

Southfield Redevelopment Authority
Board of Directors Meeting
October 28, 2014 @ 7:00pm
Conference Room, 223 Shea Memorial Drive

Directors Present: Walter Flynn, Weymouth, Chairman
William Minahan, Rockland, Vice Chairman
Kelli O'Brien-McKinnon, Rockland
Robert Rizzi, Labor Rep.
Ralph Rivkind, Chamber Rep.
Patricia O'Leary, Weymouth
Lyndsey Kruzer, Southfield Resident

Directors Unable to Attend: Chris Aiello, Abington, Clerk
John Brewer, Southfield Resident

Also in Attendance: Scott Bois, Treasurer/Collector
Jim Young, Project Manager
Matt Feher, Legal Counsel

The Chairman called the meeting to order at 7:00pm and reminded the Board to copy all their emails to board@southfieldra.com, because it was the repository of Board emails for Freedom of Information Act requests.

Mr. Flynn updated the Board on a recent meeting with Executive Office of Administration & Finance (A&F) and Mass. Department of Transportation (MassDOT) on the Parkway Financing MOA and Phase II Parkway funding. MassDOT was prepared to move forward on the East Side Connectivity Improvements and on the Trotter Rd connection once the Redevelopment Plan was approved by both A&F and the Executive Office of Housing and Economic Development (EOHED). The Chairman stated the Redevelopment Plan must contain details on trigger points on development as it related to the phased completion of the Parkway.

Minutes

VOTED: Motion of Bill Minahan, seconded by Bob Rizzi, to accept the minutes of the SRA Board of Directors meeting held on October 13, 2014

6-0-1 vote Mr. Flynn abstained

Redevelopment Plan Presentation

Mr. Barry stated his presentation was the third revision to the Redevelopment Plan dated Oct. 28, 2014:

- 1) The document's sole purpose was to support negotiations with the Commonwealth
- 2) It was a collaborative work product of the SRA and Starwood
- 3) The background exhibits presented were from the 2010 Parkway Financing MOA with updated

financial data

4) The presentation was neither a master plan exercise, nor a statement of Starwood's vision for the project.

5) Revising the Parkway MOA and completing Phase 2/East-Side Connectivity Improvements were prerequisites to the continuation of development at Southfield

Total investment to date by LNR/Starwood was \$97M. Until it was known for certain what the parkway alignment would look like, the highest and best use of the property was unknown and there would be no additional land sales. There were potential land sales in Q2 2015 after Phase II Parkway was completed, 412 residential units were currently constructed with an additional 553 units to be built from 2015-2018, full build-out projection included 2,855 residential units, 900,000SF commercial space, and recreational amenities per Starwood's agreements with the Towns.

Building demolition would take place 2016-2023 at a total cost of \$24M. Ms. Kruzer was informed that the shaded areas on the Demolition Plan represented areas already demolished for the Parkway and Memorial Grove Avenue, and an area to be demolished to build 200 Transit Village Condos. MWRA Water Direct Connection would entail six (6) miles of pipe; substantive discussions were ongoing with the Mayor of Weymouth on alternative routing options.

The annual growth rate assumptions were calculated out to FY25 and came from the existing Parkway Financing MOA, as directed by A&F. Cumulative and taxable value on 2,855 residential units totaled just over \$1B. Starwood would be updating the Redevelopment Plan to include growth rates out to FY40.

The Commercial Market Analysis was a 2-phased program, New Net Revenue would be calculated from core value when the building was completed, and from fit-out value when spaces are leased.

Commercial fit-out would start in FY18 (assuming Phase II Parkway is delivered in FY18). Mr. Barry stated that typically commercial development activity begins 3-5 years in advance of occupancy, first site selection, design, land sale and then construction. The 900,000SF of commercial space would have an assessed value of \$250M. Retail prospects typically want traffic numbers proven out (based on actual traffic counts) in order to consider a site location.

Key traffic improvements included Rte. 18 widening, the Parkway connection to Rte.18 in Weymouth and the Parkway connection to Rte. 3 (via Hingham Street) in Rockland. Phase II Parkway included the Rte. 18 connection and east side connectivity improvements on Reservoir Park Drive and Hingham Street.

Mr. Barry reviewed new net revenue calculations on development, employee/income projections and commercial occupancy rate, noted that retail, hospital and office medical were the easiest potential commercial development, and identified the following needs to address why commercial development has not commenced:

- 1) Unfinished parkway/inadequate traffic flow
- 2) High utility rates, especially water rates
- 3) Uncertain/unstable tax rates

Mr. Barry noted that the following changes to the Redevelopment Plan were pending:

- 1) To re-calculate Net New Factor Credits through discussions with DOR
- 2) To conduct a performance based traffic analysis on the Phase II Parkway segments and identify impacts to the development/absorption schedule and the infrastructure schedule
- 3) To extend all data in the Economic Benefit Analysis out through the term of the Parkway Bond (FY40)

Mr. Minahan was informed that construction would be two (2) years minimum, that the parkway construction had two (2) phases; and that other than Phase II Parkway there was nothing to stop LNR/Starwood from selling land.

Ms. Kruzer was informed that commercial land sale commitments depended on the entity and the commitment. There would be a mix of simultaneous and deferred development. A retail developer would want Parkway traffic proved out over a 45 day period.

Mr. Rivkind was informed that the State reallocates 2 points from sales tax to fund school building and MBTA.

Ms. O'Brien-McKinnon was informed the State was prepared to discuss the Parkway connection to Rte. 18, but not at \$40M, the fly-over was not included in their proposal.

A&F Update

Mr. Feher stated the Trustee Certificate and Tax Plan were delivered and approved by A&F and DOR. The Chairman noted that several meetings and conference calls occurred with A&F, DOR, EOHEd and MassDOT. All agencies were anxious to receive the redrafted Redevelopment Plan, in order to consider amendments to the Parkway Financing MOA and financial commitment to Phase II Parkway.

The Redevelopment Plan was an SRA deliverable that had to go forward with assistance from LNR/Starwood. If satisfactory, a quick determination was anticipated from A&F on funding and MOA amendments.

The Chairman acknowledged that the Redevelopment Plan needed more work in order to be approved by the Board, that it should be submitted to A&F within two (2) weeks, and that all State Agencies were comporting in a way to make this happen when the proper details were in place. Once this was accomplished the Board would begin SRA Budget deliberations. The Chairman noted that the DDA was still a work in progress.

Public Comment

Ms. Parsons, Rockland, noted that the Director's meeting would be telecast on WRPS, that east side

connectivity improvements were supposed to be in place right now (per the FEIR), and that one graphic in the Redevelopment Plan did not properly account for the number of houses that could be located within Abington and Rockland town boundaries.

Mayor Kay, Weymouth, emphasized the importance of creating a supplemental budget as soon as possible because DOR may look at all four (4) tax rates together, and it was critical to prevent tax revenue flow from being held up until May 2015.

Mr. Kimball, Rockland, noted that the Redevelopment Plan timing was critical with pending changes in State Administration and approaching holidays, and voiced concern that Southfield was being held to a higher standard of development, while in competition to bring in commercial buyers. He was informed that it was unlikely that the State would give funding leeway to this project, as was done for the Ft. Devens project. Some discussion ensued on the difference between the development projects in SWNAS and Ft. Devens.

Mr. Galluzzo, Weymouth, was informed that a total of 966 units of housing would be constructed in Weymouth, in Phase 1.

Topics Not Reasonably Anticipated in Advance of the Meeting

Mr. Flynn asked the Chairman of the Advisory Board for an update on their meeting. Ms. Karlberg reported the following Advisory Board actions:

- 1) To set Director annual salary at \$6,250
- 2) To make the Advisory Board available to the Directors to work on any financial matter, if needed
- 3) To send the FY14 Annual Report back to the Directors for feedback, as it was too negative a message.

Ms. Karlberg asked the Chairman to contact her directly if the Advisory Board was asked to participate on financial matters. Mr. Flynn agreed that contact should be exclusively between the two Chairmen, and indicated that the FY14 Annual Report was factually correct and that the Board of Directors would have no comment. Ms. Karlberg asked that the Advisory Board receive next year's annual report before it was published in town records.

Ms. O'Leary asked that the SRA Website segregate SSTDC documents from the SRA documents; and for access to the building. Discussion ensued on Directors signing warrants after office hours and building security procedures. Ms. O'Leary was informed that the Chairman was still reviewing the legal requirements for formalizing subcommittees.

Mr. Rizzi was informed that the Chairman was the spokesperson for the Board of Directors, but that did not preclude other Directors from speaking personally pertaining to their role on the Board.

Discussion ensued on future meetings. It was noted that Weymouth and Rockland both met on the first and third Mondays; Abington met on second and fourth Mondays. The Chairman indicated that the Board would eventually settle down to meeting every other week.

VOTED: Motion of Ralph Rivkind, seconded by Lyndsey Kruzer, to meet Monday, November 3, 2014 @ 7pm

Unanimous vote

VOTED: Motion of Bill Minahan, seconded by Bob Rizzi, to schedule future Board of Directors meetings on second and fourth Mondays of the month

Unanimous vote

VOTED: Motion of Kelli O'Brien-McKinnon, seconded by Pat O'Leary, to adjourn the meeting

Unanimous vote

The meeting ended at 8:30pm

Mary Cordeiro, Recording Secretary

Walter Flynn, Chairman of the Board

Documents reviewed at the meeting: Redevelopment Plan dated Oct. 28, 2014