

## Southfield Redevelopment Authority

The Southfield Redevelopment Authority (“SRA”) presents its Annual Report for the Fiscal Year 2017. SRA’s Financial Statements will be available for review on our website: [www.southfieldra.com](http://www.southfieldra.com) upon completion of the Fiscal Year 2017 financial audit.

### Project Overview

As of June 30, 2017, 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.

<b>Transfer Date</b>	<b>EDC Property</b>	<b>PBC Property</b>
May 2003	324 acres	225 acres
December 2011	558 acres	123 acres*
September 2013	26 acres	-
October 2015	7 acres	-
December 2016	-	7 acres
Remaining	90 acres	25 acres
<b>Totals</b>	<b>1005 acres</b>	<b>380 acres</b>

\* November 2016: SRA took constructive possession of 123 acres; transfer pending.

### Development Status as of June 30, 2017

- SRA’s Master Developer, LStar SouthField, LLC (“LStar”), submitted a Notice of Project Change to the Secretary of Environmental Affairs in March 2017. LStar is currently working on a Supplemental Environmental Impact Report.
- LStar’s Master Plan goals for Union Point: 3,855 residential units and up to 8 million square feet of commercial development.
- Residential units completed to date: 616
- Additional residential units authorized through Site Plan approvals: 792
- Commercial space built to date: 40,000 square feet
- Additional commercial space authorized through Site Plan approvals: 29,342 square feet

### Horizontal Projects

#### East-West Parkway (EWP) Extension Project

- The Commonwealth granted approximately \$6.7M to the SRA for the construction of the EWP Extension Project. Construction was substantially complete and the roadway opened on Nov. 23, 2016

#### Rte. 18 Widening and Reconstruction

- MassDOT's requests for Amendments to Order of Conditions were approved by Conservation Commission on July 11, 2016 and again on March 13, 2017

#### Other Improvements

- Beam Street Definitive Subdivision Plans were approved by ASB on January 23, 2017

#### Vertical Projects

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

- The Town Center Apartments Closing Documents were executed by the Board of Directors on July 25, 2016
- As of June 30, 2017 construction was underway

##### Northland Residential – Dorset Park (26 single family homes)

- As of June 30, 2017 – 16 units constructed

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

- As of June 30, 2017 – 33 units constructed

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

- As of June 30, 2017 - the second of the four condominium buildings (50 units each) was under construction

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

- As of June 30, 2017 – Phase 1 complete: 104 units and the long-term care facility constructed

##### LStar Recreation Complex (25 acres)

- Development Plan and Joint Site Plan/Special Permit approved by SPGA; and Notice of Intent approved by Conservation Commission all on March 27, 2017

##### Greystar Active Adult Apartments (180 units)

- Development Plan approved by SPGA April 24, 2017
- Site Plan approved by PGA, and Notice of Intent approved by Conservation Commission both on May 8, 2017

##### Stonebridge (45 single family homes)

- Development Plan approved by SPGA, and Definitive Subdivision Plans approved by ASB both on June 26, 2017

## DDA

The Board of Directors approved the Third Amended and Restated Disposition and Development Agreement with LStar on June 20, 2017.

## Financial - Revenues and Expenses

The Fiscal Year 2017 General Fund operating budget was approved at \$2,158,025. Debt service for the 2010A Infrastructure Bond comprised 50% 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.

- FY17 Southfield Certified Values - \$167,635,900
- A single tax rate of \$0.50 for the District was approved and a district tax levy \$83,818 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 FY17, the SRA and Host Communities were required to pledge \$588,181 from dedicated tax revenue toward the debt obligations. The Special Assessment incurred to unimproved land owners as of January 1, 2016 was \$536,819. Together these two amounts totaled the FY17 bond payments due of \$1,125,000.

## 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 FY18 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.

<b>FREE CASH</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
General Fund	\$ 1,039,658	\$ 2,931,696	\$ 2,272,568

As of the time of this writing, the FY2017 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, 2017, this fund had a balance of \$ 296,729.

#### 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 its customers with water supply and sewer disposal through 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 FY2017 Water/Sewer Enterprise Fund Budget was \$625,000. The rate structure is two tiered with a user fee of \$15.75 per 100 cubic feet for usage less than 900 cubic feet per month. For usage greater than 900 cubic feet per month the user cost is \$23.75 per 100 cubic feet. The Water/Wastewater MOA between the Town of Weymouth and the SRA was executed in December 2016 for 600K GPD of water and 540K GPD of wastewater allocated to Union Point. Terms were open ended, until a final solution for a permanent water supply and wastewater solution can be identified.

#### 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.

<b>Retained Earnings</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
Enterprise Fund	220,386	529,780	600,752

As of the time of this writing, the FY2017 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 FY17 policies included: general liability, property, automobile, directors and officer’s coverage, worker’s compensation, and an additional umbrella liability policy.

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. The Advisory Board met 5 times in FY17 for a total of 7 hours

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: Eric Hart - Secretary  
Jesse McSweeney (recalled on 6/21/17)

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 Permit Granting Authority (PGA), Special Permit Granting Authority (SPGA), Applicable Subdivision Board (ASB) and Conservation Commission.

In July 2016 Anthony Agnitti was appointed to the SRA Board by the South Shore Chamber of Commerce to replace Ralph Rivkind, and Thomas Henderson was appointed by the Rockland Board of Selectmen to replace William Minahan. Election of Officers resulted in Lyndsey Kruzer as Chairman, Kelli O’Brien-McKinnon as Vice Chairman and Patricia O’Leary as Clerk.

In June 2017 the Board voted to eliminate the positions of Administrative Assistant and Part Time Accounting Clerk; convert to full time the position of Assistant Planner, and to engage in a nationwide search for an Executive Director to oversee SRA operations.

The Board met 23 times during FY17 for a total of 26 hours.

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, 2017</u>	<u>Term Expiration</u>
Rockland:	
Kelli O’Brien-McKinnon	2017
Thomas Henderson	2019
Weymouth:	
Chris Primiano	2019
Patricia M. O’Leary	2017
Abington:	
Chris Aiello	2019
Southfield Resident:	
Lyndsey Kruzer, Esq.	2017
Steve LeMott	2017
Labor Council:	
Robert L. Rizzi	2017
South Shore Chamber of Commerce:	
Anthony Agnitti	2017