

SPECIAL TOWN COUNCIL MEETING MINUTES

Town Hall Council Chambers

February 10, 2014, Monday

Present: Patrick O'Connor, President
Michael Smart, Councilor
Robert Conlon, Councilor
Kenneth DiFazio, Councilor
Jane Hackett, Councilor
Edmund Harrington, Councilor
Rebecca Haugh, Councilor
Thomas J. Lacey, Councilor
Arthur Mathews, Councilor
Brian McDonald, Councilor
Michael Molisse, Councilor

Also Present: George Lane, Town Solicitor
Kathy Deree, Town Clerk

Recording Secretary: Mary Barker

President O'Connor called the meeting to order at 7:30 PM. After the Pledge of Allegiance, Town Clerk Kathy Deree called the roll, with all members present.

ANNOUNCEMENTS

Council President O'Connor called for and observed a moment of silence for Jim Lavin, Abington's representative on the South Shore Tri-Town Development Corps Board of Directors who recently passed away.

OLD BUSINESS

Starwood-Proposed Revisions to the Enabling Legislation

South Shore Tri-Town Development Corporation

-Joseph Connolly, Chairman, SSTTDC Board of Directors

-Jeff Wall, SSTTDC Board of Directors

-Kevin Donovan, Chief Executive Officer

-James Wilson, Chief Financial Officer

Council President O'Connor invited Joseph Connolly and Jeff Wall, Weymouth's representatives on SSTTDC Board of Directors. Mr. Connolly read a brief statement:

"Thank you President O'Connor and members of the Town Council for this opportunity to address issues surrounding the redevelopment of the South Weymouth Naval Air Station. Over the past few months, we've heard a lot from the master developer at Southfield of their thoughts and opinions on the project and on behalf of myself, my fellow Town of Weymouth Board member Jeff Wall, CEO Kevin Donovan, and CFO Jim Wilson, we welcome the opportunity tonight to let the people of Weymouth, through you, know what their representatives on the project think."

First and foremost, I think it would be helpful for everyone to take a step back and recall just how we got here. When the reuse plan and systems of governance was formed to address the crucial reuse of the SWNAS, the project was applauded across the entire commonwealth for its transparency, inclusion, attention to detail in protecting the residents of the three host communities. Just that fact alone; that three separate communities could come together, develop a plan that would work well for all three communities and put a system of governance in place to protect those interests was lauded as a landmark achievement. From that point, Tri-Town in its new role as governing authority, solicited and reviewed numerous proposals from entities seeking to become the development partner of Tri-Town and the three host communities. After much review and scrutiny, we chose LNR to bring their expertise in large-scale mixed-use development to our team as a development partner. As our partner, in return for deeding over hundreds of acres of developable land at no cost, and hundreds of acres more at cut-rate cost, LNR signed a number of agreements that outlined their responsibilities and procedures in enacting the extremely thought-filled specific re-use plan that the residents of all three communities agreed on and Tri-Town was charged with seeing this process through.

As established and throughout this entire reuse process, Tri-Town's single objective has been to assure the protection of all three towns as the project moves forward. That is what we continue to do today. Where we disagree with the developer's proposed legislation, we do so to protect the will of the people. We are safeguarding the reuse plan approved on by over two-thirds of the residents of all three towns. We are safeguarding the regulatory and governance structure that was specifically put in place to avoid potential repercussions of changes to the project without the proper consent and approval of the residents of all three towns. The current law regulating this development project specifically states that under no circumstances can any of the three towns be held liable for any costs of the redevelopment project. This is not a minor detail and should be kept in the forefront of this discussion this evening. In fact it was a critical component in securing the three communities' approval for the project. This is what Tri-Town is trying to protect. The developer's legislation eliminates this language and this protection altogether and rather, relies on the towns to pay all the cost of services and absorb current debt on the project. The current law is specific to a reuse plan that the residents wisely developed to merge the development of commercial properties to residential development and make sure revenues kept pace with service and maintenance costs. This is what Tri-Town is trying to protect. The current law regulating this development requires the developer to create specific quantities and quality of recreational fields, courts, rinks and indoor facilities that are to be made available to the three host communities for use. This is what Tri-Town is trying to protect. The wisdom behind the consensus approving this reuse plan was also to establish a sole form of governance with an expedited process. Because of this structure, Tri-Town not only provides zoning certainty but an expedited process as well. Nowhere in the commonwealth can a developer have more certainty on zoning; it takes approval of three host communities. This is what Tri-Town is trying to protect. Both you and I have heard from the developer that Tri-Town is inept, and has no solutions to help move this project forward. The truth is that Tri-Town has suggested thirteen specific solutions to help this project; many of which the developer has stated they do favor. These solutions were sent to the developer on December 11th of last year and I believe you were also copied them as well. To date, despite numerous attempts to do so, the developer has refused to meet with Tri-Town to discuss common ground on these solutions. In fact, according to the developer's continued public pronouncements, these proposed solutions do not even exist.

In addition, you've heard that Tri-Town has no answers and has made no effort to bring more water along with a waste-water treatment solution to Southfield for Phase II and beyond. In fact, we are very close to successfully concluding an arrangement with Weymouth, Rockland and Abington water departments on adequate supply. The developer is having the same preliminary

discussion we have already had with regard to the same options we have developed. There's nothing different there. The developer's offer to finance a solution is great and we wholeheartedly support it. In actuality the developer would serve like a bank for this specific solution. They would utilize their enormous corporate wealth. If memory serves me correct, I believe they publicly stated their company is worth well over \$1 billion. They would lend money for the construction and hook up and then the end users would pay back the bank, i.e., the developer. Tri-Town believes that the developer should move forward with this suggestion and maybe we should start tomorrow. We're on board.

You've also heard that Tri-Town is an obstructionist board that discourages development at Southfield. I can't comprehend this one. Since development at Southfield began, there have been six development projects approved; zero rejected. The average time for permitting has been 45-60 days, compared to the average municipal 90-120 days. Additionally, even though it is the developer's responsibility, again in return for the all the no-cost and low-cost land deeded to them to market and develop the property according to the approved reuse plan. When this was not happening, Tri-Town proactively hired its own economic development specialist to assist them in procuring development. Our economic development advisor has sent two commercial development deals to the master developer in the past four months, and the master developer has failed to follow up in any significant way on any of these opportunities. Obstructionist? I would beg to differ. Why doesn't the developer engage in commercial property? We have asked on several occasions for a funded market strategy study. We have yet to receive it but we will ask again. This lack of fulfillment to their responsibility to redevelop the former air base is troubling to say the least.

In a moment Jim Wilson will address just how much the developer's conscious decision to halt development for the past year will hurt each community and each resident, so I'll leave this to follow up with that. The real truth remains that this legislation, proposed by our master developer without our approval or even consultation while skirting the current law which requires approval by all three communities before legislative changes can be enacted- I'm going to use a financial term-basically amounts to a hostile takeover. This legislation will eliminate any infrastructure debt currently the responsibility of the developer. It will eliminate the \$1 million in penalties for the developer for not building a golf course. It will relieve the cost and promise of access to playing fields. It will lower the developer's own taxes and will eliminate much of the regulatory authority to implement the plan all three communities insisted upon from the outset.

In addition to the detrimental examples I just mentioned, at the very minimum this piece of legislation would add an enormous financial risk to the town of Weymouth in the form of debt assumption. \$12.5 million of debt would be assumed by the town of Weymouth but in reality that debt is really \$33 million due to the amortization of the bond.

As you know, I spend a good portion of my working day in the financial arena where I review investment opportunities for the Norfolk County Retirement System. The first rule of thumb for a fiduciary when evaluating a potential investment is to determine the level risk of such product along with the overall risk it will bring to the portfolio allocation. After the data has been reviewed, you are then left with the decision to determine if the reward is worth the risk. In my humble opinion, the removal of financial protection and exposing the town to further risk along with the assumption of debt previously mentioned is not worth the risk of this investment. Like you, I'm in the community every day. I pay taxes here. I've raised my family here. I come into contact with neighbors and friends on a daily basis. I've yet to speak to one of them who thinks this legislation is a good idea and I have to agree with them in this forum.

Neither myself nor any of my fellow board members is closing the door to further development; however, shifting the burden of debt from the developer to the town is not the answer. We have, and always will work toward building this project in a fiscally responsible way so it benefits the three communities just as it benefits the master developer. The project can be successful and it will be, but it needs to be successful in a fair and equitable manner. Thank you again for your time and attention. I do appreciate it."

The following power point presentation was sent to the Town Council Office on February 13, 2014:

SSTTDC Presentation to Weymouth Town Council

Board of Directors Governing Documents Contracts

- Reuse Plan- approved by the three towns
- Master Plan-approved by the three towns
- Zoning Ordinances-approved by the three towns
- Enabling Legislation
- Master Developer Agreement-DDA
- Bond Indenture

Plain Language of the Governing Documents

- SSTTDC is authorized to:
 - Acquisition of land and development of SWNAS
 - Consistent with Reuse Plan
 - Consistent with Tax Plan and Statutes
 - Benefit of three towns
- Impose no cost on the towns for
 - Police
 - Fire
 - Water and Sewer
 - School
 - Road and highway
 - Other
- Make Agreements in the exercise of its functions
- All Changes to Reuse Plan, Master Plan and Zoning
 - Board of Directors
 - Three Communities
 - Timeline spelled out in the Enabling Legislation

LNR South Shore, LLC played key role in creating Governing Documents

- Wrote and advocated for Master Plan, Reuse Plan, Zoning Ordinances and Enabling Legislation in each of the three communities
- Parkway Agreement with Commonwealth of MA

- Wrote and advocated for claw-back
- LNR was active participant writing of DDA
- Starwood spent one year of due diligence studying controlling documents and expenditures prior to buying shares in LNR (April, 2013)

LNR South Shore, LLC Incentives

- Named exclusive developer of the SWNAS
- Transfer Navy Land to LNR South Shore, LLC
 - 324 Acre Cost = \$0
 - 557 Acres to be transferred = \$12,000,000
 - Additional profit sharing with Navy; none paid to date
 - Total land sale (~22 acres) to date = \$22,500,000
- Reimburse for Developer Costs
 - LNR South Shore, LLC received \$9.8M for some costs of infrastructure
 - SSTTDC authorized debt for \$12.55M
 - Weymouth is being asked to assume this debt for the next 25 years at a cost of \$33,000,000

LNR Agreed to

- In exchange for the incentives, it agreed
 - To develop in accord with the Reuse Plan
 - Create jobs as part of the development
 - To pay a portion of the Parkway debt service if development is not built in a timely fashion

Status of Development

- Fiscal Year 2011:
 - First year construction permits requested
 - Construction begins in January 2011
 - Permits issued:
 - Residential units = 240
 - Commercial space = 55,342 square feet
- Fiscal Year 2014
 - Total Permits issued through December 2013
 - Residential units = 629
 - Commercial space = 55,324 square feet
- Average Residential Permits: 180 per year

Current Status

- Remaining Residential Permits in Phase I
 - 371 Residential units

- Remaining Commercial Permits in Phase I
 - 244,658 square feet
- No plans for future progress have been submitted by Master Developer (controls future development)
 - Last plan submitted on January 28, 2013 for Corcoran Building Project IV for 72 residential units
 - Developer has voluntarily stopped construction progress
 - Results:
 - No increase in new growth for FY15 and little in FY16
 - Parkway obligations not met
- LNR South Shore, LLC
 - Has not paid over \$80,000 in water and sewer charges dating back to July 2013
 - Failure to pay water and sewer charges:
 - Enterprise funds must remain solvent
 - Falls back to other 95 rate payers or (~\$980/yr)
 - Has not paid \$375,686 as its part of the Commonwealth Parkway clawback obligation
- LNR/Starwood inaction required SSTTDC
 - Hire a commercial real estate consultant
 - Funneled four excellent prospects for commercial purchase
 - LNR South Shore, LLC has not called them back
 - On December 19 Mr. Barry indicated that there were competitive bids for this land
 - There has been no activity with respect to these commercial land prospects
 - To remind LNR/Starwood that it is our partner
 - Indicate that it has failed in its primary objective to develop the land
 - Reminded LNR/Starwood, in writing, that it has 13 points where SSTTDC and LNR/Starwood agreed and these points should be enacted immediately
 - No action

Results of Master Developers Failure to Proceed

- Development has stalled
- Momentum lost
- Commonwealth of MA has required implementation of Parkway Assessment on Master Developer
- Results consistent with my presentation before Town's Budget Management Committee in March of 2012
- Banking community is now uncertain as to direction of project

Solutions

- Sewer
 - As Far back as August 2009, I participated in conversations with LNR/Starwood where SSTTDC would not be able to afford sewer connections
 - Response was clear, there was "no way" that LNR was going to pay for or contribute to a sewer solutions

- We agree with LNR/Starwood current proposal to finance sewer treatment plant at no cost to current residents
- Water
 - SSTTDC has Agreement with Weymouth to provide water for Phase I
 - We have actively engaged communities to provide a permanent solution with
 - Weymouth
 - Joint Abington and Rockland Water Work (pipe is in the ground)
 - MWRA option is viable with legislation currently being vetted at State House
 - Widens MWRA service area
 - Provides for attractive financing options
- Parkway Claw-back
 - SSTTDC has expressed this concern since December 2011 (first year it was calculated)
 - I raised this concern to Council in March 2012
 - It has been raised each year since 2011
 - Undersecretary of Administration and Finance
 - Shares concern about impact
 - SSTTDC shared solutions with AnF who has taken the matter under consideration
 - We are not looking to shift our responsibility to the Commonwealth
 - This matter would be eliminated in LNR developed the land in accord with the Reuse and Master Plans adopted by the three towns.
- Parkway-remaining phases
 - DDA states: SSTTDC shall be the proponent of the Parkway “Except that financing the Parkway shall only be to the extent of an State funds”
 - LNR wants state funding of Parkway for \$40M to \$45M
 - Eliminate on MBTA parking lot
 - Build a bridge over RR tracks
 - Move Coast Guard Buoy Station
 - BOD believes that \$6M to \$8M is needed to complete these roadways
- LNR proposes to eliminate Golf Course as stated in DDA Agreement with LNR/Starwood:
 - LNR has advertised since 2010 that the property will contain a golf course
 - Owners bought with golf course as a consideration
 - LNR should proceed forward with this aspect of the project
 - If they do not perform, then \$1M penalty for the creation and/or maintenance of open space

Issue

- Commercial Tax Rate:
 - Commercial tax rate is not the highest as asserted by Mr. Barry; in face e.g. Quincy = \$31.23, Randolph = \$32.11, Framingham = \$40.92, Dedham = \$34.72
 - LNR and SSTTDC agreed to this in 2011
 - SSTTDC agreed to give each commercial owner a financial incentive in the form of real estate tax breaks
 - Known as TIF (Tax Increment Financing) specifically authorized in current enabling legislation approved in 2008.
 - LNR and SSTTDC together informed

- Secretary of Housing and Urban Development in 2011 of this approach
- Reaffirmed in writing in December 2013
- Nothing has changed

Short Summary

What Remains in LNR/Starwood Proposed Legislation

- LNR proposed a **change in placement of commercial zoning**
 - If it had been proposed in October 2013
 - Timeline in Enabling Legislation would have the proposal already before the three Towns for consideration
- LNR proposed to **rescind all service contracts**
 - SSTTDC believes Towns should not be exposed to liability for providing services to Southfield
- LNR proposed that Weymouth **accept SSTTDC debt service**
 - SSTTDC disagrees
- LNR/Starwood proposed to **rescind Master and Reuse Plan**
 - Allows Master Developer to build any type of product at its own pace
 - Eliminate 2005 Town approved tie of commercial to residential building
 - Needed to keep cost of services in line with tax revenue
 - One house with one school age child in Weymouth
 - Taxes from \$400,000 home ~ \$5200
 - Cost of education ~ \$6900
 - Need 6000 square feet of commercial space
 - Generates ~12,000
 - Educational costs for home
 - Pays for other services for this one home plus 6000 square feet of commercial space
 - SSTTDC disagrees
- LNR proposes to **increase SSTTDC borrowing limit** to \$175M
 - No proven need
 - Valuation:
 - Weymouth = \$5.8 billion
 - SSTTDC at full build out ~ \$1.1 billion
 - SSTTDC currently \$110M
 - Outstanding Debt
 - Weymouth ~\$72M
 - SSTTDC current \$12.55M
 - Debt Service to Valuation
 - Weymouth ~ 1.2%
 - SSTTDC at full build out ~ 1.1%
 - SSTTDC currently ~ 11.41%
- **LNR proposes changes in Zoning approval process**
 - Enabling Legislation establishes three communities must agree
 - Protection afforded each community with respect to impacts
 - One voice, one outcome
 - Clear methodology for notification and adoption of any changes in zoning
 - Insures that 3 Towns control outcome for all changes in zoning map

Part II Specific Responses

- FY14 budgeted to be paid to the Towns for services:
- Police \$290,000
- Fire \$290,000
- Education \$500,000 (transportation not included)
- Water and Sewer \$573,378
- Total \$1,898,788
- Existing \$12.55 infrastructure bond issue with \$33M cost that repays LNR for certain development costs
 - For Weymouth to accept this debt it must:
 - Home Rule Petition to the Legislature permitting Weymouth to assume debt
 - Accept Debt Service by vote: 8 of 11 Councilors must agree to accept the debt service
 - Signed by the Mayor
 - May be subject to Citizens Petition to overturn vote of Council

Following this, Mr. Wilson shared a memorandum of opinion from Louis Rizoli of the law offices of Smith Segel & Ruddock as to whether legislation proposed by Starwood complies with Section 8 of the Home Rule Amendment.

- **Infrastructure Bond Issue**
 - For Weymouth to Accept
- **Results if Weymouth does not agree**
 - Creates chaos as to how debt to be repaid
 - Creates chaos as to whom should pay the debt given that the debt is tied to real estate tax revenue
 - LNR is not responsible for Water and/or Sewer
- **Debt Service**
 - Each Year must be recalculated to incorporate development
 - Cost associated with the service ~ \$100,000
 - Each year the actual debt service payment increases:
 - Started at \$669,159 in 2011
 - High of \$1,169,781 in 2028
 - Total repayment = \$33 million
- **Appellate Tax Board**
 - As recently as February 3, LNR through Mr. Glantz stated before the Rockland Board of Selectmen that the commercial property currently has no value
 - SSTTDC subject to same assessing laws as the Three Towns
 - Submitted to DOR Bureau of Assessments each year
 - DOR certifies FINAL values
 - Final values receive public hearing
 - Town then approves tax classification
 - It is unlikely, absent a ATB ruling, that DOR will change its assessment requirements
 -

- **“Insolvency”**
 - I can only see insolvency issues
 - Nonperforming developer
 - Developer does not pay real estate taxes
 - Developer does not pay Parkway Assessment
 - Developer does not pay Navy for land
 - Board is prepared to take action
 - Litigation
 - Foreclose on Properties
 - Foreclose on Developer’s mortgage
 - Execute on LNR’s \$5M letter of credit to insure compliance with various contractual agreements
 - Current Legislation allows for these actions and to remove recalcitrant Master Developer
 - Proposed Legislation fixes Master Development/Starwood
- **Tax Revenue**
 - General Laws Chapter 59 (SSTTDC and Towns all subject to this statute)
 - Governing Date January 1 of each year
 - Based upon the January 1 date,
 - FY2015 revenue as of 1-1-2014
 - No development, no growth
 - FY2016 revenue set as of 1-1-2015
 - No development plans to date
 - If one were presented tonight
 - 60 for permitting
 - LNR has taken up to 1 year to sell property under which a permit applies
 - One might predict foundations only for FY2016
 - Hence limited new growth for FY2016
 - FY2017 revenue as of 1-1-2016
 - Certificate of occupancy for all permitted development must be granted by 1-1-2016 for 100% capture in FY2017
 - Weymouth CFO should verify this information through his staff

Weymouth Analysis

<u>Fiscal Year</u>	<u>Values</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Surplus/Deficiency</u>
2014	\$124,633,600	\$2,349,446	\$2,483,378	\$(133,932)
2015	\$136,304,209	\$2,707,062	\$2,844,716	\$(137,654)
2017	\$251,145,775	\$4,256,547	\$4,691,431	\$(434,884)
2019	\$427,454,091	\$6,380,220	\$8,973,195	\$(2,592,975)

- **Other Responsibilities for the Towns**
 - 500 acres of Parks and open space
 - Turtle monitoring
 - Electricity for street lights
 - Maintain Roads
 - Maintain Infrastructure of Water and Sewer

- **Host Community Fees**
 - Currently exists
 - Paid upon development
 - Not an additional source of revenue

Councilor Lacey asked if the cost of police and fire services to Southfield and the agreements to provide them supersedes the agreement of a no-cost to the host community agreement. He noted that in his opinion, when no agreements were in place and these services were provided then there were costs to the town.

Councilor Hackett concurred and further noted there have been costs to the town in the area of education and the delay in getting those contracts in place have cost the town. She recognized that services were budgeted without having contracts in place. From a budgetary process she noted the difficulty in long range planning when year-to-year or 1-2 year contracts are placed.

Councilor DiFazio noted with the current governance a concern, would Weymouth have the option of not entering into service contracts. Mr. Wilson responded that SSTTDC is permitted to contract elsewhere if the three towns chose not to enter into an agreement. There was a brief discussion that jurisdictional boundaries exist for providing service, and there has been a long progression of service provided to the base.

Councilor McDonald noted that the town has been providing the service for 17 years, and it was supposed to have been at no cost.

Councilor Lacey asked if the SSTTDC annual budget could support the cost of services. Council President O'Connor noted that the per pupil expenditure is higher because it excludes the Chapter 70 funding. Councilor Lacey asked the cost expected to the Navy over time. Mr. Wilson responded that it will be \$12 million plus profit sharing, but that hasn't happened yet. The agreements in place are with LNR.

Councilor Hackett asked the total funds collected in 2014 for building permits. Mr. Wilson responded \$130,000.

Councilor McDonald asked for a breakdown of what percentage of the development that has been permitted and built can tie into existing water and sewer. Mr. Wilson responded all of it. There was a brief discussion as to why Tri-Town has not paid water and sewer it owes. Mr. Wilson responded that it was unaware it had not been paid. He will provide back up for the three unpaid invoices for water main breaks. There was a brief discussion on the process for payment with Councilor Hackett. There was a discussion on interested candidates for commercial development.

Councilor Conlon noted a local candidate was interested but has not received a response.

Councilor Lacey noted the biggest issue, and has been since 2005 is the lack of a water / wastewater solution. The council has been asking for a plan since 2004. He noted he was the greatest advocate of the plan and he has been repeatedly assured there would be a solution, but the biggest flaw in it is that SSTTDC has not acted on it. He applauded the Weymouth representatives and noted they were disadvantaged in having only two votes with the size of Weymouth' involvement.

Councilor Conlon noted he too has always been concerned with the water issue and that Weymouth may not have enough to support it. He suggested going back to the MWRA. there was a brief discussion of the MWRA plan, when would provide low cost loans to connect to the MWRA and grant funding to those in the community who wish to connect. This is still being vetted in the state house, but these are two incentives.

Councilor Mathews noted this has been discussed for a long time. Internal options need to be determined and he would like to see an analysis- specifically; if this is what is being built, this is how much water it will require. There could be internal options and it needs to be vetted before it goes to the state house.

Councilor DiFazio asked how much has been spent to determine a solution for water/sewer. Mr. Wilson responded that in three years, \$100,000 was spent to look at solutions. Councilor DiFazio noted the council had requested calculations but ran into a stone wall. Eight years later, and there is someone else in the room who wants to do something but yet they are still are no closer to a solution. He urged them to come to the table with a better response. There was a brief discussion of the consecutive water system in place at Southfield.

Mr. Wilson reviewed the rate structure and the restrictions. There was also a discussion of the infrastructure that was put in place that is not to Weymouth's standards.

Councilor Smart asked if the placement of utilities going forward will be a problem and whether the town's standards will be adhered to going forward.

Councilor Molisse noted until a water and sewer solution is found the project can't go forward. The discussion followed regarding the clawback. Mr. Wilson noted it has been raised as a concern by all parties since its inception. They have proposed several different options to recalculate it. It was on track until the proposed legislation came about.

Councilor Smart asked if the cost to complete the parkway can be borne by SSTTDC with revenue from the current development. Mr. Wilson responded yes based on the plans and predicated on the fact that there would be residential and commercial development each year. Councilor Smart asked the distance of it and the cost per mile built to the standards of the state. Mr. Wilson noted the state has indicated they are not interested in putting in further funds until such time as development recommences. He noted for Councilor Hackett that the Secretary of Economic Development said it in a meeting. Councilor Smart noted that they were told there are 47 golf courses within a 15 mile radius of Southfield and that it is not a profitable or good business model. Mr. Connolly agreed with the statistics. The feasibility was discussed; whether the marked is oversaturated and whether a golf course is sustainable.

Mr. Wilson responded that they do recognize that it is a high rate but not the highest in the area. They discussed offering tax incentives to any commercial developer willing to come to the base. It was brought up in budget discussion in 2012 and reiterated in 2013.

Councilor Smart asked who would initiate a TIF; Mr. Wilson responded that it would be in several stages and that only the state can approve a financing arrangement like this.

Council President O'Connor asked the commercial rate for Southfield. Mr. Wilson responded \$30.12 and special assessment that varies depending on the parcel. He asked if there is an average. Mr. Wilson responded no; it refers to the 90 parcels in FOST 1 and 2. Council President O'Connor requested a report outlining the special assessment on each of the parcels for every

year of the life of the bond. There was a discussion as to whether the bond in FOST 1 and 2 is tied to the land. Mr. Wilson responded that the infrastructure bond was used to repay the development and is a debt of SSTTDC. It follows the tax revenue and acceptance of the bond is in four steps and reviewed them. At the end of the process it becomes a general obligation of the town.

Councilor Smart asked if nothing changes, what is the SSTTDC solution to pay for public safety with current revenue stream. Mr. Wilson responded that there isn't a plan.

Councilor Smart responded that he agrees with the assessment that there must be commercial development and that housing alone is not sustainable.

Councilor Lacey noted the priority for everyone present is to determine a solution for water and sewer. No one is going to build a commercial entity without it. It is irresponsible that SSTTDC has not come forward with a plan. He disagreed with Councilor Conlon; they do need to discuss water with Weymouth and the MWRA. Councilor Lacey noted that the discussion as to leveraging rates for Weymouth should have started in 2005.

Councilor DiFazio asked if any specific developer has indicated their disinterest because of the lack of a water / sewer solution. It appears the project has unilaterally been stopped but has any commercial developer refused to because of the lack of water/sewer? Mr. Wilson responded that he is not aware of any commercial developers refusing due to that issue.

Councilor McDonald noted how many times it is the water/sewer that is brought up and asked what is halting development- is it the tax rate, the permitting fees? Jeff Wall responded that they should be asking the developer why it is not being marketed. Councilor Harrington noted there is plenty of water for this phase but it may be the most expensive in the state. He noted that they are left with the impression that the development is making money by not developing it and that there are years of unrealized tax money that should have come in; it is a sorry state.

Councilor McDonald noted they are belaboring the point; they just want to see it success. The tax rate is out of whack.

Council President O'Connor requested a copy of the presentation so that it can be posted to the website for the public.

Councilor Hackett noted that while there are frustrations and that the service agreements and water/sewer solution are critical but so are teamwork and partnership. The council and administration are doing their jobs reviewing the merits of the legislation.

Councilor McDonald noted that Starwood has come forward with a proposal. The governance was not their doing. With 90% of the development in Weymouth it does not make sense that it has the same number of votes as Rockland and Abington. He has been an advocate to change the governance. The folks that live there should have a direct say in how their community works. He noted governance is key. Jeff Wall responded that they have expressed the same concerns and that changes are needed to move forward. The board is willing to sit at the table and move forward and not impede progress that has already been made.

A Motion was made by Vice President Smart to suspend Rule 24(a) to allow the meeting to continue and was seconded by Councilor Mathews. UNANIMOUSLY VOTED.

Starwood's Continuing Discussion with Town Councilors
-Matthew Barry, Vice President
-Robin Daniels, Director of Development

Council President O'Connor invited Mr. Barry and Ms. Daniels to the table. Mr. Barry noted he was disheartened to hear and would like to refute the factual errors. He reviewed briefly those that he noted in the presentation earlier and noted that SSTTDC acknowledges it cannot live up to their commitment. He noted only one commercial developer has indicated it would take prime commercial space for recreational fields. As to the allegations that Starwood has not made itself available, he has offered to be available any day of the week. They are focused on the success of the project. They do not want to have a combative association with a town where they intend to invest.

Council President O'Connor noted that the Mayor has met with all department heads and will report out at the next council meeting. Also at that meeting the internal review by Melanson Heath and Company will also be on the agenda.

There will be a public hearing of the proposed legislation on February 25, 2014 at Abigail Adams Auditorium. They would like to give the opportunity to respond. A Special Town Council meeting will be held on February 13, 2014 to continue this discussion with Starwood.

ADJOURNMENT

The next regular meeting of the Town Council Meeting has been scheduled for Tuesday, February 18, 2014, due to the Presidents Day holiday. At 11:05PM; there being no further business, a MOTION was made by Vice President Smart to adjourn the meeting and was seconded by Councilor Mathews. UNANIMOUSLY VOTED.

Respectfully submitted by Mary Barker as Recording Secretary

Approved by Council President Patrick O'Connor

Voted unanimously by Town Council on 17 March 2014.