

Board of Directors and
Permit Granting Authority Meeting
Monday, December 10, 2012 @ 4:00pm
Conference Room, SSTTDC Town Hall

Directors Present: Gerard Eramo, Chairman
Joseph Connolly, Vice Chairman
James Lavin, Clerk
John Ward
Jeffrey Wall

Also Present: Kevin R. Donovan, Chief Executive Officer
James A. Wilson, Chief Financial Officer
Jim Young, Project Manager
Scott Bois, Treasurer/Collector
Keith Nastasia, DPW Superintendent

The Chairman called the meeting to order at 4:05pm

4:06PM - PUBLIC HEARING – Permit Granting Authority

VOTED: Motion of Jeffrey Wall, Seconded by James Lavin, to open the Public Hearing at 4:06pm

Unanimous vote

The Chairman noted the public hearing notice was published in the Patriot Ledger on Nov. 24th and Dec. 1st.

The Project Manager stated that in November, 2011, acting as the Zoning Enforcement Officer, he approved IBG's site plan for the Meadows at SouthField Highlands. In early 2012 a total of 500 residential units had been approved by SSTTDC through various site plan approvals. In March, 2012 IBG requested the temporary removal of 2 units from their site plan approval to support the immediate need of another developer. In April, 2012, Reuse Plan compliance was resolved and a total of 150,000 s/f of commercial development was approved through site plan approvals. The cap on residential development was lifted. IBG requested the reinstatement of two (2) units to their previously approved site plan. This request was considered a major plan change and required a public hearing process as per Section 12.6 (a) of the Zoning and Land Use By-Laws. Mr. Young recommended favorable action by the Directors. The Board was informed that 17 IBG homes were occupied and 34 IBG homes were approved for the Meadows Project, which had been voluntarily reduced to 32 homes.

The Chairman and Mr. Connolly requested data on the number of subcontractors, employees and local contractors employed since IBG's project started. Mr. Raymond, IBG, indicated he would be happy to provide that information.

PUBLIC HEARING COMMENTS

Mr. Galluzzo, Weymouth, inquired why two units were withdrawn in the first place; and was informed that Whitman Homes had buyers for two (2) of their lots but was unable to get their entire site plan approved because they were bumping up against the 500 unit

limit by 2 units. IBG agreed to temporarily reduce their approved site plan by two units to allow Whitman Homes to move forward on their full site plan for Parcel R3D.

Ms. Parsons, Rockland, was informed that the residential limit was lifted with the approval of a total of 150,000 s/f of commercial development by Tuckerstown, Corcoran, and Eventide. The CEO noted that the Phase 1 development plan still required the development of public amenities and 300,000 s/f of commercial development, and allowed up to 1,000 residential units.

VOTED: Motion of Joseph Connolly, seconded by James Lavin to close the Public Hearing at 4:17pm

Unanimous vote

Mr. Connolly indicated his reluctance to support the Board's vote without the data on the hiring practices of IBG. Mr. Lavin stated he supported the motion because IBG complied with the requirements of the Zoning and Land Use By-Laws and had the right to move forward on their approved site plan.

Board Measure 12-070

VOTED: Motion of James Lavin, seconded by John Ward, to approve, with conditions, the Application for Major Plan Change to Approved Site Plan submitted by IBG Highlands, LLC for parcels R2B, R2C and R2D, all conditions of the approval are as noted in the Board's decision

4-1 vote Connolly opposed

MassDOT Traffic Control Agreement

Mr. Young noted the Corporation received correspondence from MassDOT requesting the Board's approval and execution of an agreement on the section of the East West Parkway that was being constructed by MassDOT Highway Division, to assure that the ways within and adjacent to the project will be operated and maintained by SSTTDC as planned.

Mr. Lavin was informed that Phase 2 of the Parkway consisted of east end connectivity from the Weymouth Street intersection east to Rte. 3 as well as from the end of Shea Memorial Drive to Rte. 18. The Corporation was still seeking a financial source for Phase 2 construction. State level discussions have considered breaking Phase 2 into sub-phases.

Mr. Ryan, LNR, stated the east-side improvements were a State priority. On the west side, the bridge design over the railroad tracks may be reconsidered. Discussion ensued on potential traffic flow for an at-grade crossing, available funding sources, traffic counts and traffic modeling from present day to full buildout.

The Chairman was informed the Parkway from Weymouth Street to Shea Memorial Drive was due to open in June/July, based on the current MassDOT construction schedule.

Board Measure 12-069

VOTED: Motion of John Ward, seconded by James Lavin, that in accordance with 23 U.S.C. Sections 109(d) and 116, the Board of Directors execute a Traffic Control Agreement with the Massachusetts Department of Transportation – Highway

Division pertaining to the future operation and maintenance of that section of the East-West Parkway being constructed as Federal Aid Project Number STP-002S(138).

Unanimous vote

Financial Matters - Special Assessment Report

The Chief Financial Officer reviewed the Special Assessment Report dated November 9, 2012, issued by MUNICAP; plus the applicability of a Special Assessment. Mr. Wilson noted that the Special Assessment must be authorized and the claw-back deficit under the Parkway Bond Authorization must be paid prior to receiving tax rate approval from the Department of Revenue.

The Board of Assessors had previously reviewed and approved the Special Assessment Procedure and forwarded it to the Directors for implementation. Discussion ensued on pledged taxes, debt service, and terms of indenture on FOST 1 & 2 properties. Mr. Wilson then reviewed the table of pledged taxes on FOST 1 & 2 properties, the payment due on Feb. 1, 2013 and the transfer of funds to the Stabilization Account. Discussions continued on property valuations and estimated pledged real estate taxes. The Board was informed that funds set aside and held by Wells Fargo, Trustee, in the amount of \$370K, were added into the calculation. Three semi-annual payments were due, two in FY13 and one in FY14 – to be raised and appropriated by SSTTDC, to be held and released by Wells Fargo. In order to comply with the indenture requirement for a FY14 partial payment, and with DOR statutes restricting payments to one fiscal year, \$407K will be pledged to Stabilization, to be transferred out in the new fiscal year, to make the first FY14 payment. Mr. Wilson noted next year's payment would be pledged from a portion of tax revenue and would be discussed during the FY14 Budget process. The Board was informed that Infrastructure Bond Debt and the Parkway Claw-Back were obligations that must be paid before all other expenses.

Mr. Ryan, LNR, provided an update on commercial development and the difficult marketing environment. He noted that potential retail users were waiting for the Parkway to be completed before committing to the SouthField location. He stated that recent newspaper articles had a chilling effect on development opportunities in this very high profile project.

The Board was informed that the SouthField residents on this particular Special Assessment would have no direct impact; the burden this year was only on commercial property. Concerns were raised on the residential impact if commercial development remained stalled. The CFO indicated the impact on residential lots with occupancy permits would be minor in FY14; the vast majority of pledged tax would be on commercial property. The Board agreed that the key to excess tax revenue was the speed of commercial development.

Board Measure 12-066

VOTED: Motion of Jeffrey Wall, seconded by Joseph Connolly, that the Board of Directors approve the FY13 Annual Assessment Report and Amendment of the

Assessment Roll for the Collection of Assessments for FOST 1 & 2 as submitted to the Corporation by MUNICAP on November 9, 2012 and in accord with the approved bond authorization of April 27, 2010, measure 10-014

Unanimous vote

Reserve Fund Transfers

The CEO reviewed the Reserve Fund Transfer request for \$12,000, to print and mail updated informational pamphlets to the residents of the three Host Communities and SouthField.

Board Measure 12-067

VOTED: Motion of James Lavin, seconded by John Ward, that the Board of Directors transfer the sum of \$12,000 from the Reserve Fund (Program 132) to line item 11214416.531101 for the purpose of printing and mailing informational pamphlets that will provide an update to the citizens of the three communities as well as those who reside within SouthField.

Unanimous vote

The CEO reviewed the request for a salary increase for 7 employees (6 full time/1 part time), and the options available to the Board for a 1.5% COLA increase for staff (effective July 1, 2012 or Jan. 1, 2013). The Board received a salary summary (FY10–FY13), and market comparability to Devens in their agenda packets.

Board Measure 12-068

VOTED: Motion of John Ward, seconded by James Lavin, that the Board of Directors transfer the sum of \$9,195 from the Reserve Fund for FY13 for the purpose of funding the costs associated with the grant of a 1.5% salary increase for the staff effective July 1, 2012 – and – furthermore, that the CFO with the assent of the CEO is authorized to distribute said sum across the various salary line items to meet the intent of this measure

Unanimous vote

FY12 Deficiency Payment/Stabilization Account

The CFO reviewed a written communication from him to the Board dated Dec. 10, 2012 explaining that it was the Corporation's obligation to provide for any Parkway Bond Deficiency that was certified by DOR. The Board was informed that the CFO disagreed with DOR's calculation and appealed the ruling. Mr. Wilson noted that DOR's new formula reduced the new state revenue calculation from 100% to 68% which resulted in lost sales tax generation on this project; and was a departure from the language and exhibits in the signed Memorandum of Agreement. Discussion ensued on the tax rate, claw-back provision and financial statements that all needed to be certified. DOR's formula change would make it very difficult to achieve sufficient net new state tax revenues in any year. If 100% of the revenues generated on the project this year were credited, the Corporation would have exceeded the debt payment, instead of expending it from the general fund. The Board agreed this issue needed to be resolved. The CFO also reviewed the potential for a large deficiency in FY2014 based upon FY13 construction.

Board Measure 12-065

VOTED: Motion of Joseph Connolly, seconded by James Lavin, that the Board of Directors raise and appropriate the sum of \$232,970 from the Stabilization Account for the purpose of paying the FY12 deficiency on the New State Revenue Calculation for the Parkway Bond

Unanimous vote

Pledge of Funds

The Board received a memo from the CFO regarding his concerns with the reduction in the MOA formula of 32% for the sales tax portion of the pledged funds associated with Parkway Bond, and the projected lack of major construction in FY13. The Board was made aware of two major financial issues, the real estate taxes pledged to the infrastructure bond and the claw-back commitment in the parkway bond that must be addressed before the tax rate will be certified.

Food Vendor License Renewal

The Board was informed of one license up for renewal.

VOTED: Motion of James Lavin, seconded by John Ward, in accordance with the provisions of NAS South Weymouth General Municipal Codes, Section 7.2 Regulation of Food Vendors and Amendments and additions thereto, a Permit is granted to Willy's Treat's. License to expire on Dec. 31, 2013

Unanimous vote

Minutes

VOTED: Motion of John Ward, seconded by Joseph Connolly, to approve the minutes of November 9, 2012

Unanimous vote

VOTED: Motion of John Ward, seconded by James Lavin to adjourn the meeting

Unanimous vote

The meeting ended 5:20pm

Mary Cordeiro, Recording Secretary

Gerard Eramo, Chairman

December 10, 2012