

Southfield Redevelopment Authority

The Southfield Redevelopment Authority (“SRA”) presents its Annual Report for the Fiscal Year 2018. SRA’s Financial Statements will be available for review on our website: www.southfieldra.com upon completion of the Fiscal Year 2018 financial audit.

Project Overview

As of June 30, 2018, land transfers from the Navy (Economic Development Conveyance or “EDC”) and National Park Service (Public Benefit Conveyance or “PBC”) to the SRA occurred as shown in the table below.

Transfer Date	EDC Property	PBC Property
May 2003	324 acres	225 acres
December 2011	558 acres	-
September 2013	26 acres	-
October 2015	7 acres	-
November 2016		123 acres*
December 2016	-	7 acres
March 2018	9 acres	-
Remaining	81 acres	25 acres
Totals	1005 acres	380 acres

* SRA took constructive possession; transfers pending.

Development Status as of June 30, 2018

- SRA’s Master Developer, LStar, has set a Master Plan goal for Union Point: 3,855 residential units and up to 8 million square feet of commercial development.
- Residential units completed to date: 920
- Additional residential units authorized through Site Plan approvals: 494
- Commercial space built to date: 40,000 square feet

- Additional commercial space authorized through Site Plan approvals: 33,482 square feet

Horizontal Projects

Beam Street

- Revised Definitive Subdivision Plans were approved by the ASB on January 17, 2018.

Discovery Drive and Endeavor Boulevard

- Definitive Subdivision Plans were approved by the ASB on January 17, 2018. A Notice of Intent was approved by the Conservation Commission on April 18, 2018. Revised Definitive Subdivision Plans were approved by the ASB on June 6, 2018.

Snow Bird Avenue/Beam Street/Trotter Road Extensions

- Definitive Subdivision Plans were approved by the ASB on June 20, 2018.

Vertical Projects

John M. Corcoran & Co. – Town Center Apartments (265 units)

- As of June 30, 2018 - 202 units constructed

Northland Residential – Dorset Park (26 single family homes)

- As of June 30, 2018 – all 26 units constructed

Pulte Homes of New England - Brookfield Village (108 mixed units)

- As of June 30, 2018 – 75 units constructed

Pulte Homes of New England - Woodstone Crossing (200 units)

- As of June 30, 2018 – 100 units constructed

William B. Rice Eventide – Fairing Way (216 apartments)

- As of June 30, 2018 – Phase 1 complete: 104 units and the long-term care facility constructed

LStar Recreation Complex (25 acres)

- As of June 30, 2018 – Construction of four synthetic turf fields near completion. Other site improvements still under construction.

Stonebridge (45 single family homes)

- Development Plan approved by SPGA, and Definitive Subdivision Plans approved by ASB both on July 10, 2017

Financial - Revenues and Expenses

The Fiscal Year 2018 General Fund operating budget, as amended on April 4, 2018, was approved at \$2,168,340.38. Debt service for the 2010A Infrastructure Bond comprised approximately 52% of the budget. Fund Balance reserves would be utilized for any shortfall between Revenues and Expenses.

Southfield District Tax Rate

Tax rates are approved by the Massachusetts Department of Revenue based upon all revenue receivables. The tax recapitulation (RECAP) requires reporting of all anticipated income and all authorized expenditures for a given year. This calculation yields a tax rate.

- FY18 Southfield Certified Values - \$262,537,190
- A single tax rate of \$0.50 for the District was approved and a district tax levy \$131,268 in district tax.

Infrastructure Bond

The 2010A Infrastructure Development Revenue Bonds (“Bonds”) in the amount of \$12.55 million were issued on August 9, 2010. The Bonds are secured by Assessments and Pledged Revenues levied on each Parcel of Assessed Property. The Assessments have been imposed upon the real property within the boundaries of SouthField and are limited to those properties transferred under FOST 1 and 2 (June 2006 conveyance to LNR South Shore, LLC). Assessments are equal to the interest and principal on the Bonds and estimated administrative expenses related to the Bonds. The Assessment Roll is updated each Tax Year. In FY18, the

SRA and Host Communities were required to pledge \$716,535 from dedicated tax revenue toward the debt obligations. The Special Assessment incurred to unimproved land owners as of January 1, 2017 was \$436,905. Together these two amounts totaled the FY18 bond cost of \$1,153,440.

Parkway Bond

Utilizing funds from the Commonwealth of Massachusetts, construction of the East-West Parkway (“Parkway”) began in 2010. With the initial construction phases of the Parkway completed, the roadway opened in August of 2013. An Amendment to the Parkway Financing Agreement deferred the obligation to June 30, 2020. This amendment deferred aggregate deficiency obligations from FY13 through FY19 amortizing any amount due over the existing Parkway debt service in annual pro rata amounts. All Parkway deficiencies are certified by the Massachusetts Department of Revenue.

Free Cash

The undesignated fund balance in the general fund at the end of each fiscal year is submitted to the Massachusetts Department of Revenue for certification of Free Cash. The chart below indicates those amounts certified in prior years.

FREE CASH	FY15	FY16	FY17
General Fund	\$ 2,931,696	\$ 2,272,568	\$ 2,105,896

As of the time of this writing, the FY2018 free cash has not been certified.

Other Post-Employment Benefits (“OPEB”)

GASB Statement 45 requires state and local governments to begin reporting OPEB costs and obligations. This statement requires that the annual cost and liability associated with OPEB be computed and gradually accounted for within the governmental entity’s books and records. With the SRA having fewer than 100 participants covered under the plan it is eligible for an alternative measurement method of reporting. The report includes the calculation for the Actuarial Accrued Liability

(“AAL”) which is defined as the total projected liability for OPEB covered under the plan. The AAL calculation uses the data on active employees, employees who are eligible for retiree healthcare, current retirees and beneficiaries. Utilizing this approved methodology and an independent firm to perform the calculations, it was previously determined that potential liability was \$288,727. A separate stabilization fund was established for the specific purpose of holding such funds. As of June 30, 2018, this fund had a balance of \$ 297,321.

Retirement Board

The SRA is a member of the Plymouth County Retirement Association (“PCRA”). The PCRA is comprised of a five-member Board of Directors with the fiduciary responsibility for the fund assets.

Enterprise Funds

The SRA provides Union Point residents with water supply and sewer disposal through a contractual agreement with the Town of Weymouth. The SRA previously adopted Chapter 44, Section 53F ½ of the General Laws for water and sewer activities. Revenues collected are dedicated solely to offset operating expenditures. Any excess balance at year end remains with the enterprise fund. The FY2018 Water/Sewer Enterprise Fund Budget was \$625,000.

In January 2018 the Town of Weymouth took over billing and collections for all of the existing water and sewer customers at Union Point. As of June 30, 2018, the SRA still retained all O&M responsibilities, however all new revenues are now going to the Town of Weymouth.

Retained Earnings

The undesignated fund balance in the enterprise fund at the end of each fiscal year is submitted to the Massachusetts Department of Revenue for certification of Retained Earnings.

The chart below indicates those amounts certified in prior years.

Retained Earnings	FY15	FY16	FY17
Enterprise Fund	529,780	600,752	777,821

As of the time of this writing, the FY2018 retained earnings have not been certified.

Cash Management

Investment options are limited and governed by the General Laws. Cash was invested primarily in money market accounts. All SRA financial institutions have been rated by Veribanc as “green with three stars”. These ratings are reviewed on a semi-annually basis.

Risk Management

The SRA insurance coverage under FY18 policies included: general liability, property, automobile, directors and officer’s coverage, worker’s compensation, and an additional umbrella liability policy.

State Audit

On March 29, 2018 the Auditor of the Commonwealth released a performance audit of the SRA for the period of July 1, 2014 through December 31, 2016. The primary finding from the State Auditor was that the SRA should take additional measures to ensure its financial solvency. The recommendation from the State Auditor was for the SRA to ‘immediately develop plans and take the measures necessary to ensure that it can fund its contingent liabilities should they occur, in addition to making sure its future cash flow needs will be fully met’. In response to the findings, the Board of Directors voted a \$400,000 transfer into the Stabilization Fund, increasing the SRA’s solvency.

SRA Advisory Board

The Advisory Board reviewed the General Fund and Enterprise Fund Budgets; and presented their comments and concerns for the benefit of the Authority at joint meetings with the Board of Directors.

Chapter 291 of the Acts of 2014 Section 11(d)

The purposes of the advisory board shall be as follows: (i) to review the annual report of the authority and to prepare comments thereon for the benefit of the authority, the governor and the towns and to make such examinations of the reports on the authority's records and affairs as the advisory board deems appropriate; (ii) to hold regular meetings twice annually with the board of directors of the authority and, at the discretion of the advisory board and with the concurrence of the board of directors of the authority, special meetings with the board of directors of the authority as it deems necessary and appropriate on matters relating to the authority, and to hold meetings at other times as the advisory board may determine; (iii) to make recommendations to the authority on any budget; (iv) to make recommendations to the governor, the general court and the towns regarding the authority, its programs, and the project; and (v) to determine, from time to time compensation for the directors pursuant to section 9.

Advisory Board members serve at the pleasure of:

Weymouth: Carol Karlberg - Chairman

Eric Miller

Rockland: Mark Pulsifer

(vacant)

Abington: Joseph Shea

Hingham: William Koplovsky

Metropolitan Area Planning Council: Martin Pillsbury

Old Colony Planning Council: Bruce Hughes - Vice Chairman

Gubernatorial Appointments:

Lawrence Leahy, Skilled in Real Estate Development

Benjamin Stone, (MA Administration & Finance)

(vacant seat) - Housing and Economic Development

SRA Board of Directors

The Board's powers and management of the redevelopment of the former SWNAS ensure that development and use of land is carried out in compliance with the Enabling Legislation, Zoning and Land Use By-laws and the Regulations. The Board has made governing decisions in the capacity of a Permit Granting Authority (PGA), Special Permit Granting Authority (SPGA), Variance Granting Authority (VGA), Applicable Subdivision Board (ASB) and Conservation Commission.

In January 2018 the Board voted to offer the Executive Director position to Paul Niedzwiecki. Mr. Niedzwiecki, who also serves as General Counsel for the SRA, started his employment on February 5, 2018.

Chapter 291 of the Acts of 2014 Section 9(b):

One Town appointee from each town shall be initially appointed to a five (5) year term and all other members shall be appointed to an initial term of three (3) years. All members shall thereafter serve terms of 3 years apiece.

<u>SRA Board of Directors as of June 30, 2018</u>	<u>Term Expiration</u>
Rockland:	
Kelli O'Brien-McKinnon (Vice Chairman)	2020
Thomas Henderson	2019
Weymouth:	
Chris Primiano	2019
Patricia M. O'Leary (Clerk)	2020
Abington:	
Chris Aiello	2019
Southfield Resident:	
Lyndsey Kruzer, Esq. (Chairman)	2020
David Rubin	2020
Labor Council:	
Robert L. Rizzi	2020
South Shore Chamber of Commerce:	
Anthony Agnitti	2020