

Southfield Redevelopment Authority

The Southfield Redevelopment Authority (“SRA”) presents its Annual Report for the Fiscal Year 2021. SRA’s Financial Statements will be available for review on our website: www.southfieldra.com upon completion of the Fiscal Year 2021 financial audit.

Project Overview

As of June 30, 2021, 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 | - | 60 acres* |
| December 2016 | - | 7 acres |
| March 2018 | 9 acres | - |
| August 2018 | - | 65 acres |
| Remaining | 81 acres | 23 acres |
| Totals | 1005 acres | 380 acres |

* SRA took constructive possession; transfers pending.

Development Status as of June 30, 2021

- In September 2019, the SRA issued a Request for Proposal for Real Estate Development Services for Union Point. Multiple parties responded, and in January 2020 the SRA selected Brookfield Properties as the preferred successor Master Developer to LStar Southfield LLC. SRA executed an Amended and Restated Exclusive

Negotiation Agreement with Brookfield Properties (dba BPD Union Point LLC) in June 2021.

- Residential units completed to date: 1,235
- Additional residential units authorized through Site Plan approvals: 39
- Commercial space built to date: 43,000 square feet
- Additional commercial space authorized through Site Plan approvals: 30,482 square feet

Construction Activity

Stonebridge Homes (45 single family homes)

- As of June 30, 2021 –16 units under construction. 6 occupancy permits issued to date.

William B. Rice Eventide – Fairing Way (211 apartments and long-term care facility)

- As of June 30, 2021 – All work is complete; all occupancy permits have been issued.

Financial - Revenues and Expenses

The Fiscal Year 2021 General Fund operating budget, as amended on June 18, 2020 was approved at \$2,022,861.59. Debt service for the 2010A Infrastructure Bond comprised approximately 59% 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.

- FY21 Southfield Certified Values - \$443,912,930
- A single tax rate of \$0.49 for the district was approved and a district tax levy of \$217,517.33 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 FY21, the SRA and Host Communities were required to pledge \$1,066,788 from dedicated tax revenue toward the debt obligations. The Special Assessment incurred to unimproved landowners as of January 1, 2020 was \$77,713. Together these two amounts totaled the FY21 bond cost of \$1,144,505.

The 2010A Bond was refunded as the Infrastructure Development Refunding Bonds, Series 2020A issued in the aggregate principal amount of \$13,295,000 inclusive of Issuance Costs. The Principal Payments increase annually ranging from \$350,000 to \$850,000 and maturing on August 15, 2040 with the final Principal Amount of \$4,170,000. A Premium on the Bond Issuance, in the amount of \$4,035,000 was realized as part of the present value of interest reduction savings. This Premium is to be allocated to current Infrastructure Projects as approved by the Board of Directors.

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. The SRA utilizes annual net new tax revenue information to calculate any annual deficiency obligations to the

Commonwealth. The aggregate deficiency obligations from FY13 through FY20 are currently in deferral.

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 | FY17 | FY18 | FY19 | FY20 |
|------------------|--------------|--------------|-------------|-------------|
| General Fund | \$ 2,105,896 | \$ 1,004,017 | \$ 618,485 | N/A |

As of the time of this writing, the FY2020 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 \$352,172. A separate stabilization fund was established for the specific purpose of holding such funds. As of June 30, 2021, this fund had a balance of \$331,382.

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 FY2021 Water/Sewer Enterprise Fund Budget was \$34,500.

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, 2021, the SRA still retained all O&M responsibilities, however all new revenues go 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 | FY17 | FY18 | FY19 | FY20 |
|--------------------------|-------------|-------------|-------------|-------------|
| Enterprise Fund | 777,821 | 815,018 | 308,980 | 390,124 |

As of the time of this writing, the FY2020 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-annual basis.

Risk Management

The SRA insurance coverage under FY20 policies included directors and officer’s coverage, automobile, and worker’s compensation.

SRA Advisory Board

The Advisory Board reviewed the General Fund and Enterprise Fund Budgets; and presented their comments and concerns to the Board of Directors.

SRA Advisory Board as of June 30, 2021

Weymouth: Russell Drysdale (Vice Chairman)

Daniel Gover (Secretary)

Rockland: John Ellard

Judy Hartigan

Abington: Joseph Shea

Hingham: (VACANT)

Metropolitan Area Planning Council: Martin Pillsbury (Chairman)

Old Colony Planning Council: Steven Santeusanio

Gubernatorial Appointments:

Skilled in Real Estate Development – Lawrence Leahy

Administration & Finance – (VACANT)

Housing and Economic Development – (VACANT)

SRA Board of Directors

The Board's powers and management of the redevelopment of the former NAS South Weymouth 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.

The Executive Director position was vacant as of June 30, 2021.

SRA Board of Directors as of June 30, 2021 Term Expiration

Rockland:

Thomas J. Henderson (Chairman) 2022

Kelli O'Brien-McKinnon 2023

Weymouth:

Christopher Primiano 2022

Patricia M. O'Leary (Clerk) 2023

Abington:

Kevin R. Donovan 2022

Southfield Resident:

Brittany Besler 2023

David Rubin (Vice Chairman) 2023

Norfolk County Labor Council:

Robert L. Rizzi 2023

South Shore Chamber of Commerce:

(VACANT)