



Access road map, Pleasant S on Right and Worcester St on left.

Fact:

On June 27, 2006, two thirds (66%) of the 2637 voters who responded to enacting legislation to build the access road, voted in favor!

Contracts signed on May 29, 2007, voted on and authorized by the Town Council on May 21, 2007, between the current landfill operator SRD (Southbridge Recycling and Disposal inc.) and Southbridge includes Article 7, sec. 7.3 regarding the construction of an Industrial Park Road.

“The Town agrees on a timely basis to issue an Invitation to Bid and Award a contract for the design and construction of the Phase 1 Construction of the Industrial Park Road, and to arrange for the necessary financing of the project.”

-As noted Pg. 17 from the Extension of Agreement For The Operation of the Barefoot Road Sanitary Landfill, And Refuse and Recyclables Collection, Southbridge Massachusetts- Available for you to read at the Jacob Edwards Library.

Fact:

The town council has approved the costs for phase 1 of the access road - \$7 Million. The recent vote was related to approving a bid, not the road itself. The Marois Construction company bid met all requirements and costs as deemed by the town and came in at \$5.4 Million, lower than expected due to the nature of the economy. A plus for the town, but one that will not last forever.

Fact (revised wording on Bond for Access Road 4/23/09):

There will actually be 3 bonds in effect upon building the road. The first as outlined by Town Manger Chris Clark and the SRD contract is a performance bond in the amount of \$6M. This bond is taken out by SRD and provided through a AAA rated independent insurance company. In the event SRD cannot pay, the bond will reimburse the town. Although the current bid on the road is \$5.4M SRD has agreed to

reimburse up to \$7.2M, to take advantage of this the town will take out a bond up to this value to cover their financing arrangements should the extra money be needed. This will not affect borrowing power for future use because it is backed up by the \$6M performance bond. While we are not experts on bonds, we did rely on Mr. Clark's knowledge and others. The 3rd bond will be taken out by Marois Construction regarding their contractual obligations to build the road should they be awarded the bid. This is also a performance bond, guaranteed through insurance.

Further more in regards to paying on the \$7.2 bond. As stated in the contract pg 18 sect.7.3(d) Upon the award by the a Town of the contract set forth in subsection(a)above, SRD shall make an annual payment to the Town in the amount of \$341,000 for a period of twenty(20) years, ...which could increase according to sect.7.7 pg19 to \$471,000 based on the increase water and sewer line construction.

Definition: Performance bond--From Wikipedia, the free encyclopedia

A performance bond is a **surety bond** issued by an **insurance** company or a **bank** to guarantee satisfactory completion of a project by a **contractor**.

For example, a contractor may cause a performance bond to be issued in favor of a client for whom the contractor is constructing a building. If the contractor fails to construct the building according to the specifications laid out by the **contract** (most often due to the **bankruptcy** of the contractor), the client is guaranteed compensation for any monetary loss up to the amount of the performance bond.

Performance bonds are commonly used in the construction and development of real property^[1], where an owner or investor may require the developer to assure that contractors or project managers procure such bonds in order to guarantee that the value of the work will not be lost in the case of an unfortunate event (such as insolvency of the contractor). In other cases a performance bond may be requested to be issued in other large contracts besides civil construction projects.

The term is also used to denote a collateral deposit intended to secure a **futures contract**, commonly known as **margin**. Performance bonds are generally issued as part of a 'Performance and Payment Bond'^[2], where a Payment Bond guarantees that the contractor will pay the labour and material costs they are obliged to.

Performance bonds have been around since 2,750 BC and, more recently, the Romans developed laws of surety around 150 AD^[3], the principles of which still exist.

Previous 4/13 wording which the above supersede:

~~This access road project is fully bonded by SRD for \$7.2 Million, current bid for a fully completed phase I is \$5.4 Million. Should Casella be unable to fulfill their financial obligation, there are protection clauses to prevent Southbridge taxpayers from ever paying such costs.~~

Fact:

The Marois Bros. bid for phase I of the access road does include complete installation of underground, electrical and full sewer /water as the SRD contract of May 2007 stipulates. (see item 7.3)

The town owned land at top of Pleasant St by the airport, is not capable of supporting industrial development in its present state. Water and sewer are not in place and money is not available to do this unless the taxpayers of Southbridge chose to fund this on their own. (Assessor's office)

Fact:

Phase I construction of the access road does not just benefit the SRD landfill, but will in fact provide immediate accessibility to over 40 acres of town owned industrial park land. This current tax exempt land can be a great source of tax revenue for the town once developed. However it MUST be accessible and have necessary town water and sewer to be developed.

Fact:

Sewer and water fees for the Industrial park are absorbed by Casella, not the town (Section 7.7 of May 29, 2007 contract).

Fact:

The contract agreement with SRD requires them to begin building of a project known as LGE, Landfill Gas to Energy. The goal would be to convert landfill gas to usable electrical energy. The town of Southbridge would benefit by 10% of the proceeds from these sales. Future initiatives to be developed by the town and the landfill operators include a gasification plant project. Land fill gas to energy 7.4 (LGE) is a project that they will pay us a 10% monthly revenue from this energy project. (section 8 - Hydroponics or other project to utilize LGE), contingent on the access road being built. The latter would be an immediate benefit.

Fact:

In early April, the Mass DEP rendered its decision on the appeal of the access road – this appeal was denied and cleared to proceed!

Fact:

\$ Implications for town taking over the landfill

- Trash collection would no longer free; presently all residential and community buildings are not charged. This will stay in effect for the life of the contract.
- Yearly subsidy lost to town, layoffs of a minimum of 22 persons
- \$14 Million in closure costs

Fact:

The estimated costs for the required pre and post closure of the Landfill in 2005 was approximately \$14 Million and is estimated to rise. In accordance with the contract a FAM(Financial Assurance Mechanism) is fully funded up to 30 Million by SRD to cover these costs. Without this agreement the town would be responsible for these costs and any future liability related to the landfill.

Fact:

Before Casella ran the landfill , there was no requirement for methane gas collection or for daily cover.

Fact:

The town of Southbridge currently receives benefits that amount to \$13-15 per ton of Acceptable wastes this estimated value is based on actual Cash receipts of up to \$1 Million per year as well as full residential and municipal free trash pickup, including 36 Trash containers ranging in size from 2-6 cubic yards at all schools, playing fields, Senior Center, Community Center, All Municipal buildings and others. Twenty locations throughout our town. Also provided is 16 paper totes, 10 compost units and 2 co-min. totes.

Current estimated costs for a single family home for private pickup is \$30-50 per month. Multi-family ?

Fact:

Southbridge has: 2657 Single Family Home
 >1300 Multifamily Homes(2-6units)

All of these housing units are eligible for Free curbside pickup

Fact:

Recycling and energy related businesses of the future, and Southbridge is in a unique position to attract them. The PIM business opportunity is a perfect example of the business opportunities we should be looking for as tenants. Numerous other towns (both locally and around the country) are actively seeking their business – among them Sturbridge. (SEN April 10 BOH article quoting Linda Cocalis)