



December 19, 2024

Fiona Maxwell
City of Medford
Office of Procurement, Room 105
85 George P. Hasset Drive
Medford, Massachusetts 02155

Re: Proposal for RFP 25-0196– Lease and Development of Real Property at Clippership Drive and Riverside Avenue

Ms. Maxwell:

Included below and herein is the Price Proposal for the RFP as well as the requested project financial information. As detailed in the attached Price Proposal, Transom is proposing a two-tiered price proposal as outlined below, based on a 99-year ground lease:

1. Transom, at its sole cost and expense, will construct and convey to the City of Medford for \$1.00 a 273-space parking garage on Lot C. The garage has an estimated value of \$10,600,000.
2. Upon completion of construction, Transom will make an annual ground lease payment of \$120,000 per year* for the duration of the Ground Lease period (increasing 2% per annum).

* In return for the annual ground lease payment, Transom will have the exclusive right to park 100 vehicles in the garage at no additional cost. Transom will also have the option to park an additional up to 48 parking spaces on a month-to-month basis at the Additional Ground Rent Amount. The “Additional Ground Rent Amount” is defined as \$100 per month per space in the first lease year, increasing 2% per annum thereafter.

The above Price Proposal is in addition to the following benefits offered by the project:

- 283 new apartments
- 54 affordable apartments
- Approximately 16,000 s.f. of retail/café/grocery use
- Improved pedestrian connectivity between Medford Square and the Mystic River
- Ongoing real estate tax payments anticipated to be approximately \$1.1 million in Lease Year 1
- One-time payments to the town of over \$1 million for building permits and linkage payments

Please let us know if we can share any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Spellios".

Peter Spellios
Principal
46 Waltham Street, 6th Floor
Boston, MA 02118
Email: pspellios@transomrealestate.com

CITY OF MEDFORD

REQUEST FOR PROPOSALS – LEASE AND DEVELOPMENT OF PROPERTY

PRICE/ RENT PROPOSAL

The undersigned proposes to enter into a long-term ground lease of the city-owned parcels of land. Please use this Price/Rent Proposal Form or any other format that summarizes the payments to be made by the proposer (the "Proposer")

The Proposer shall provide the City with the following benefits:

- 1. **Annual Rent:** Transom at its sole cost and expense will construct and convey to the City of Medford for \$1.00 a 273-space parking garage on Lot C (estimated value \$10,600,000), plus \$120,000 per year lease payment*.

First-year lease payment: _____

Annual Escalation Percentage: 99 year ground lease; 2% escalation per year

* In return for the annual ground lease payment, Transom will have the exclusive right to park 100 vehicles in the garage at no additional cost. Transom will also have the option to park an additional up to 48 parking spaces on a month-to-month basis at the Additional Ground Rent Amount. The "Additional Ground Rent Amount" is defined as \$100 per month per space in the first lease year, increasing 2% per annum thereafter.

- 2. **Other Community Benefits: What community benefits will this project offer to residents of the City of Medford (i.e., number of affordable housing units, green space, café/restaurant, community meeting space, etc.)?**

4-Level Parking Garage at an estimated value of \$10,600,000.00 (approx. 273 Stalls)

54 Affordable Apartments

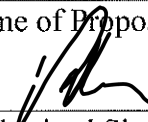
Approximately 16,000 s.f. of retail/café/grocery use

Improved pedestrian connectivity between Medford Square and the Mystic River

(This Proposal must bear the signature of the Proposer or the authorized agent of the Proposer. If the Proposer is a corporation or partnership, a duly authorized officer of such corporation or partnership must sign the Proposal).

By: Transom Real Estate, LLC
(Name of Proposer)

Date: December 19, 2024


(Authorized Signature of the Proposer)

46 Waltham Street, Suite 600
(Business Street Address)

Peter A. Spellios
(Name and Title of Person Signing the Bid)

Boston, MA 02118
(City/Town/State (zip code))

617 216 4820
(Business Phone)

n/a
(Fax)

DEVELOPMENT PROGRAM	
Project Name:	Medford City Square
Submarket:	Medford, MA
Unit Count	283
Lot Size (SF)	152,460
Residential	243,600 GSF
Retail	16,000 GSF
Surface Parking	230 spaces
Covered Parking	337 spaces
Total	384,000 GSF

PROGRAM BUILDING A (LOT A)					
	Parking	Retail	Residential	GSF	FAR
Ground Floor	0	13,500	2,100	15,600	15,600
2nd Floor	0	0	16,000	16,000	16,000
3rd Floor	0	0	16,000	16,000	16,000
4th Floor	0	0	16,000	16,000	16,000
Total GSF	0	13,500	50,100	63,600	63,600

PROGRAM BUILDING B (LOT B)					
	Parking	Retail	Residential	GSF	FAR
Ground Floor	30,000	2,500	7,500	40,000	10,000
2nd Floor	0	0	31,000	31,000	31,000
3rd Floor	0	0	31,000	31,000	31,000
4th Floor	0	0	31,000	31,000	31,000
5th Floor	0	0	31,000	31,000	31,000
6th Floor	0	0	31,000	31,000	31,000
7th Floor	0	0	31,000	31,000	31,000
Net RSF	30,000	2,500	193,500	226,000	196,000

PROGRAM Parking Garage (LOT C)					
	Parking	Retail	Residential	GSF	FAR
Ground Floor	23,600	0	0	23,600	0
2nd Floor	23,600	0	0	23,600	0
3rd Floor	23,600	0	0	23,600	0
4th Floor	23,600	0	0	23,600	0
Total GSF	94,400	0	0	94,400	0

PROJECT TOTAL					
	Parking	Retail	Residential	GSF	FAR
Total GSF	124,400	16,000	243,600	384,000	259,600

SOURCES		
		\$/NSF
TOTAL EQUITY	\$ 54,045,294	\$241.50
Construction Loan	\$ 71,641,436	\$320.13
TOTAL SOURCES	\$ 125,686,731	\$561.63

USES			
TOTAL DEVELOPMENT COST			\$/NSF
Total Land Costs	8.6%	\$10,760,550	\$48.08
Soft Costs	13.5%	\$16,917,359	\$75.59
Hard Costs	74.4%	\$93,415,000	\$417.42
Financing Costs	3.6%	\$4,548,765	\$20.33
TOTAL Private Uses	100%	\$125,641,674	\$7,852.60

UNIT MIX		
Market Rate	pct of nsf	Unit Count
Studios	20%	78
1-Bedroom	37%	103
2-Bedroom	23%	46
3-Bedroom	0%	0
Subtotal	80%	227
Affordable (80% AMI)	pct of nsf	Unit Count
Studio- Affordable	5%	20
1-Bedroom- Affordable	9%	25
2-Bedroom- Affordable	6%	11
3-Bedroom- Affordable	0%	0
Subtotal	20%	56
Total Apts	100%	283

Project Pro Forma	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
Development Costs	\$ (3,222,354)	\$ (24,560,744)	\$ (56,195,094)	\$ (41,349,907)	\$ (313,574)	\$ -
Potential Gross Income	\$ -	\$ -	\$ -	\$ 1,615,956	\$ 10,725,635	\$ 12,491,355
Vacancy	\$ -	\$ -	\$ -	\$ -	\$ (218,625)	\$ (539,039)
EGI	\$ -	\$ -	\$ -	\$ 1,615,956	\$ 10,507,009	\$ 11,952,316
OPEX	\$ -	\$ -	\$ -	\$ (823,987)	\$ (3,386,588)	\$ (3,488,186)
NOI	\$ -	\$ -	\$ -	\$ 791,969	\$ 7,120,421	\$ 8,464,131
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ (4,081,670)	\$ (4,498,288)
Net Sale Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,562,370
Total Unlevered Cash Flow	\$ (3,222,354)	\$ (24,560,744)	\$ (55,787,168)	\$ (37,305,065)	\$ 7,120,421	\$ 183,491,262
Total Levered Cash Flow	\$ (3,222,354)	\$ (24,560,744)	\$ (26,262,196)	\$ 791,969	\$ 3,006,846	\$ 109,187,261