



# Review of Legislation & The Alternative

**Weymouth Town Council**  
**February 3, 2014**



# January 27, 2014 Meeting



1. **Board voting - Section 9(d)** – We did not hear any further concerns.
2. **Recreation - Section 14(b)(4)** – We are amenable to deleting the word “generally”
3. **Existing Permits - Section 14(k)** – We did not hear any further concerns.
4. **Renegotiate Project Documents – Section 15** – We did not hear any further concerns.
5. **Taxing and Assessing Transition – Section 19(a)** – We will continue to work with Town Administration and State Agencies to confirm that the proposed Supplemental Budget process will work. Towns should receive revenue concurrent with the obligation to provide services.
6. **Calculation of Eligible Housing Units – Section 32** – We will work with Town Administration to determine if there is a method to benefit Weymouth if not we will keep the existing language.
7. **Phase II Parkway Funding – Section 34** – We did not hear any further concerns.
8. **2010 Infrastructure Bond – Section 20(g)** – We will continue to meet with Departments to identify offsetting cost savings in addition to the excess cashflow (profit) as shown in our financials to address the concerns identified.



# Changes to 11-7 Draft



## **Dedicated Commercial Zone 14 (4e)**

- **Comment**

Council asked if the Dedicated Commercial Zone is in Weymouth.

Section 14 (4e) states in part:

“(e)... Within 180 days of the effective date of this act, the master developer and the applicable executive or executives shall jointly petition the applicable town or towns to initiate a zoning map amendment process that establishes the dedicated commercial zone.... ”

- **Response**

We anticipate that the Dedicated Commercial Zone will be within the existing Commercial Zone. In lieu of modifying the legislation, we propose preparing a Memorandum of Understanding (MOU) between Weymouth and the Developer to resolve this concern. In discussions with the Town of Weymouth Planning Department, we agree that the allocation and reservation of capital investment in water and wastewater are more appropriately documented in an MOU.

# What are the Alternatives?



Description of Problem or Concern	Current Enabling Legislation Without Revision	Proposed Enabling Legislation Revised in 2014	SSTTDC Proposed Solutions
Water Capacity	SSTTDC responsible – No Solution	Starwood responsible - MWRA source of Water	None – Possibly from Abington (?)
Wastewater Capacity	SSTTDC responsible – No Solution	Starwood Responsible - On-Site Wastewater Treatment Plant	No plan
Parkway	“Clawback” requires annual payment of \$1.6M SSTTDC has no financial resources to make these payments	Completed with the State receiving the new tax revenue sufficient to payback the bond	No plan
Governance	SSTTDC – Highest commercial tax rate in Massachusetts	Abington, Rockland and Weymouth	State Receivership

# The Project is Broken



## Results in a Broken Budget !

- Tri-Town FY '14 budget is not sustainable:
  - Projected Revenues \$3.2 million
  - Expenses \$5.7 million
- **\$2.5 million Deficit !!!**
- Deficit funded with \$1.5M from Cash Reserves and \$1M in special assessments (Parkway and Infrastructure Bonds) imposed on the developer
- Tri-Town spends \$1.78 for every \$1 of tax revenue

*Source: SSTTDC Measure 13-041 (passed on 11-4-13)*

# Inefficient & Unreliable Governance



In FY '14 the CEO and CFO expenses will exceed those for police, fire and public works:

<b>Police</b>	<b>\$290,000</b>
<b>Fire</b>	<b>\$290,000</b>
<b>Public Works</b>	<b><u>\$227,000</u></b>
<b>Total</b>	<b>\$807,000</b>

<b>Chief Executive Office</b>	<b>\$475,000</b>
<b>Office of the Financial Officer</b>	<b><u>\$398,000</u></b>
<b>Total</b>	<b>\$873,000</b>

<b>SSTTDC Pensions</b>	<b>\$205,000</b>
<b>Unfunded Pension Liability</b>	<b>\$1,027,000</b>

*Source: SSTTDC Measure 13-041 (passed 11-4-13)*

- Executive Overhead
  - Weymouth 2.2% of recurring revenue
  - Rockland 1.9% of recurring revenue
  - Tri-Town 27.2% of recurring revenue

*Source: Town Budgets*



# Inefficient & Unreliable Governance



Tri-Town budget issues are a burden on commercial development because Tri-Town shifts its costs to the commercial tax rate:

FY '13	Commercial Rate	Plus Parkway Deficiency Assessment	Total
<b>SouthField</b>	<b>\$26.35</b>	<b>\$6.50</b>	<b>\$32.85</b>
Weymouth	\$21.14	-	\$21.14
Braintree	\$25.44	-	\$25.44
Rockland	\$17.58		\$17.58

FY '14	Commercial Rate	Plus Parkway Deficiency Assessment	Total
<b>SouthField</b>	<b>\$30.73</b>	<b>\$6.50</b>	<b>\$37.23</b>
Weymouth	\$21.71	-	\$21.71
Braintree	\$26.06	-	\$26.06
Rockland	\$18.34		\$18.34

Source: DOR Website

## The Services Cost Too Much Because of the “Middleman”

	SSTTDC	Weymouth
Water & Wastewater Rate (per 100 cf)	<b>\$21.34 (for first 900 cf)</b> <b>\$29.87 (thereafter)</b>	\$11.38 (first 900 cf) \$19.34 (thereafter)
Building Permit Fees (per \$1000 value)	<b>\$20</b>	Residential: \$10 Commercial: \$15

- Weymouth provides Water, Wastewater and Building Permit inspection services at SouthField. Tri-Town marks up the cost.

# What are the Alternatives?



Description of Problem or Concern	Current Enabling Legislation Without Revision	Proposed Enabling Legislation Revised in 2014	SSTTDC Proposed Solutions
Host Community Payments	None	Additional payments of \$9.7 M to Weymouth	None

# SSTTDC Solution



- No Additional Host Community Fees:

	PAID TO DATE	REMAINING	TOTAL
WEYMOUTH	\$4,967,188	\$0	\$4,967,188
ROCKLAND	\$2,464,789	\$0	\$2,464,789
ABINGTON	<u>\$737,691</u>	<u>\$0</u>	<u>\$737,691</u>
	<b>\$8,169,668</b>	<b>\$0</b>	<b>\$8,169,668</b>



# What Stays the Same?



- Starwood will continue to pay Host Community Fees:

	PAID TO DATE	REMAINING	TOTAL
WEYMOUTH	\$4,967,188	\$9,672,812	\$14,640,000
ROCKLAND	\$2,464,789	\$5,095,211	\$7,560,000
ABINGTON	<u>\$737,691</u>	<u>\$1,597,309</u>	<u>\$2,335,000</u>
	<b>\$8,169,668</b>	<b>\$16,365,332</b>	<b>\$24,535,000</b>

# What are the Alternatives?



Description of Problem or Concern	Current Enabling Legislation Without Revision	Proposed Enabling Legislation Revised in 2014	SSTTDC Proposed Solutions
Host Community Payments	None	Additional payments of \$9.7 M to Weymouth	None
Excess Revenue	None	Range of \$7 to \$10 million dollars annually for Weymouth.	None
Commercial Development	15,000SF	Range of 900,000 – 2,000,000 SF	None
New Jobs	Nine (9) SSTTDC employees	Range of 3,500 to 5,000	None

# What are the Alternatives?



Description of Problem or Concern	Current Enabling Legislation Without Revision	Proposed Enabling Legislation Revised in 2014	SSTTDC Proposed Solutions
Recreational Amenities	None	As per Reuse Plan	None
Town Center with retail and restaurants	No plan	Successful vibrant town center	No plan
Date SSTTDC Becomes Insolvent (bankrupt)	FY '15	N/A	FY '15 or sooner
Date of State Receivership of SSTTDC	FY '15	Never	FY '15 or sooner

# What are the Alternatives?



Description of Problem or Concern	Enabling Legislation Without Revision	Proposed Enabling Legislation Revised in 2014	SSTTDC Proposed Solutions
What State Receivership means for local Control	No Assurance of Local Control	Enhanced Local Control for Towns Receivership does not occur	No Assurance of Local Control
What will be developed?	No plan	The full vision of SouthField	No Plan
When will development at SouthField commence and complete?	With no solutions the commercial and residential markets have lost faith in SSTTDC. Development has stalled and the future is uncertain	We will commence infrastructure, recreation and new development this year and achieve the full vision of SouthField within ten years	No Plan – The future is unknown and uncertain



# What are the Alternatives?



Description of Problem or Concern	Current Enabling Legislation Without Revision	Proposed Enabling Legislation Revised in 2014	SSTTDC Proposed Solutions
How long will it take to provide solutions?	SSTTDC has known about these issues for nearly a decade and has no solutions or timeline for solutions	Starwood took ownership of SouthField in April 2013 and has solutions for all of these issues.	No Plan

# What Stays the Same?



The SouthField development program remains as it has always been:

- 2,855 maximum residential units
- 2,000,000 square foot maximum commercial development (and 900,000 square foot minimum)



# What Stays the Same?



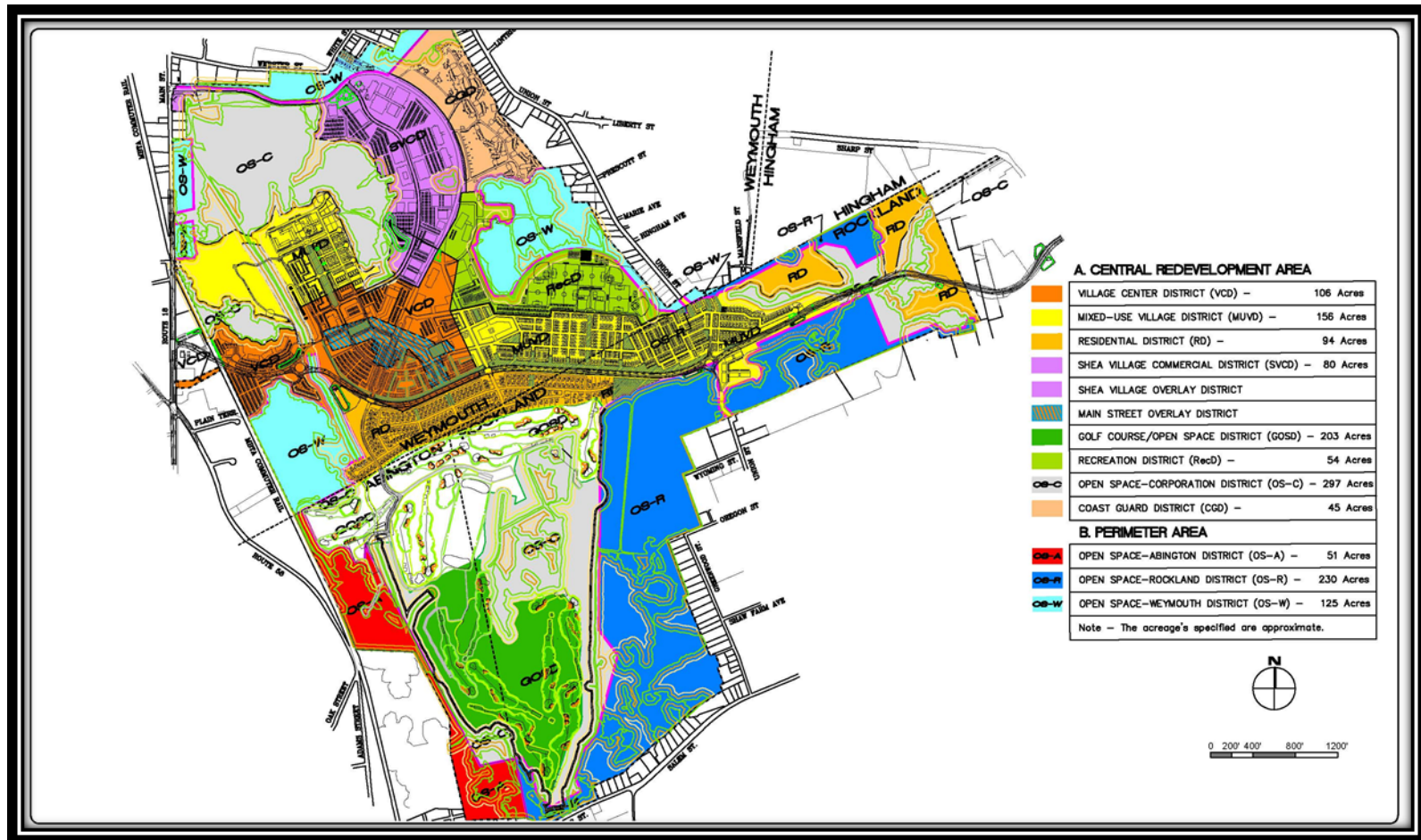
SouthField will continue to be a smart-growth, transit-oriented, sustainable development with recreational amenities, open space, and walking and biking trails.





# What Stays the Same?

- Zoning:





# What Stays the Same?



- Starwood will continue to pay Host Community Fees:

	PAID TO DATE	REMAINING	TOTAL
WEYMOUTH	\$4,967,188	\$9,672,812	\$14,640,000
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