

**South Shore Tri-Town Development
Corporation (SSTTDC)
Kevin R. Donovan, Chief Executive Officer**

The Board of Directors of the South Shore Tri-Town Development Corporation is pleased to present its Thirteenth Annual Report for Fiscal Year 2012.

Land Transfer

The final NAVY land transfer occurred on Dec. 15, 2011 at a price of \$25M; 681 acres were conveyed to the Corporation, 155 acres were held back for continued environmental cleanup (expected transfer 2014). The environmental clean-up of the NAVY land continues to be financed by NAVY, under the regulatory authority of the EPA and MA DEP.

Overview:

- Open Space land use is proposed for approximately 72% of the overall land area. (total land area: 1,385 acres)
- Approx. 549 acres transferred by NAVY in 2003 – FOST 1 & 2
EDC = approximately 324 acres (transferred to LNR - 2006)
PBC = approximately 225 acres
- Approx. 681 acres transferred by NAVY in 2011 – FOST 3-5
EDC = approximately 558 acres (transferred to LNR - 2011)
PBC = approximately 123 acres
LIFOC = remaining 155 acres

Economic Development Conveyance – EDC - Finding of Suitability to Transfer - FOST
Public Benefit Conveyance – PBC - Lease in Furtherance of Conveyance – LIFOC

East West Parkway (EWP)

Construction of Phase 1 of the EWP continued, thanks to Governor Patrick's securing of \$30 million in state funding to add to the \$23 million in federal funds previously secured by Senator Kennedy and Congressman Delahunt for the East West Parkway and Transit Improvements. SSTTDC anticipates that Phase 1 of the EWP (Shea Memorial Drive to Weymouth Street, Rockland) will be substantially complete in FY13.

Municipal Update

SSTTDC is the local municipality regulating the continued redevelopment of the former South Weymouth Naval Air Station now known as "SouthField".

The Phase 1A Development Plan provides a plan for proposed development within a large area of land. Revisions occur as land is readied for sale to end developers, and preliminary site plans are discussed with the Corporation. Revisions approved by the Special Permit Granting Authority to date included the addition of senior independent living units and detached townhomes.

The Phase 1A Definitive Subdivision Plan also evolved as LNR negotiated land sales and submitted revised subdivision plans to the Corporation. Revisions approved by the Applicable Subdivision Board included design plans for proposed roadways and alleyways intended to serve the “SouthField Highlands” neighborhood.

The Permit Granting Authority reviewed and approved a site plan application for a 101,000 square foot (s/f) 4-story office building; 49,000 s/f of commercial space had previously been approved by SSTITDC for approximately 9,000 s/f of retail space on the first floor of the apartment building located on the corner of Trotter Road and Parkview Street, and a 40,000 s/f 46 bed long-term care facility, to be located at the end of Parkview Street on Stonehaven Drive.

The Board of Directors, after a lengthy deliberation on what defined the occurrence of development as per the Reuse Plan, concluded that issuance of a Building Permit and payment of all related fees; or approval of a Site Plan Application plus deposit of all estimated building permit related fees would constitute the occurrence of development.

By April 2012 site plan applications for a total of 150,000 s/f of commercial development had been approved. By the end of June, 480 residential building permits and 111 occupancy permits were issued. There are about 125 new residents living in SouthField homes and apartments.

LNR land sales continue to provide revenue to the Towns via the Host Community Agreement. The first provider under the HUD Homeless Assistance Act of 1994 (Bay Cove Human Services) is in the process of executing their land transfer from LNR.

The SSTITDC Advisory Board continues to meet jointly with the Board of Directors to discuss development progress and the Corporation’s financial status. Members include Joseph Shea (Chairman), Robert Long, Joseph Gambon, Laurie Delano, Sue Abbott, Martin Pillsbury, Bruce Hughes, Kevin White, Eugene Blanchard and William Koplovsky.

Financial Matters:

Reliance on one time cash reserves has been eliminated and budgeting is solely funded from recurring revenues.

Fiscal Year 2012 milestones which have been achieved are:

- a. Certified Triennial Valuation through MA Department of Local Assessments
- b. Certified the FY12 Tax Rate
- c. Compliance with various reporting requirements to MA DOR
- d. Began the process of converting the financial books and records to the MA DOR approved UMAS system
- e. Completed Independent Audit
- f. Reported for the first time the new state tax revenue under the Parkway Agreement
- g. Provided for a Deficiency payment required under the Parkway Agreement
- h. Transfer from NAVY FOST 3-5

- i. Collected Pro-forma taxes on the transfer of the land to LNR South Shore LLC
- j. Implemented an updated IT system including disaster recovery, remote access and virtual network
- k. Began the formal process of establishing certified water and sewer departments through the MA DEP

Obligations still pending:

- l. East West Parkway deficiency payment
- m. Series 2010A Infrastructure Bond payment
- n. Implement the Special Assessment mechanism for the Infrastructure Bond payment
- o. FEIR Off-Site Improvements and a Capital Plan identifying each requirement and the cost associated with it.

Special Assessment reports, reviewed by the Board of Assessors and the Board of Directors, will be implemented in FY13. Payment will come from two sources, 25% to 35% of total commitment of real estate taxes depending on the type of property, and special assessments on the owner of record of FOST 1 & 2 undeveloped property. These Special Assessment fees are the first of its type in Massachusetts and were submitted to DOR for a compliance ruling.

The FY12 Tax Classification Hearing resulted in a split factor - \$12.89 Residential and \$23.89 Commercial and Personal Property.

DOR certification for a tax rate was a lengthy and arduous process complicated by the triennial year, parkway deficiency payment plan, and implementation of SSTTDC's governmental structure.

SSTTDC had certified FY12 Free Cash in the amount of \$1,010,951.

The expenditures from Free Cash were as follows:

- a. \$175K for Communications Tower
- b. \$65K for Fire Fighting Training
- c. \$38K for Unpaid FY11 Bills
- d. \$25K for Assessor Mapping
- e. \$472K for Stabilization Fund to cover FY12 claw-back for Commonwealth of Massachusetts
- f. \$10K for IT Upgrades for the server and assessing and in-house payroll programs
- g. \$10K for a review of NOI filing to establish an irrigation system with no impact on water resources
- h. \$35K for Water/Sewer Feasibility Study to explore water and sewer sources
- i. \$110K for legal costs related to NAVY land transfer
- j. \$63K for water and sewer general fund subsidy

The FY12 General Fund Budget totaled \$2,369,852 of which \$1,969,079 was expended, and \$520,044 was encumbered for FY12 expenses to be paid during FY13. The Water and Sewer Budget was \$366,400.

The Board and the employees appreciate the cooperative working relationship that has been established between the Host Communities and SSTTDC.

Respectfully Submitted
SSTTDC Board of Directors

Gerard Eramo, Chairman
Joseph Connolly, Vice Chairman/Treasurer
James W. Lavin, Clerk
John R. Ward
Jeffrey Wall

Kevin R. Donovan, Chief Executive Officer
James A. Wilson, Chief Financial Officer