordable housing priorities: create more family housing; provide housing for households across a range of incomes, including the lowest income tier (households at or below 30% of area median income); and seek to serve as many vulnerable populations as practicable (e.g., disabled and seniors, veterans and homeless). As currently envisioned, more than 65% of all inclusionary units within D4.3 will have a minimum of two bedrooms.
  - c. US2, the D4.3 AH Developer and USNC will collaborate to obtain required approvals to permit this accelerated affordable housing program. As part of the planning for the D4.3 project, the parties will work in partnership to ensure the future of the Concord Avenue Community Garden.
  - d. In order to fund construction of the D4.3 Project, the following sources of funds are anticipated in addition to the funds procured by the AH Developer:

- i. US2 will acquire the D4.3 site at appraised value (US2's total acquisition costs not to exceed \$5.25 million) and contribute the site to the D4.3 Project.
- ii. The D2.1 housing linkage payment will be invested in the D4.3 Project.
- iii. The D4.3 Community Benefits Contribution and Future Phase Contribution as required by the Development Covenant will be reinvested in the D4.3 Project.
- iv. US2 will provide a \$2.4 million zero-interest loan to the D4.3 Project that will be repaid out of the first available housing linkage payments from future phases of the USQ Project.

In return for making the land available for the D4.3 Project, pursuing the required approvals, advancing the cost of the land and providing the zero-interest loan, 29 affordable housing units will be credited to US2's future affordable housing obligations, provided that (i) no individual future project may have less than 10% inclusionary affordable housing units and (ii) none may have less than 10 affordable units (except for small projects of less than 50 units which are at least 20% inclusionary). These affordable housing credits will become available for application to future US2 residential development upon US2's transfer of land to the AH Developer.

- 2) In addition to its affordable housing commitments, US2 will provide eight (8) of its future market rate units as "workforce housing" that is priced between 120% - 140% area median income. Each of the eight (8) workforce housing units will be two-bedroom units. Implementation of this commitment will be monitored by the City of Somerville's Office of Housing Stability.
- 3) 5% of the residential units within the USQ Project will be designed to adapt to the needs of occupants with disabilities.
- 4) 30% of all inclusionary units on D2 will have a minimum of two bedrooms.

**Workforce:**

US2 is committed to helping the City of Somerville achieve its goal of creating a commercial employment center that provides employment opportunities for a wide range of workers and economic mobility for Somerville residents. US2 is also committed to building in a manner that is responsible, inclusive and prioritizes jobs for qualified Somerville residents. The workforce commitments described below are minimum standards for all Phases through the lifetime of the Project.

- 1) US2 recognizes the strong preference in the USNC for union labor, and shares USNC's desire that US2's projects avoid exploitative labor practices and include meaningful participation by contractors and subcontractors using union labor. Accordingly, US2 agrees that with respect to each project it undertakes in Union Square, US2 will solicit bids from a mix of contractors, but will always include at least one contractor who uses

predominantly union labor, and will work with such contractor(s) to achieve competitive pricing, with the goal of maximizing union participation on the job. US2 and its contractor(s) will offer opportunities for a variety of subcontractors to participate in project construction through an open bidding process that includes union and non-union subcontractors. Qualified Somerville-based contractors will be identified and notified of project opportunities as they are bid. US2 will work with its general contractor to ensure that construction work is performed in a manner that is skilled, safe and cost effective.

- a. The Contractor shall not assign or subcontract any of the work of this project to another contractor or subcontractor that has been found to have been debarred in Massachusetts from performing work on a public or publicly-funded construction project at the time the Contractor's bid was submitted or at any point in the two prior years based on publicly available lists.
  - b. Prior to issuing any subcontract, the Contractor shall perform due diligence to ensure that the conditions of subparagraph (a) above are met, which shall include but not be limited to searching the electronically accessible lists on Mass.gov of debarred contractors maintained by state authorities in the jurisdiction where the Project is located.
  - c. The Contractor will be required to comply with all workers compensation insurance laws and all employment laws applicable to work on the Project, including without limitation proper classification of employees, minimum wage, overtime and tax withholding requirements.
  - d. The Contractor shall provide US2 with an up-to-date list of the names and addresses of all subcontractors, and US2 shall make that list available to interested parties for inspection and copying upon request, for the purposes of determining compliance with these provisions.
- 2) US2 will hire a staff member with the role of "Community and Workforce Development Officer," whose job description will include coordination and planning with contractors, permanent employers, local residents, public service providers, the City of Somerville and community-based organizations in order to implement workforce development efforts and local employment and diversity initiatives during the period of project development.
  - 3) US2 has entered into a Memorandum of Agreement with Unite Here Local 26 for card check neutrality with respect to the operations of the Project hotel.
  - 4) US2's goal is for a majority of all new construction hires on the USQ Project to be Somerville residents and to reflect the diversity of the community. When hiring workers for available positions for the various construction trades required to undertake the development and construction of the Project, US2 shall instruct its contractor and subcontractors to use best efforts to hire workers for those positions as follows: first, residents of the City of Somerville who are qualified to perform the work to which the

employment relates; second, veterans as defined in M.G.L. c. 4, Section 7 et seq., women and minorities who are qualified to perform the work to which the employment relates; and third, if workers cannot be obtained in sufficient numbers from the prior two categories, then to other qualified workers. For every construction project, US2 shall require that the contractor hold at least two (2) local hiring job fairs.

- 5) In addition to its local hiring and diversity goals for new construction hires, US2 shall instruct its contractors and subcontractors to use best efforts to hire such that at least 20% of its workforce are qualified Somerville residents (worker hours); 20% of its workforce (worker hours) are qualified minorities; and 8% of its workforce (worker hours) are qualified women. The contractor will provide monthly reports that will track progress toward hiring goals that will be shared with USNC. Additionally, US2 and its general contractor will meet with USNC quarterly to review these monthly reports and if targets are not projected to be met, to consider ways to increase participation by the applicable group.
- 6) US2 commits that it will pay any directly-hired hourly workers (not including temporary interns) no less than \$2.25 per hour more than state minimum wage. US2 also commits to hiring a facilities management firm that will pay hourly workers no less than \$2.25 per hour more than the state minimum wage to its employees. This commitment applies during US2's period of ownership and excludes seasonal and temporary workers.
- 7) For five (5) years, US2 and its development team, including contractors and designers, will collaborate with Somerville High School's Center for Career and Technical Education to support their Architectural Design / Pre-Engineering and/or Construction Technical Education programs. US2 and the development team's involvement may include offering job shadow or internship opportunities, participation in the program as a guest speaker, identifying mentorship opportunities, providing "real life" examples for use in the curriculum, job placement opportunities and/or participation in the program's Advisory Committee. Please visit [www.somerville.k12.ma.us/schools/somerville-high-school/departments-academics/center-career-and-technical-education](http://www.somerville.k12.ma.us/schools/somerville-high-school/departments-academics/center-career-and-technical-education) to learn more about Center for Career and Technical Education.
- 8) In addition to the jobs linkage contributions from the Project, US2 will fund a workforce development fund totaling \$1,500,000 that will be administered by the City of Somerville's Jobs Creation and Retention Trust. The fund will support skills training and recruitment of local job-seekers in Union Square. US2 will fund this amount as follows: (i) \$75,000 per year for three years, beginning on the date when the building permits for both D2 buildings have been issued, and (ii) thereafter \$0.85 per square foot for each USQ Project building after D2 shall be paid into the workforce development fund (50% payable at permit and 50% payable at occupancy) until a total of \$1,500,000 has been contributed.
- 9) In order to expand Somerville's and Union Square's workforce development resources and infrastructure, US2 will support wages and benefits for a staff person at Somerville Community Corporation's (SCC) First Source program for a period of five (5) years at a

total contribution not to exceed \$100,000 per year. The staff person will support the mission of First Source while prioritizing working with Union Square residents and business. The First Source program, located in Union Square, is a local hiring and jobs initiative at the nexus of the workforce ecosystem. The program connects job seekers with the skills, training and education to qualify for family sustaining jobs with the potential for advancement. Please visit [www.somervillecdc.org/firstsource](http://www.somervillecdc.org/firstsource) for more information regarding First Source.

- 10) In order to encourage permanent employers to hire locally, US2 will encourage USQ commercial employers to participate in the First Source program. After lease signing, US2 will invite representatives from each commercial employer to a meeting with First Source representatives to discuss program involvement. During USQ project development, US2 will provide a representative that will participate on the First Source Employer Advisory Council to provide feedback and to develop more efficient, effective and accessible local hiring, retention and talent development systems. US2 will also encourage permanent employers to advertise job opportunities to local residents. This may include but may not be limited to posting job opportunities to the local jobs database that is being developed by the City of Somerville and notifying First Source of job opportunities.
- 11) This term sheet lists some existing obligations that are required under zoning or other approvals, but most of the items herein are new developer obligations for the benefit of the community. The new monetary commitments in this term sheet will be credited towards US2's community benefits contribution under the development covenant as outlined on **Exhibit A** attached hereto. Furthermore, as an additional benefit to the community, US2 is committing herein to pay community benefits obligations on the timing indicated herein even if the pace of development has not generated an equivalent amount of Community Benefits Contribution monies. US2 will receive credit for future projects for any contributions paid in advance.

### **Small & Sustainable Business:**

US2 is committed to promoting the small, independent and sustainable businesses that form Union Square's unique character and contribute to a high quality of life for residents, workers, and visitors to the neighborhood.

- 1) US2 commits during initial and subsequent lease-up of retail space that it owns within the Project that US2 will proactively market retail spaces to Sustainable Retail Businesses. Sustainable Retail Businesses are businesses that qualify as High Road Employers by the American Sustainable Business Council or equivalent. These businesses have championed sustainable business principles, practices and policies that reinforce a sustainable, resilient and prosperous economy including but not limited to, providing family friendly benefits, paying a livable and fair wage, investing in employee growth and development, cultivating inclusion, governing fairly, engaging with the community, managing the supply chain responsibly, driving environmental sustainability and

promoting health and safety. More information regarding Sustainable Business Principles is available at [www.asbcouncil.org](http://www.asbcouncil.org).

- 2) The first 25,000 square feet of ground floor retail businesses that qualify as Sustainable Retail Businesses will receive an additional \$15 per square foot sustainable business allowance that the tenant can utilize to start their operation in Union Square.
- 3) For five (5) years, US2 will support wages and benefits for a staff person at Union Square Main Streets (USMS) to assist local businesses, selected through a joint hiring process with US2 and USMS, at a total contribution not to exceed \$70,000 per year. This staff person will be responsible for, among other duties, helping existing and new small businesses navigate the regulatory processes for permits and licenses, negotiate leases, develop business plans, and achieve High Road Employer status with the American Sustainable Business Council.
- 4) For the Existing Business (as defined below), US2 will propose and negotiate in good faith a plan to identify space for their business within the redevelopment, to relocate said businesses within the redevelopment and execute a lease memorializing the same, all subject to the business owner's mutual agreement. Businesses that are relocated within the redevelopment will receive a relocation payment of \$25 per square foot of existing building area that the business can utilize to start up their business in the new location. If a relocation plan cannot be reached between US2 and an Existing Business, US2 will work in good faith to negotiate a lease release with said business.

Existing Businesses shall be defined as the six (6) local business located within the D Blocks for which the current use is permitted within the Union Square Overlay District Zoning: Ricky's Flower Market, CrossFit Somerville, Ebi Sushi, Buk Kyung Korean Restaurant, Angel Nails and Mandarin Chinese Restaurant.

- 5) During construction, US2 will pay for signage and cosmetic improvements, including plantings and wayfinding to mitigate the impact on local businesses.
- 6) US2 will convene a Construction Impact Mitigation Task Force, to include representatives from USMS, relevant City of Somerville departments, and US2, which shall meet regularly during construction to develop and implement strategies to mitigate construction impacts on local businesses.

### **Sustainability:**

US2 is committed to developing a sustainable, healthy community for present and future generations.

- 1) US2 will build all buildings greater than 50,000 square feet within the Master Development area to a LEED Gold certifiable standard and all buildings smaller than 50,000 square feet to a LEED Silver certifiable standard. During the design process for

each project, US2 will further charge its architects with identifying and testing the feasibility of additional, innovative methods of improving the building's environmental performance or resiliency (including Net Zero Carbon, Living Building or PassivHaus concepts).

- 2) D4.3 will be developed as a Passive House demonstration project to reduce the GHG impacts of the project and help establish a market for Passive House in Massachusetts.
- 3) US2 will review unprogrammed project roof areas as potential areas to realize the sustainability goals and will test the feasibility of the same. For example, US2 will incorporate green roof areas on the top of the D2 parking structure in order to mitigate urban heat island effects, reduce stormwater runoff and improve air quality. D2.1 will also include a blue roof as part of its stormwater management program.
- 4) To encourage the use of Green Vehicles that reduce GHG impacts, the commercial parking in the Project will include 191 spaces dedicated to encouraging more sustainable vehicle choices, including the following:
  - a. 38 electric vehicle charging parking spaces will be provided;
  - b. 38 electric vehicle ready parking spaces will be planned;
  - c. 72 spaces will be preferred parking for low emitting/ fuel efficient vehicles;
  - d. 29 spaces will be provided as carpool parking spaces before 9 AM on weekdays; and
  - e. 14 spaces will be provided for car sharing services.
- 5) US2 will incorporate stormwater detention and/or infiltration, where feasible and practicable, into the design of individual project sites to reduce the rate and volume of stormwater discharged from the development. Stored stormwater will also be considered for re-use onsite for irrigation or other purposes where appropriate and practicable.
- 6) US2 will contract with a qualified resource to ensure that 100% of energy consumed at D2.1, D2.2 and D2.2 is from green power, carbon offsets or renewable energy certificates for a minimum period of ten (10) years.
- 7) US2 will study the feasibility of renewable energy sources for each building phase and will outline a pathway to net zero emissions for project buildings whereby the building designs will not preclude retrofitting or conversion to building systems that eliminate fossil fuel use and greenhouse gas emissions.
- 8) All project roof areas will be designed and constructed to be "solar ready". Additionally, US2 will review unprogrammed project roof areas as potential areas to realize sustainability goals including the inclusion of solar arrays or green roofs and will test the feasibility of the same. A minimum of 40,000 square feet of roof area in the USQ Project will be set aside for Photo Voltaic (PV) fields that can be installed and aggregated in the future. The set aside area may be expanded to the extent commercial buildings are constructed as office buildings instead of lab buildings. US2 will work with third party



solar providers to convert as much of the set aside area as feasible to functional solar fields over the course of project implementation.

- 9) US2 will evaluate water conservation measures for possible incorporation into the project design, including installation of high efficiency plumbing and harvesting rainwater for use in irrigation, cooling tower make up water or toilet flushing.
- 10) In order to reduce urban heat island effects, US2 will install new landscaping and large trees in new civic spaces that expand the urban tree canopy and increase permeable area; specify cool paving in many site areas throughout the USQ Project; and employ cool roof membranes that reduce heat gain.
- 11) On the D2 block, US2 will incorporate tower design elements to mitigate collision risks to birds.

### **Green & Open Space:**

The USQ Project will provide a network of more than 3.5 acres of vibrant, new green and open spaces and public realm areas in Union Square that will promote healthy living, improve local access to green space and serve multiple purposes including recreational interests, fostering cultural opportunities and improving transit access.

- 1) US2 will pursue an amendment to the CDSP that increases the number of neighborhood parks from 1 to 3 as follows:
  - a. A 27,000 square foot Neighborhood Park will be included on D1.2 as planned in the CDSP.
  - b. If the City amends the Union Square Zoning to allow five (5) stories on D7.1, US2 will redesign D7.2 to add a second Neighborhood Park to the project by increasing the size of the green space on D7.2 to approximately 10,000 square feet and designing the space in accordance with the Neighborhood Park civic space standards.
  - c. In response to community requests to increase the size of the open space on D2, to provide civic space on D2 that is removed from Prospect Street, and to increase connectivity to the portion of the neighborhood to the east of D2, US2 will create a new Neighborhood Park on D2.4 of approximately 10,000 square feet.
- 2) US2 will increase the total civic space in the Project from 110,141 square feet to 115,141 square feet.

- 3) US2 commits to planting a majority of native plants in civic spaces where recommended and approved by the City of Somerville and will avail itself of community expertise to meet this obligation.
- 4) US2 will contract with a landscape architect for design of the green and open space elements of each project. US2 will require the landscape architect to provide copies of project landscape drawings to and consult with the Urban Forestry Committee for their review and comment as part of the design process.

### **Arts & Creative Economy:**

US2 shares USNC's commitment to fostering the arts and creative economy in Union Square. The US2 Project will add more than 70,000 square feet of arts and creative enterprise space to the neighborhood that will serve a variety of users.

- 1) US2 will include public arts framework infrastructure within four (4) USQ civic space locations to be selected in cooperation with USNC and the Somerville Arts Council.
- 2) For 10 years, US2 will commit to funding \$25,000 per year to underwrite public art installation and performances within the Union Square neighborhood, of which 70% shall be in the form of grants directly to Somerville artists, awarded through a process determined by the Somerville Arts Council. The balance may be allocated to the Somerville Arts Council to support events and festivals occurring within the bounds of Union Square.
- 3) US2 will provide 10% of project-wide inclusionary affordable housing units as artist and creative live-work units that will be restricted to artists certified in accordance with the Somerville Arts Council standard. These units will have appropriate ventilation (but shall not include ventilation hoods, kilns or other specialty equipment), electricity, and water and shall be located in clusters of 4 or more units.
- 4) In the D2 residential development, US2 will designate a prominent indoor common space as a rotating gallery wall for the purpose of displaying the art of Somerville artists.

### **Parking & Traffic:**

The USQ Project will be a transit-oriented development that embraces multi-modal transportation for Union Square's residents, employees, and visitors and promotes walking, biking and transit-riding over driving.

- 1) The D2 Project will enhance rider experience on the new GLX by providing a drop-off area for The Ride para-transit program, ADA access to and from the station platform and

the Prospect Street sidewalk, and a MBTA employee break room that support the operation of the Union Square MBTA station.

- 2) To motivate MBTA commuters to use bicycle transit for the last mile, US2 will provide bicycle parking and storage facilities for 120 bicycles near the MBTA entrance.
- 3) US2 will continue its efforts to coordinate with the City, MBTA and GLX to incorporate an MBTA elevator into the station area that will provide better accessibility to the MBTA service area to the south of the station. In order to support the addition of an MBTA elevator, US2 is willing to modify its civic space design to accommodate the MBTA elevator, to provide an accompanying stair to the MBTA elevator, to grant an easement to accommodate the MBTA elevator (at no cost to the MBTA) and/or to fund an equitable share of the cost of the construction of the MBTA elevator.
- 4) For all new residential lease agreements, US2 will encourage membership to a car-sharing service and will fund up to \$30 of the initiation fee for each lease for as long as such car-sharing services remain a viable transportation alternative.
- 5) US2 has joined the MBTA “Perq” program, and as part of its leases to companies with more than fifty (50) employees, US2 shall require the lessee to participate in the MBTA Perq program (or propose some equivalent substitute that provides employees with pre-tax options for MBTA passes) as part of the lessee’s transportation demand management obligation.
- 6) US2 will monitor and collect data regarding parking demand during the first five (5) years of project operation and issue a report to USNC and the City of Somerville evaluating the parking needs of future development parcels on the basis of this data.
- 7) US2 will monitor traffic volumes of the D Block developments once a year for ten (10) years after D2 is substantially occupied and issue a report to USNC and the City of Somerville with recommendations as to additional and/or enhanced traffic mitigating measures. In addition, within six (6) months of substantial occupancy of D2, US2 will provide the City of Somerville with \$20,000 to obtain additional monitoring and to assess traffic operations within the Union Square neighborhood.

### **Civic Space:**

US2 believes that a welcoming and inclusive indoor civic space will encourage neighborhood cohesion and community engagement by providing a gathering space for activities, social support, information or other purposes

- 1) US2 will make a meeting space available for community groups and programs between the hours of 5:30 PM and 10:00 PM Monday through Friday, 9:00 AM to 5:00 PM Saturday and Sunday, and eight (8) ‘floating’ hours between 9:00 AM and 5:30 PM Monday through Friday through reservation. The indoor space will be located on the second or third floor of D2, easily accessible through ground level access, will have

access to kitchen facilities and free wireless Internet, and will include appropriate furnishings. The space will be approximately 1,000 square feet located within the planned D2 co-working space, and it will be designed and furnished to be flexible in use. US2 shall provide regular cleaning and maintenance; however, clean-up after larger community events shall be the responsibility of the event host and may require a deposit. This interim indoor community space will be provided to the community until a permanent indoor civic space has been opened or for five (5) years from the date of occupancy, whichever is sooner.

- 2) In order to realize a permanent “indoor civic space” as contemplated in the CDSP Conditions, US2 shall make reasonable efforts to negotiate and execute a lease with the YMCA within the D1.2 project (i.e. the site located adjacent to the 27,000 square foot Neighborhood Park).

### **USNC Support:**

USNC and US2 hope that this term sheet and the Community Benefits Agreement will lead to a long term, cooperative partnership to revitalize Union Square. Many of US2’s obligations set out above will require approvals from City of Somerville boards or departments, and US2 expects that USNC will be instrumental in obtaining such approvals. Further, USNC and US2 acknowledge that the obligations of US2 under this benefits program are contingent upon receipt of all required building permits for the first phase of the Project, i.e. the commercial and residential buildings on D2.

### **Monitoring & Compliance:**

The Community Benefits Agreement shall include provisions regarding monitoring and compliance substantially similar to those provisions attached as Exhibit B hereto.

## Exhibit A<sup>1</sup>

Funds from US2 Community Benefits Contributions					
Category	#	Item	CBA Funds	%	US2 Cost
Housing	1	Purchase D4.3 land early and contribute to D4.3 Project	-		✓
Housing	1	Pursue the approvals required for the D4.3 Project	-		✓
Housing	1	Reinvest D4.3 Community Benefits and Future Phase Contributions into D4.3	100,000	3%	
Housing	1	Provide a \$2.4M zero-interest loan for the D4.3 Project	-		✓
Housing	2	Provide future market rate as workforce housing	-		✓
Housing	3	Build 5% of housing units to adapt to needs of occupants with disabilities	-		✓
Housing	4	Provide 30% of D2's inclusionary housing units with a minimum of two bedrooms	-		✓
Workforce	1	Manage and implement bidding approach for construction	-		✓
Workforce	2	Employ a staffer whose role includes Community Workforce Development Ambassador	-		✓
Workforce	3	Pursuit in good faith of agreement for organizing neutrality for D1 hotel	-		✓
Workforce	4	Prioritize construction hiring for qualified locals and veterans; host 2 job fairs per project	-		✓
Workforce	5	Pursue diversity hiring goals for construction workers	-		✓
Workforce	6	Pay US2 and facilities management workers in excess of minimum wage per term sheet	-		✓
Workforce	7	Support Somerville High School Center for Career and Technical Education	-		✓
Workforce	8	Workforce Development Fund to COS Job Creation & Retention Trust Fund	1,500,000	42%	
Workforce	9	Underwrite staff person at First Source workforce development program	500,000	14%	
Workforce	10	Encourage employers to use First Source; US2 representative to sit on Advisory Board	-		✓
Small Business	1	Proactively market retail to sustainable businesses	-		✓
Small Business	2	Provide a sustainable business allowance to encourage businesses to choose Union Sq	375,000	10%	
Small Business	3	Underwrite staff person at Union Square Main Streets to support local businesses	350,000	10%	
Small Business	4	Pursue relocation plans for existing local businesses	-		✓
Small Business	4	Provide a relocation payment for relocating local businesses	475,000	13%	
Small Business	5	Pay for signage, cosmetic improvements to mitigate construction	-		✓
Small Business	6	Convene a Construction Mitigation Task Force	-		✓
Sustainability	1	LEED Gold for buildings > 50K SF; study other sustainability innovations	-		✓
Sustainability	2	D4.3 to be delivered as a Passive House demonstration project	-		✓
Sustainability	3	Assess and test feasibility of unprogrammed roof areas to realize sustainability goals	-		✓
Sustainability	3	Construct green roof areas on D2 garage, incorporate a 'blue-roof' on D2.1	-		✓
Sustainability	4	Green Vehicle prioritization in commercial garages (EV, EV-Ready, Car Share, FEV, LEV)	-		✓
Sustainability	5	Provide stormwater management where feasible and practicable	-		✓
Sustainability	6	100% of D2.1, D2.2, and D2.3 energy through green power purchase for 10 years	-		✓
Sustainability	7	Study feasibility of renewable energy sources, outline pathway to net-zero	-		✓
Sustainability	8	Construction of all buildings to be 'solar-ready'	-		✓
Sustainability	8	40,000 SF of roof to be set aside for Photo Voltaic (PV) fields with expansion potential	-		✓
Sustainability	8	Coordination with 3rd party solar provider to convert feasible PV set aside across project	-		✓
Sustainability	9	Evaluate water conservation measures and incorporate as appropriate	-		✓
Sustainability	10	Design the project to include urban heat island measures	-		✓
Sustainability	11	Incorporate bird collision mitigation on D2 tower	-		✓
Green & Open Space	1	Construct 11 new civic spaces, select types in concert with community	-		✓
Green & Open Space	1	Pursuit of amendment to CDSP to increase number of neighborhood parks from 1 to 3	-		✓
Green & Open Space	1	New ~10,000 SF neighborhood park on D7.2	-		✓
Green & Open Space	1	New ~10,000 SF neighborhood park on D2.4	-		✓
Green & Open Space	2	Increase total project Civic space by 5,000 SF	-		✓
Green & Open Space	3	Use a majority of native plants in civic spaces when approved & recommended by COS	-		✓
Green & Open Space	4	Hire landscape architect to design open spaces; share plans with Urban Forestry	-		✓
Arts & Creative	1	Install 4 public arts framework infrastructure in civic spaces	20,000	1%	
Arts & Creative	2	Underwrite Union Square public arts installations & performances	250,000	7%	
Arts & Creative	3	Provide 10% of inclusionary affordable housing as artist and creative live-work units	-		✓
Arts & Creative	4	Provide an indoor space as gallery wall for Somerville artists in D2	-		✓
Parking & Traffic	1	Provide MBTA improvements to support station and access to it	-		✓
Parking & Traffic	2	Provide 120 secure bicycle parking spaces near the MBTA Station	-		✓
Parking & Traffic	3	D2 land dedication, civic space accommodation, and/or funding share for MBTA elevator	-		✓
Parking & Traffic	4	Offer car sharing membership and provide initiation fee for each residential lease	-		✓
Parking & Traffic	5	Requirements of lessee's to participate in the MBTA Perq program or equivalent	-		✓
Parking & Traffic	6	Collect parking demand info and issue report for first 5 years to inform future parking	-		✓
Parking & Traffic	7	Monitoring of traffic volumes at D Block developments once a year for 10 years	-		✓
Parking & Traffic	7	Funding for D2 traffic monitoring at project occupancy	20,000	1%	✓
Civic Space	1	Provide an interim community meeting space per term sheet	-		✓
Civic Space	2	US2 to work with USNC and other stakeholders to develop a plan for indoor civic space	-		✓
Civic Space	2	Reasonable efforts to negotiate lease for Somerville YMCA within the D1.2 project	-		✓
<b>TOTAL</b>			<b>3,590,000</b>	<b>100%</b>	

<sup>1</sup> In the event of any conflict between this Exhibit A and the language of the term sheet, the language of the term sheet shall govern the agreement between the parties.

## Exhibit B

### **DRAFT CBA Language on Monitoring and Compliance**

#### **TRANSPARENCY & COMMUNICATIONS.**

The parties agree that project transparency and open communications are necessary to maintain community support during all phases of the project. The parties therefore agree to meet, confer, and identify measures that will promote and sustain transparency and communications.

USNC will designate a committee of no more than seven (7) members to form the “CBA Implementation Committee.” The Committee will be charged with monitoring progress on all commitments under the Community Benefits Agreement. Commencing with the execution of the Community Benefits Agreement (the “Effective Date”) and continuing for the duration of the Term, representatives of US2 will meet with the CBA Implementation Committee (i) quarterly during construction of any portion of the Project, and (ii) semi-annually in the event that no construction is on-going at the Project. No fewer than seven (7) days in advance of each meeting, US2 shall provide a progress report in writing that updates USNC on the project and the CBA, including updates on designated expenditures, hiring, and other commitments.

During these meetings, in addition to responding to questions from the CBA Implementation Committee on the contents of the progress report, representatives from US2 shall respond to specific questions asked in advance and in writing by the representatives from USNC that are reasonably necessary to monitor compliance with the terms of this Agreement. Questions from USNC must be provided no less than 14 days prior to each meeting.

**COMPLIANCE INFORMATION.** Upon request, either party shall provide any records or information reasonably necessary to monitor compliance with the terms of this Agreement. No party shall request the same or similar records or information more often than once per quarter except to the extent that the nature of the obligation being monitored requires more frequent reporting, as reasonably agreed upon by the parties.

**DEFAULT.** Failure by any party to perform or comply with any term or provision of this Agreement, if not cured, shall constitute a default under this Agreement.

**NOTICE OF DEFAULT.** If any party believes that another party is in default of the terms of this Agreement, the party shall give written notice. The notice shall inform the other party of the basis for believing that the party is in default and shall offer to meet and confer in a good faith effort to resolve the issue. After notice of a default has been provided, the party alleged to be in default shall inform the other party of whether it is willing to meet and confer or whether it declines to meet and confer. If the parties agree to meet and confer, a time and date for the

meeting shall be established within 30 days after notice is provided, unless the time is extended by agreement of the involved parties.

**RIGHT TO CURE.** The defaulting party shall have 60 days from the time of notice to cure any default. USNC shall provide the lender of any project developed within the overall Union Square Project with a copy of any notice of default under this Agreement by US2 (provided that USNC has received written notice identifying such lender and its address for notices) and such lender shall have an additional 30 days to cure the applicable default.

**MEDIATION.** If a party refuses to meet or if a meeting fails to produce a cure of the alleged default, the party providing notice of the default can request mediation to be held within 30 days, unless the time is extended by agreement of the parties. The parties shall mutually agree on a mediator sourced through JAMS. In mediation, each party shall bear its own fees and costs. The cost of the mediator shall be split equally between US2 and the Community Benefits Contribution fund. The mediation will be limited to claims of breach of the obligations of either party under this Agreement.

**COURT ACTION.** In the event the mediation is not successful in resolving the claim(s) of default, any party may pursue action in court to resolve such claim(s).

**AGREEMENT LAWFUL AND LEGALLY ENFORCEABLE.** All parties to this Agreement understand and agree that it is lawful, enforceable, and binding on all parties and agree to waive any potential challenges to the enforceability of this Agreement and agree not to seek to invalidate or otherwise avoid application of the terms of this Agreement in any judicial action or other proceeding.

**SEVERABILITY.** If any term, provision, covenant or condition of this Agreement, or portion thereof, is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the Agreement shall continue in full force and effect.

**BINDING ON SUCCESSORS.** This Agreement shall bind and inure to the benefit of agents, assigns, and successors-in-interest of each of USNC, as the designated neighborhood council, and US2, as Master Developer. Any reference in this Agreement to a party shall be deemed to include any agents, assigns, and successors-in-interest of that party, with respect to the rights and/or responsibilities relevant to this Agreement.

**TERM.** This Agreement shall become effective on the Effective Date and shall terminate on the earlier of: (i) the date that is 30 years from the Effective Date, or (ii) the date on which a Certificate of Compliance is issued by the Somerville Redevelopment Authority for the last remaining project in the Union Square Project. All commitments of the parties described herein are effective upon the effective date of this Agreement, unless otherwise specified.