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SECRETARY & CEO

Moving Massachusetts Forward.
massDOT
Massachusetts Department of Transportation

July 13, 2010

Nancy Brennan, Executive Director
Rose Fitzgerald Kennedy Greenway Conservancy
185 Kneeland Street, 7th Floor
Boston, MA 02111

Re: Rose Fitzgerald Kennedy Greenway Conservancy

Dear Nancy:

As we finalize our review of the Conservancy's budget for the coming fiscal year, I write to be clear on the conditions MassDOT will place on public funding for the Conservancy's operations. We are prepared to discuss these conditions with you and the Conservancy's Board in more detail and look forward to our continuing relationship with the Conservancy.

As I have said often over the past two years, the Rose Kennedy Greenway is a facility to which MassDOT and the Commonwealth are committed. It is a central element of important obligations and commitments made to many over the past twenty plus years.

As detailed in this letter, we have made a determination on the level of funding for next year that will be provided by the MassDOT. MassDOT's legal obligation is to fund the Conservancy through interest earnings accrued in the Central Artery and Statewide Road and Bridge Infrastructure Fund (TIF). As discussed with you, the TIF does not have sufficient interest earnings and principal balance to pay fifty percent (50%) of the Conservancy's projected fiscal year 2011 budget. Nevertheless, MassDOT will support its obligation to fund a portion of the approved budget through cash contributions and in-kind services for this year as anticipated by Section 12 of Chapter 306 of the Acts of 2008, as amended.

While costs are always a concern when we deal with the public funds, the current fiscal climate that the Commonwealth is addressing requires closer attention to cost savings for everyone. The Conservancy budget for core park operations must contain a cost structure consistent with its place among the public facilities in the Commonwealth. In addition, the funding to be provided by MassDOT will be conditioned on the Conservancy's written commitment to the following conditions that have been raised with the Conservancy staff over the past several months:

1. Subject to reasonable restrictions on opening and closing consistent with City of Boston and Department of Conservation and Recreation (DCR) urban parks, all spaces must be open to all people at all times.

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2. As stated in the Greenway Park Use Guidelines approved by MassDOT in June, the Conservancy will seek only actual and reasonable cost recovery for services it provides and not through the use of the land itself.
3. To the extent that it is discussing the use of MassDOT or other public funds, the Conservancy will comply with the Commonwealth's open meeting law, and to the extent materials are addressing the use of public funds, the Conservancy will comply with the requirements of the Commonwealth's public record's law.
4. MassDOT will require a full accounting of all sources and uses of revenue received from the use of the Greenway so as to ensure compliance with 23 USC 126 and other applicable Federal and State law. In particular, MassDOT will require a full reporting on the use of MassDOT and state funds used to operate the park, including the salaries of staff, payments to vendors and copies of all contractual documents for vendors funded through state funds. MassDOT will require revised financial reporting from the Conservancy that clearly segregates the use of state funds from non-state funds. A reporting schedule will be developed and agreed upon by our respective staffs.
5. In fiscal year 2011, the Conservancy will share responsibility in areas where MassDOT can provide services to support Conservancy operations. As discussed with Conservancy staff, examples of this include the acceptance of MassDOT's offer to provide plumbing, electrical, fuel and equipment services. While we appreciate the level of effort and standards necessary to maintain the Greenway, the Commonwealth's current fiscal situation requires that we explore every option available to reduce the cash expenditures for the horticultural and maintenance programs for the Greenway.

With these conditions in effect, MassDOT is prepared to provide to the Conservancy \$2,230,000 (\$1,786,500 in cash; \$443,500 in-kind contributions). These funds are to be used to support the following purposes:

- FY11 funds allocated to the Conservancy may only be used for horticulture and maintenance programs. MassDOT funds may not be used for any other purpose.
- Funds allocated to the maintenance and horticulture program may be used to fund personnel salaries at a level comparable to that of equivalent DCR staff. The Conservancy will be required to fund remaining salary from non-state funds. Attachment A to the letter notes the salaries that will be funded by MassDOT. All salaries funded from MassDOT funds shall be public record.

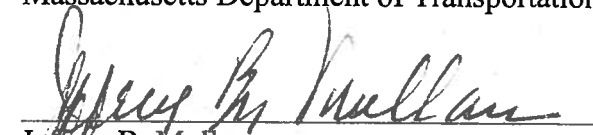
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- MassDOT's allocation of funds will include \$1,786,500 in cash and \$443,500 of in-kind services, including plumbing, electrical, rent, fuel and equipment services noted above. A quarterly reporting schedule will be developed and agreed upon by our respective staffs to track and document this collaborative approach. In future fiscal years, as additional opportunities arise for the Department to provide additional in-kind services, the amount of cash allocated to the Conservancy may be reduced. MassDOT will commit the Highway Division District 6 Director, Highway Division Chief Engineer, and other senior members of the Division to work with your staff on schedules and service agreements necessary to provide these in-kind services.
- Recognizing the cash flow constraints and needs of MassDOT and the Conservancy, MassDOT proposes to allocate its FY11 contribution in July 2010 and January 2011 allotments.

Again, thank you for all the Conservancy's work on this important open space.

Sincerely,

Massachusetts Department of Transportation



Jeffrey B. Mullan
Secretary and Chief Executive Officer

Attachment