

Southfield Redevelopment Authority

The Southfield Redevelopment Authority (“SRA”) presents its Annual Report for the Fiscal Year 2019. SRA’s Financial Statements will be available for review on our website: www.southfieldra.com upon completion of the Fiscal Year 2019 financial audit.

Project Overview

As of June 30, 2019, 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, 2019

- LStar Southfield, LLC (LStar) was terminated as Master Developer by the SRA, effective in March 2019, after defaulting on several contractual obligations. In addition, three separate lenders to LStar took ownership of dozens of LStar-owned parcels during foreclosure proceedings that occurred during the second half of FY19.

- Residential units completed to date: 1,095
- Additional residential units authorized through Site Plan approvals: 179
- Commercial space built to date: 43,000 square feet
- Additional commercial space authorized through Site Plan approvals: 30,482 square feet

Construction Activity

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

- As of June 30, 2019 – All 265 units constructed.

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

- As of June 30, 2019 – All 108 units constructed.

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

- As of June 30, 2019 – All 200 units constructed.

Stonebridge Homes (45 single family homes)

- Site Plan approved by PGA on March 20, 2019
- As of June 30, 2019 – site drainage and utilities under construction.

UP Sports LLC - Recreation Complex (25 acres)

- As of June 30, 2019 – Construction of four synthetic turf fields and restroom building complete. Other site improvements still under construction.

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

- As of June 30, 2019 – Phase 1 complete: 104 units and the long-term care facility constructed. Phase 2 (107 units) under construction.

Financial - Revenues and Expenses

The Fiscal Year 2019 General Fund operating budget, as amended on June 6, 2018 was approved at \$2,215,550. Debt service for the 2010A Infrastructure Bond comprised approximately 54% 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.

- FY19 Southfield Certified Values - \$324,128,060
- A single tax rate of \$0.50 for the District was approved and a district tax levy \$162,064 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 FY19, the SRA and Host Communities were required to pledge \$1,008,713 from dedicated tax revenue toward the debt obligations. The Special Assessment incurred to unimproved land owners as of January 1, 2018 was \$195,000. Together these two amounts totaled the FY19 bond cost of \$1,203,713.

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	FY16	FY17	FY18
General Fund	\$ 2,272,568	\$ 2,105,896	\$ 1,004,017

As of the time of this writing, the FY2019 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 \$343,362. A separate stabilization fund was established for the specific purpose of holding such funds. As of June 30, 2019, this fund had a balance of \$ 303,876.

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 FY2019 Water/Sewer Enterprise Fund Budget was \$8,000.

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, 2019, 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	FY16	FY17	FY18
Enterprise Fund	600,752	777,821	815,018

As of the time of this writing, the FY2019 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 FY19 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.

SRA Advisory Board as of June 30, 2019

Weymouth: Carol Karlberg (Chairman)
Russell Drysdale
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:
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 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.

The SRA's first Executive Director, Paul Niedzwiecki, resigned in April 2019. The Executive Director position was vacant as of June 30, 2019.

SRA Board of Directors as of June 30, 2019 Term Expiration

Rockland:

Thomas J. Henderson (Chairman)	2019
Kelli O'Brien-McKinnon	2020

Weymouth:

Christopher Primiano	2019
Patricia M. O'Leary (Clerk)	2020

Abington:

Kevin R. Donovan	2019
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Southfield Resident:

Brittany Besler	2020
David Rubin (Vice Chairman)	2020

Norfolk County Labor Council:

Robert L. Rizzi	2020
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South Shore Chamber of Commerce:

(vacant)	2020
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