



CITY SQUARE

**General Development Agreement
Amendment No. 1
May 2008**



CitySquare Project

- **20.2 acres in the heart of Worcester**
- **\$470 M in private funds**
- **\$94 M in public funds**
- **Over 2.2 million in commercial, retail, entertainment, residential, or hotel uses, plus new public parking**
- **Minimum of nearly 1,700 new or retained full-time jobs with potential for up to 3,100**
- **Approximately 2,300 construction jobs**
- **4 new public streets with related sidewalks, pedestrian ways, and plazas**

General Development Agreement

- **National and regional economic conditions changed considerably since GDA was executed in 2006**
- **Restructured GDA to adapt to market changes, to spur the construction of net new office/retail space and to commence the public portions of the project**
- **Preserved the vision of this complex project**
- **Preserves measured-risk principles and built-in protections**

Amendments to GDA

- **New Triggers for Phase 1A**
 - Berkeley required to lock-in leases for 135,000 square feet of rentable commercial space in a new Building H
- **Scope of Work**
 - Upon satisfying the GDA requirements, Phase 1A is inclusive of all demolition and enabling of existing mall area
 - Construction of Mercantile Street
 - Construction of a portion of the new Front Street and Public Plaza Area, utilities and streetscape enhancements
 - Construction of Underground Public Parking Garage, the completion of Front Street through to Washington Square and the remainder of public improvements will commence as part and parcel to the original GDA

Project Timelines

- Agreement extended and demolition to begin as soon as Berkeley locks-in lease commitments and financing for 135,000 square feet of commercial space.
- Allows for demolition to begin as soon as August 2008
- Berkeley has 3 years to finalize details to fulfill the original GDA (two years to fulfill all project commitments once demolition begins) expiring June 15, 2011.
- Permit fees remain intact, schedule changes

State Funds

- **State's \$25 M in its entirety applied to cover the cost of demolition and enabling of the existing mall (a public purpose)**
- **First funds to be used for the demolition/enabling work, with the balance to come from the City DIF Funds (bonds to be repaid by net new tax revenues generated from Building H).**
- **Contingency Funding from a \$3 M Letter of Credit will be posted by Developer for costs above \$35 M.**
- **Building H generates enough taxable revenue to cover the City's exposure of approximately \$9.5 M in additional DIF Bonds.**



