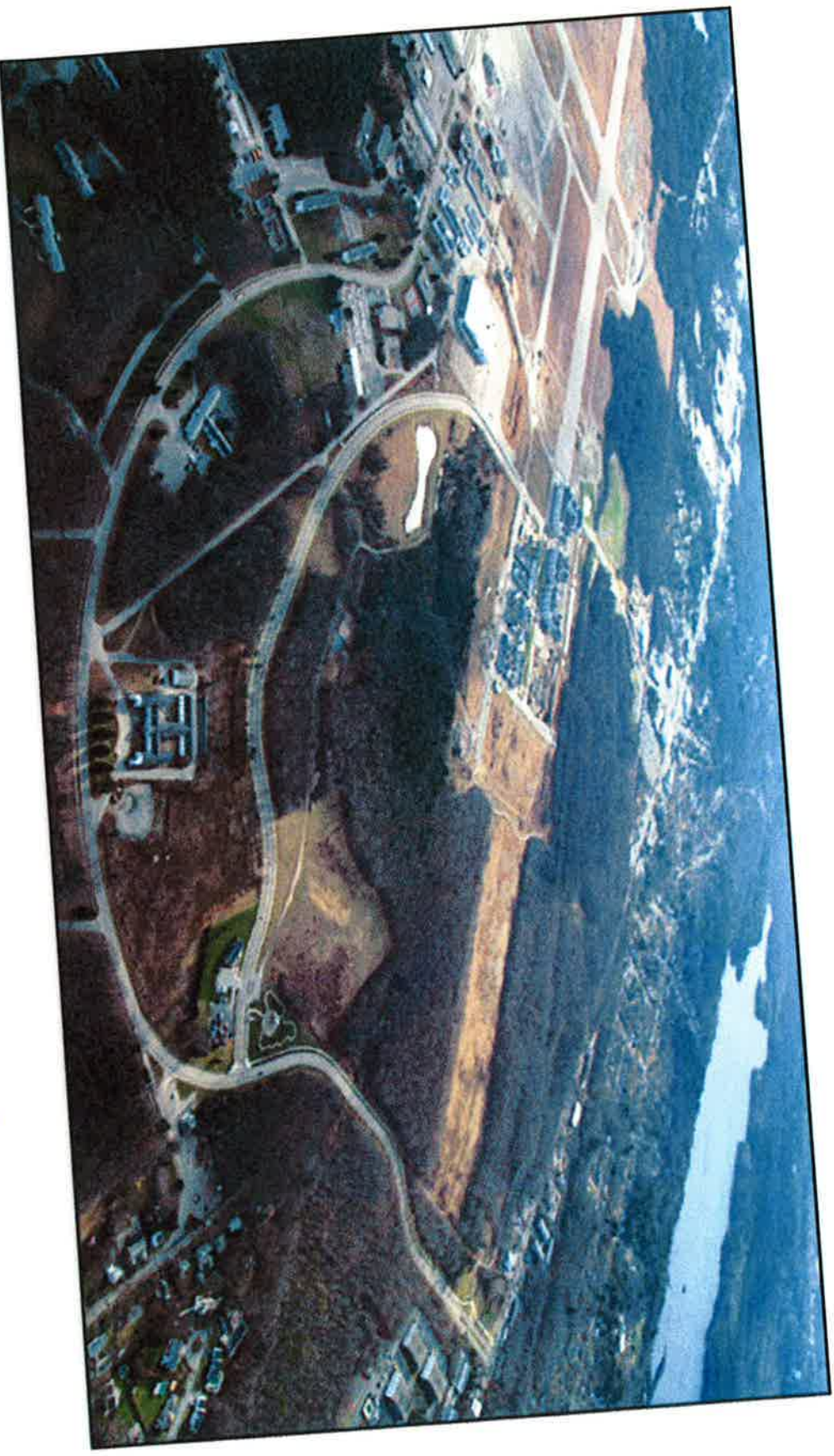


# **A Strategy for Success**



**Presentation to the Weymouth Town Council  
December 16, 2013**



**CC: ALL COUNCILORS**

# How We Got Here



- Starwood has identified four major problems with the Southfield Project
- Starwood is proposing a solution to each of those problems:
  - Water: Starwood will solve, finance and construct
  - Wastewater: Starwood will solve, finance and construct
  - Parkway: Commonwealth must assume responsibility for funding of Phase II Parkway and restructuring of existing debt
  - Governance: Towns to assume governance for most purposes, with the exception of minor permitting issues, and residents and businesses will be citizens of the town in which they are located
- **Starwood is committed to working with the Towns towards a comprehensive solution on the problems**
  - Discussing changes since June 2013 with representatives of the towns
  - Provided detailed proposal to SSTDC on October 7, 2013 and then all three towns individually
  - Provided financial projections to Weymouth and Rockland end of October, 2013
  - Presented legislation for review on November 7, 2013



# How We Got Here



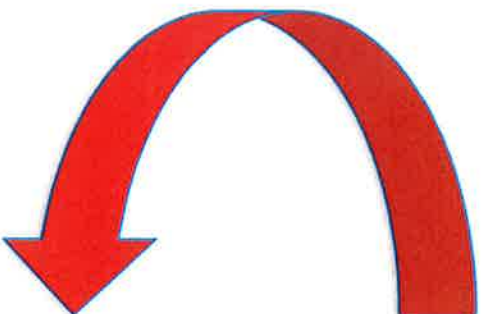
- Three Town Forum Held on December 10, 2013 to discuss Starwood's strategy for success
- Tri-Town also made a presentation at the Three Town Forum but:
  - Conclusions support Starwood's evaluation that the project is broken and in need of a major, structural repair
  - Many factual inaccuracies
  - **No solutions!**
  - Faulty financial projections

## South Shore Tri-Town Development Corporation

- Board of Directors
  - Joseph Connolly, Chairman, Weymouth
  - John Ward, Vice Chairman, Rockland
  - James Lavin, Clerk, Abington
  - Gerald Eramo, Rockland
  - Jeffrey Wall, Weymouth

# Factual Inaccuracies

Tri-Town contends that all zoning changes must have developer consent.



## Local Control

- New Board of Directors
  - New board is made up of 9 members; it takes only 4 votes to pass a measure, hence if 3 Towns opposed (5 votes) then remaining members are able to pass a measure (see section 9(d))
- Zoning
  - All changes must have assent of Developer (section 14(b))
  - Commercial zoning is to be changed initiated by Developer (see new section 14(e))
- Mandatory Road Acceptance including infrastructure
  - (Parkway excepted) see section 19(b)
  - Maintenance of all Infrastructure borne by Towns
    - Road construction is approved by Board of Directors see sections 19(c) and 20(a)



# Factual Inaccuracies



**Not correct!**

**There is no requirement that the master developer approve all zoning revision petitions.**

**Section 14(c) states “Major zoning revisions shall not be effective until the town in which the land that is the subject of such revisions is located approves the revision. No town shall consider a major zoning revision except at the initiative of the applicable town executive, the master developer OR a person owning land to be affected by the revision.”**

Starwood DRAFT 11/7/13

in this Section 14. Such zoning by-laws, as they be modified in accordance with this Section 14 from time to time, shall supersede the zoning by-laws of the town.

(b) Notwithstanding the termination of the reuse plan pursuant to Section 14(a), the following elements of the reuse plan, as they may be modified below, shall remain applicable to the project:

(1) the commercial minimum and the residential maximum shall remain in effect. The zoning by-laws shall be administered and amended as necessary to enforce and effectuate the commercial minimum and the residential maximum, provided, however, that nothing in this act shall be construed to prevent each town, acting in its sole discretion and consistent with other law, to allow Commercial Development within the portion of the N-AS South Weymouth Development Area within its municipal borders to exceed an amount that would cause the total amount of commercial development within N-AS South Weymouth to exceed 2,000,000 square feet;

(2) notwithstanding anything to the contrary contained in this act or any other general or special law or bylaw or regulation of the corporation, or in any existing agreement between the master developer and the corporation or any other entity, a minimum of 10% of the residential units at N-AS South Weymouth shall meet the requirements of “Affordable” and “Workforce” housing as such terms are defined in the affordable and workforce housing plan and the affordable and workforce housing regulations. Affordable or workforce housing constructed within N-AS South Weymouth prior to the effective date of this act shall be counted towards the 10% minimum requirement;

(3) the Project shall be planned and built-out consistent with the “smart growth” and “sustainable” principles articulated in the reuse plan; and

(4) passive and active recreational facilities shall be included in the further development of N-AS South Weymouth with such facilities to be of a type selected from the facility types identified in the Recreation, Park and Open Space Standards and Guidelines published by the National Recreation and Parks Association, and to be in locations and delivered on a schedule, all as selected and determined by the master developer in consultation with the board and, to the extent practicable, consistent with guidelines promulgated from time to time by said Association. The master developer shall, upon the request of any town, enter into commercially reasonable agreements with that town respecting such town’s usage of such facilities.

(c) Major zoning revisions shall not be effective until the town in which the land that is the subject of such revision is located approves the revision. No town shall consider a major zoning revision except at the initiative of the applicable town executive, the master developer, or a person owning land to be affected by the revision. Within 90 days of receipt of a petition for a proposed major zoning revision, the receiving town shall convene a meeting of the town council (in Weymouth) or a town meeting (if in Rockland or Abington) for the purpose of adopting the proposed major zoning revision. Each town shall vote to adopt or disapprove the major zoning revision as submitted to the town council or town meeting, as the case may be. No amendments to the proposed major zoning revision shall be made by the towns. The towns shall notify the expiration of any major zoning revisions they may adopt, such notice to be provided within

Starwood

14

# Factual Inaccuracies



Tri-Town contends that Starwood is proposing to eliminate all of its obligations under the DDA including those related to Homeless Assistance Providers, the Naval Air Museum, PBC Elements, Demolition of Existing Buildings, dedication of school site, and the construction of on-site roadways.

## Disposition and Development Agreement (DDA)

- Must be renegotiated with Tri-Town consistent with proposed Legislation
  - Current Developer responsibilities under Federal Homeless Assistance Act (EDC transfer of FOST 1 And FOST 2)
  - On-site Office Space
  - Naval Air Museum
  - Demolition of Existing Buildings
  - Golf Course, if not built no penalty. (\$1M)
  - Public Works Parcel (2 acres)
  - Existing Roadway improvements
  - PBC Elements on FOST 1 and 2
  - Conveyance of Excess Land (not currently transferred)
  - Environmental Insurance



# Factual Inaccuracies



**Not correct!**

**Section 15 directs the reconstituted Tri-Town Board to revise the DDA and all other relevant documents “all for the purpose of conforming such regulations, agreements and other documents to this act.”**

Starwood - DRAFT - 11/7/13

(1) (1) As authorized in Section (4), the corporation shall have exclusive authority to issue and enforce permits, approvals, orders of conditions and other entitlements pursuant to the zoning, by-law, regulations promulgated pursuant to Section 14(b), subdivision regulations, and wetland protection laws in effect within the Central Redevelopment Area. Such authority shall include the exclusive jurisdiction to set as a permit granting authority pursuant to section 15 of chapter 40A of the General Laws. All other permitting, licensing, enforcement and entitlement authority vested in or conferred on municipalities, their executives, or their various departments and boards (including without limitation their boards of health and inspection services departments) pursuant to the General Laws shall be vested in the town in which the applicable portion of the project is located. Without limiting the generality of the preceding sentence, each town's inspection services department will be responsible for issuing and enforcing building permits and certificates of occupancy for construction activities occurring within the respective town's borders.

(2) The town of Weymouth is authorized to issue a maximum of 13 alcoholic beverage licenses within the portion of the NASS South Weymouth Redevelopment Area located within Weymouth in accordance with chapter 138 of the General Laws, and the town of Rockland is authorized to issue a maximum of 2 alcoholic beverage licenses within the portion of the NASS South Weymouth Redevelopment Area located within Rockland in accordance with said chapter 138; provided, however, that said licenses shall not diminish the number of licenses permitted by the commonwealth to be granted elsewhere within the towns of Weymouth or Rockland. None of the licenses authorized by this section shall be transferable outside the NASS South Weymouth Redevelopment Area. Nothing in this section shall be deemed to limit the ability of the towns to issue entertainment licenses and temporary alcoholic beverage licenses as it deems necessary and appropriate for activities occurring within their respective borders.

(3) All decisions and determinations of the corporation, whether legislative or adjudicatory in nature, shall be appealable by persons aggrieved by such decision or determination in accordance with applicable provisions of the General Laws. Where any applicable General Law requires notice of any such appeal to be filed with a municipal clerk, such filing shall be made with the clerk of the corporation, and with the clerk of the town or towns in which the land directly affected by such decision or determination is located.

Section 15. The board is hereby directed, within 90 days of its initial installation pursuant to Section 9(a), to revise, re-promulgate, re-issue, re-negotiate, and re-execute all regulations promulgated by the corporation and currently in effect and all material agreements (including the DDV) in effect between the corporation and the master developer, all for the purpose of conforming such regulations, agreements and other documents to this act. Without limiting the generality of the foregoing, the DDA is re-negotiated pursuant to this section 15 shall:

(a) assign to the master developer the responsibility for procuring and financing the permanent water supply and wastewater capacity, and shall require the master developer to allocate and reserve, for the benefit of the Dedicated Commercial Zone, such portions of the permanent water supply and wastewater capacity as are adequate and necessary to serve commercial development within said zone. The DDA shall provide that the foregoing

**Therefore, the only changes that are made to the DDA concern matters addressed in the legislation, such as golf, water, wastewater and parkway.**

Starwood -

# Factual Inaccuracies



Tri-Town contends that it only takes 4 votes to pass a measure on the new 9 member Tri-Town Board, regardless of how many members are present at a particular meeting, with the result that the 2 SouthField resident members and the 2 Commonwealth members could pass a measure over the objections of the representatives of the three towns.

## Local Control

- New Board of Directors
  - New board is made up of 9 members; it takes only 4 votes to pass a measure, hence if 3 Towns opposed (5 votes) then remaining members are able to pass a measure (see section 9(d))
- Zoning
  - All changes must have assent of Developer (section 14(b))
  - Commercial zoning is to be changed initiated by Developer (see new section 14(e))
- Mandatory Road Acceptance including infrastructure
  - (Parkway exception) see section 19(b)
  - Maintenance of all Infrastructure borne by Towns
    - Road construction is approved by Board of Directors see sections 19(c) and 20(a)



# Factual Inaccuracies



Starwood - DR.VT. 11-7-13

to be sufficient and proper. All board members shall be eligible for reappointment to additional terms at the expiration of their current terms. Vacancies shall be filled, as applicable, by the respective appointing authority for each such vacancy.

(c) The town appointees shall have demonstrated expertise and experience in 1 or more of the following areas: real estate development, housing, finance, planning or engineering. The town shall consent to assure the appointment of directors from as many of the foregoing disciplines as possible. At least one of the commonwealth appointees shall have demonstrated expertise in large-scale real estate development, and the other commonwealth appointees shall have demonstrated expertise in 1 or more of the following areas: housing, finance, business, planning, environment, planning, transportation or municipal government.

(d) Five members of the board shall constitute a quorum. A minimum of 4 affirmative votes of the quorum shall be required for any action of the board.

(e) Directors may receive compensation as determined from time to time by each town board established by section 11. Directors shall receive reimbursement of such expenses as determined by the board to be necessary; provided, however, that the annual compensation of directors shall not exceed \$6,250 or 80 per cent of the total combined average of the annual salaries of the town officers of the town of Weymouth, whichever is higher.

(f) Directors shall be residents of the commonwealth. No director or employee of the corporation shall be a hotel elected public official of the town of Abington, Rockland or Weymouth, except that residents of the towns of Abington and Rockland who participate in their respective town meetings shall not be restricted from serving as a director or employee of the corporation. Each resident appointee shall maintain a legal residence within NAS South Weymouth at all times during his or her respective term on the board. Any resident appointee who fails to maintain his or her legal residence as required shall be automatically disqualified from further service on the board without need for further action by the board or the relevant appointing authority.

(g) Public employees or appointed officials of the federal government and the commonwealth and its political subdivisions may serve as directors of the corporation so long as their service as director does not constitute a conflict of interest with their duties as public employees or appointed officials.

(h) Directors shall be subject to chapter 268A of the General Laws.

(i) The directors may, from time to time, by majority vote designate employees of the corporation, consultants and other individuals to participate on board, commissions, committees and other organizations established by the corporation or otherwise related to the Project as a representative of the director.

(j) The directors may, from time to time, by majority vote, authorize a person, other than a majority of the board, to issue endorsements, certificates and other ministerial documents in furtherance of actions taken by the board.

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**Not correct!**

**The legislation does not disenfranchise the town members of the Board. It does not say that the Board may routinely take action based on only four votes. If there are more than 5 members present, a majority of votes is required.**

**Section 9(d) states that "Five members of the board shall constitute a quorum" and that "a minimum of 4 affirmative votes of the quorum shall be required for any action of the board."**

# Factual Inaccuracies



## Remaining Development under Phase I of Existing Reuse Plan

- 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
  - Last plan submitted on January 28, 2013 for Corcoran Building Project IV for 72 residential units
  - Master Developer has voluntarily stopped construction progress



Tri-Town contends that the Master Developer “has voluntarily stopped construction progress.”

# Factual Inaccuracies



## Not Correct!

- The Master Developer sells land to vertical builders.
- Because the project is broken, no vertical builder has been willing to invest and purchase land.
- In fact, as recently as early December, one of our vertical builders was denied construction financing by its lender “due to the problems with the project.”

# Factual Inaccuracies

## Tri-Town is not correct on:

- Entitlement Fees: Master Developer's obligation to pay Tri-Town a total of \$4.5 million remains intact. Paid to date = \$1,530,188.71 leaving a balance of pay of \$2,969,811.30 (not \$2.47 million as stated by Tri-Town)
- Roadway Improvements: Master Developer's obligation to construct all roadways remains intact. Punch work secured by bond!
- Land Reserved for School: Master Developer's obligation remains intact
- PBC Obligations: Same



### Developer Benefits

If legislation is adopted

• One Time Benefits	
• Golf course:	\$ 1,000,000
• Entitlement Fees:	\$ 2,470,000
• Roadway Improvements	900,000
• <b>Total</b>	<b>\$ 4,370,000</b>
• Towns must accept roads when Developer turns them over including (an odd street acceptance legislation. SSTDC has \$900,000 of improv. costs that has not been completed) see section 19(c)	
• Other benefits	
- Land reserved for public facilities	\$ 8,000,000
- Amenities	\$ 77
- PBC obligations on FOST 1 & 2	\$ 77
- Amenities at Developers selection	\$ 77
- And finally, see new section 14(b)	



# The Project is Broken



# No Solutions from Tri-Town



- SSTDC's presentation at the Three Town Forum was 38 slides and 80 minutes in length
- On page 37, Tri-Town finally presents its "concerns" and "plans"
- No mention of Phase II Parkway funding, which is a Tri-Town obligation
- Tri-Town "concerned" about Claw Back, but no realistic strategy to obtain relief

## Tri-Town Concerns and Plans

- Adjustment needs to Parkway Claw Back agreement
  - Lack of development plus agreement yields lack of flexibility for infrastructure improvements
- Developer has not performed since January, 2013
  - 371 residential within Phase 1
  - 244,658 sq. feet of commercial space yet to be permitted within Phase 1 of Current Reuse Plan
- Water
  - Weymouth and ARJWV are working with SSTDC for supply
- Wastewater
  - Working DEP to find on-site solutions

- **Tri-Town's FY '14 budget for water/wastewater solution is \$0**
- **Tri-Town Chairman told this Council 6 months ago that there would be a water/wastewater solution by September**
- No progress on locating a water source or wastewater solution
- No indication of how much the necessary infrastructure will cost or how Tri-Town proposes to pay for it
- No mention of when water and wastewater will be operational so that development can continue

## **Where Do These Problems Lead?**



- No Residential Development
- No Commercial Development
- No Amenities
- No Off-Site Improvements
- No Tax Revenues
- No New State Revenue to Pay Parkway Bond
- No Host Community Agreement Payments
- No Parks or Recreational Facilities

# Proposed Solutions



Scope and Breadth of Proposed Solutions  
Can Only be Achieved Legislatively

Revised Enabling Act = SOLUTIONS





- **Problem?** Tri-Town has not sourced, financed or constructed a permanent water supply even though it is their obligation to do so.
- **Solution!** Starwood is agreeing to assume Tri-Town's obligation—specifically, Starwood will pay for the costs necessary to source, finance and construct a permanent water supply.

# Legislation



Starwood DRAFT 11.7.13

## Section 15 (a) (page 16):

The DDA shall assign to the master developer the responsibility for procuring and financing the permanent water supply and wastewater capacity . . . .

(1) (1) As authorized in Section 6(a), the corporation shall have exclusive authority to issue and enforce permits, approvals, orders of conditions and other certifications pursuant to the zoning by-law, regulations promulgated pursuant to Section 14(b), subdivision regulations, and wetland protection laws in effect within the Central Redevelopment Area. Such authority shall include the exclusive jurisdiction to act as a permit granting authority pursuant to section 15 of chapter 40A of the General Laws. All other permitting, licensing, enforcement and enforcement authority vested in or conferred on municipalities, their executives, or their various departments and boards (including without limitation their boards of health and inspection services departments) pursuant to the General Laws shall be vested in the town in which the applicable portion of the Project is located. Without limiting the generality of the foregoing, each town's inspection services department will be responsible for issuing and enforcing building permits and certificates of occupancy for construction activities occurring within the respective town's borders.

(2) The town of Weymouth is authorized to issue a maximum of 13 alcoholic beverage licenses within the portion of the N/S South Weymouth Redevelopment Area located within Weymouth in accordance with chapter 138 of the General Laws, and the town of Rockland is authorized to issue a maximum of 2 alcoholic beverage licenses within the portion of the N/S South Weymouth Redevelopment Area located within Rockland in accordance with said chapter 138; provided, however, that said licenses shall not diminish the number of licenses permitted by the commitment to be granted elsewhere within the towns of Weymouth or Rockland. None of the licenses authorized by this section shall be transferable outside the N/S South Weymouth Redevelopment Area. Nothing in this section shall be deemed to limit the ability of the towns to issue entertainment licenses and temporary alcoholic beverage licenses as it deems necessary and appropriate for activities occurring within their respective borders.

(3) All decisions and determinations of the corporation, whether legislative or adjudicatory in nature, shall be appealable by persons aggrieved by such decision or determination in accordance with applicable provisions of the General Laws. Where any applicable General Law requires notice of any such appeal to be filed with a municipal clerk, such filing shall be made with the clerk of the corporation, and with the clerk of the town or towns in which the land directly affected by such decision or determination is located.

Section 15. The board is hereby directed, within 90 days of its initial installation pursuant to Section 9(a), to revise, re-promulgate, re-issue, re-negotiate, and re-execute all regulations promulgated by the corporation and currently in effect and all material agreements (including the DDA) in effect between the corporation and the master developer, all for the purpose of conforming such regulations, agreements and other documents to this act. Without limiting the generality of the foregoing, the DDA, as renegotiated pursuant to this section 15 shall:

(a) assign to the master developer the responsibility for procuring and financing the permanent water supply and wastewater capacity, and shall require the master developer to allocate and reserve, for the benefit of the Dedicated Commercial Zone, such portions of the permanent water supply and wastewater capacity as are adequate and necessary to serve commercial development within said zone. The DDA shall provide that the foregoing:

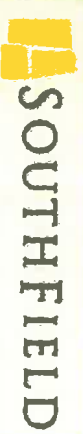
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# Wastewater



- **Problem?** Tri-Town has not sourced, financed or constructed a wastewater treatment system even though it is their obligation to do so.
- **Solution!** Starwood is agreeing to assume Tri-Town's obligation—specifically, Starwood will pay for the costs necessary to source, finance and construct a wastewater treatment system.

# Legislation



## Section 15 (a) (page 16):

The DDA shall assign to the master developer the responsibility for procuring and financing the permanent water supply and wastewater capacity

• • • • •

Sumner DRAFT 11/7/13

(1) As authorized in Section 6(f), the corporation shall have exclusive authority to issue and enforce permits, approvals, orders of conditions and other entitlements pursuant to the zoning by-law, regulations promulgated pursuant to Section 14(f), subdivision regulations, and wetland protection laws in effect within the Central Redevelopment Area. Such authority shall include the exclusive jurisdiction to act as a permit granting authority pursuant to section 15 of Chapter 40A of the General Laws. All other permitting, licensing, enforcement and enforcement authority vested in or conferred on municipalities, their executives, or their various departments and boards (including without limitation their boards of health and inspection services departments) pursuant to the General Laws shall be vested in the town in which the applicable portion of the Project is located. Without limiting the generality of the preceding sentence, each town's inspection services department will be responsible for issuing and enforcing building permits and certificates of occupancy for construction activities occurring within the respective town's borders.

(2) The town of Weymouth is authorized to issue a maximum of 14 alcoholic beverage licenses within the portion of the N/S South Weymouth Redevelopment Area located within Weymouth in accordance with chapter 138 of the General Laws, and the town of Rockland is authorized to issue a maximum of 2 alcoholic beverage licenses within the portion of the N/S South Weymouth Redevelopment Area located within Rockland in accordance with said chapter 138; provided, however, that said licenses shall not diminish the number of licenses permitted by the commonwealth to be granted elsewhere within the towns of Weymouth or Rockland. None of the licenses authorized by this section shall be transferable outside the N/S South Weymouth Redevelopment Area. Nothing in this section shall be deemed to limit the ability of the towns to issue entertainment licenses and temporary alcoholic beverage licenses as it deems necessary and appropriate for activities occurring within their respective borders.

(3) All decisions and determinations of the corporation, whether legislative or adjudicatory in nature, shall be appealable by persons aggrieved by such decision or determination in accordance with applicable provisions of the General Laws. Where any applicable General Law requires notice of any such appeal to be filed with a municipal clerk, such filing shall be made with the clerk of the corporation, and with the clerk of the town or towns in which the land directly affected by such decision or determination is located.

Section 15. The board is hereby directed, within 90 days of its initial installation pursuant to Section 9(a), to revise, re-promulgate, revise, re-negotiate, and re-execute all regulations promulgated by the corporation and currently in effect and all material agreements (including the DDA) in effect between the corporation and the master developer, all for the purpose of conforming such regulations, agreements, and other documents to this act. Without limiting the generality of the foregoing, the DDA, as re-negotiated pursuant to this section 15 shall:

(a) assign to the master developer the responsibility for procuring and financing the permanent water supply and wastewater capacity, and shall require the master developer to allocate and reserve, for the benefit of the Dedicated Commercial Zone, such portion of the permanent water supply, and wastewater capacity as are adequate and necessary to serve commercial development within said zone. The DDA shall provide that the foregoing



# Parkway



- **Problem?** Tri-Town is obligated to pay for Parkway Phase II and also obligated to pay the deficiency “claw back” under the existing Parkway Bonds that funded Parkway Phase I.

- **Solution!** Shift the funding obligation for the completion of the Parkway to the Commonwealth and restructure the existing Parkway debt to remove the deficiency claw back.



# Parkway



## Claw Back

- Financing MOA is between Tri-Town and the Commonwealth
- Commonwealth financed Parkway Phase I on the premise that redevelopment of the Base would generate annual sales taxes, personal income taxes and hotel taxes (defined as New State Tax Revenues) in an amount at least 1.5 times greater than the annual debt service on the Parkway bonds.
- In the event New State Tax Revenues < Annual Debt Service, Tri-Town responsible for the deficiency.
- Deficiency is a general obligation of SSTTDC to be paid by:
  - Assessment on commercial property in an amount not to exceed \$6.50/\$1000 in value and, if that does not raise the full deficiency, then:
  - Other SSTTDC Revenue (but not assessments)

# Parkway



## Claw Back

- Must have development to generate New State Tax Revenues
- No development in the absence of a water and wastewater solution
- No development in the absence of Parkway Phase II
- Parkway Deficiency Assessment in the amount of up to \$6.50 per thousand on commercial development is a deterrent to commercial development
- Current arrangement does not work for Commonwealth, Master Developer or the three Towns!



# Legislation



## Section 34 (page 29):

Within 180 days of the effective date of this act, the corporation, the secretary, the secretary of the department of transportation, and the master developer shall enter into an agreement amending the Parkway Financing MOA to (a) eliminate the data collection and reporting obligations described in sections 3 and 4 thereof, (b) eliminate the corporation's obligation to reimburse the commonwealth any "Deficiency Payment," as defined therein, and (c) provide for the financing by the commonwealth of "Parkway-Phase 2" and the "East Side Connectivity Improvements," as defined therein.

Stanwood DR VET 11/7/13

evidence, provide for the distribution of the assets and determine other provisions as required for the dissolution and administration agreement.

**Section 34.** Within 180 days of the effective date of this act, the corporation, the secretary, the secretary of the department of transportation, and the master developer shall enter into an agreement amending the Parkway Financing MOA to (a) eliminate the data collection and reporting obligations described in sections 3 and 4 thereof, (b) eliminate the corporation's obligation to reimburse the commonwealth any "Deficiency Payment," as defined therein, and (c) provide for the financing by the commonwealth of "Parkway-Phase 2" and the "East Side Connectivity Improvements," as defined therein.



## Inefficient and Unreliable Governance



- **Problem?** Municipal services provided to SouthField businesses and residents are already provided by Weymouth but at much higher costs because of the Tri-Town “Middleman”. Under the current scheme, services are not even guaranteed year to year, and their future costs are unknown, resulting in another deterrent to private investment.
- **Solution!** Residents and businesses become citizens of the town in which their business or home is located. Towns provide standard municipal services in exchange for receipt of taxes on the land and development within their borders.

## Inefficient & Unreliable Governance



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

Police	\$290,000
Fire	\$290,000
Public Works	<u>\$227,000</u>
Total	<b>\$807,000</b>
Office of the Chief Executive	\$475,000
Office of the Financial Officer	<u>\$398,000</u>
Total	<b>\$873,000</b>
SSTDC Pensions	<b>\$205,000</b>

Source: SSTDC Measure 13-041 (passed 11-4-13)

## Inefficient & Unreliable Governance



- Executive Overhead
  - Weymouth 2% of recurring revenue
  - Rockland 2% of recurring revenue
  - **Tri-Town 27% 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:

			Plus Parkway Deficiency Assessment	
<b>FY '13</b>	<b>Commercial Rate</b>			<b>Total</b>
<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
<b>FY '14</b>	<b>Commercial Rate</b>			<b>Total</b>
<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

## Inefficient & Unreliable Governance



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

### SSTDC

### 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)
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Building Permit Fees (per \$1000 value)	<b>\$20</b>	Residential: \$10 Commercial: \$15
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- Weymouth provides Water, Wastewater and Building Permit inspection services at SouthField. Tri-Town marks up the cost.



# Legislation



## Section 19 (page 19):

(a) Property taxes upon personal property, persons, residents and estates lying within the NAS South Weymouth Redevelopment Area, including both the central redevelopment area and the perimeter area, shall be imposed, levied and administered by each town for its respective portion of NAS South Weymouth . . . .

Revised DRAFT 11/7/13

following methods that result in fairly allocating the costs of the infrastructure improvements to the real estate in the NAS South Weymouth Redevelopment Area:

- (1) equally per length of frontage, or by lot, parcel or dwelling unit;
  - (2) parcel or dwelling unit;
  - (3) according to the value of the property; or
  - (4) in any other reasonable manner that results in fairly allocating the cost, administration and operation of the infrastructure improvements, according to the benefit conferred or received including, but not limited to, by classification of commercial or residential use or distance from the infrastructure improvements.
- (c) The corporation may also provide for the following:
- (1) a maximum amount to be assessed with respect to any parcel;
  - (2) a tax year or other date after which no further special assessments under this section shall be levied or collected on a parcel;
  - (3) annual collection of the levy without subsequent approval of the corporation;
  - (4) the circumstances under which the special assessment levied against a parcel may be increased, if at all, as a consequence of delinquency or default by the owner of that parcel or any other parcel within the NAS South Weymouth Redevelopment Area; and
  - (5) procedures allowing for the prepayment of betterments, assessments, special assessments, fees and other charges under this act.

(d) Betterments, assessments, special assessments, fees and other charges levied under this act shall be collected and secured in the same manner as property taxes, betterments, assessments and fees owed to the towns unless otherwise provided by the corporation and shall be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency, as is provided for such property taxes, betterments and liens owned to the towns.

(e) The appellate tax board shall have jurisdiction within the NAS South Weymouth Redevelopment Area pursuant to chapter 58A of the General Laws to the same extent as its jurisdiction in cities and towns.

Section 19. (a) Property taxes upon personal property, persons, residents and estates lying within the NAS South Weymouth Redevelopment Area, including both the central redevelopment area and the perimeter area, shall be imposed, levied and administered by each town for its respective portion of NAS South Weymouth, consistent with the General Laws that are applicable to municipalities. The towns shall apply to bond within NAS South Weymouth a property tax rate equal to the base rate plus the Tri-Town rate. In connection with the foregoing, the towns shall have all the powers and authority of cities and towns under chapters 40, 59, 60, 60A, 60B and section 33A of chapter 60C of the General Laws, and may accept a local option under a general or special law related to the assessment, exemption or enforcement of property taxes and services that cities and towns may accept. The board shall notify each town of the Tri-Town rate to be changed in the next following fiscal year no later than March 1 of each year. No later than 30 days after collection of property taxes for each fiscal quarter, each town shall remit to the corporation the Tri-Town revenue collected by such town in the preceding fiscal quarter. If not such time as the town of Weymouth enters the agreement with the corporation contemplated in section 20(c), each town shall also, with each remittance of Tri-Town revenue to the corporation,

# Legislation



## Section 19 (page 20):

(b) In consideration of the collection and retention of base revenue pursuant to Section 19(a), by the later of 90 days following the effective date of this act and July 1, 2014, each town shall assume responsibility for providing police and fire protection, emergency services, schools, waste collection, public way maintenance, public works, and other municipal services to its respective portion of NAS South Weymouth . . . on the same basis and terms as it provides such services to other parts of the town.

town pledged revenue collected during the relevant period. Nothing in this act shall be deemed to limit a town's ability, in respect of any given fiscal year or other period, to own property, pay revenue in excess of the town revenue to the corporation.

(b) In consideration of the collection and retention of base revenue pursuant to Section 19(a) by the later of 90 days following the effective date of this act and July 1, 2014, each town shall assume responsibility for providing police and fire protection, emergency services, schools, waste collection, public way maintenance, public works, and other municipal services to its respective portion of NAS South Weymouth (except for portions owned or controlled by agencies of the United States government) on the same basis and terms as it provides such services to other parts of the town. Notwithstanding the generality of the preceding sentence, no town shall be required to provide water or sewer services to any portion of NAS South Weymouth except pursuant to agreement with the corporation or the master developer (including pursuant to the phase I water and wastewater agreement). For purposes of determining state education assistance, including without limitation the calculation of each town's foundation enrollment under chapter 70 of the General Laws, each school-age child living within NAS South Weymouth shall be counted as a child enrolled in the town in which the child resides, and all expenses incurred by each respective town on behalf of such children's education shall be included as expenses of the town incurring such costs in the determination of each respective town's share of such assistance, including without limitation each town's foundation budget under said chapter 70.

(c) Within 180 days of the effective day of this act (or, with respect to the town of Weymouth, only upon such town agreeing to enter the agreement with the corporation contemplated in section 29G), the corporation and the master developer, as the case may be, will take all actions necessary to transfer to the applicable town control of all existing public ways, or ways maintained and used as public ways, located within NAS South Weymouth, together with associated infrastructure (including public utilities and sewer and storm drain lines located within or adjacent to the rights of way of such ways), and each town shall, without regard to the requirements of chapter 82 of the General Laws or other general or special laws, accept as applicable portions of such ways or ways as a public way in said town. Each town shall accept as a public way any new public way constructed within NAS South Weymouth following the effective date of this act provided the board has approved the layout and construction of such way consistent with the corporation's subdivision regulations. Notwithstanding any general or special law to the contrary, (i) public ways (or portions thereof) located within NAS South Weymouth and for which a town assumes maintenance, repair and other obligations pursuant to this Section 19(c) shall be included in the apportionment for such town of state assistance to cities and towns under chapter 90 of the General Laws (or under any other statute or program providing financial assistance to cities and towns of the Commonwealth in connection with transportation matters), (ii) any other attributes of a town located within NAS South Weymouth (including without limitation population and employment) shall likewise be included for purposes of such apportionment, and (iii) transportation, maintenance, repair or other projects related to said public ways shall be eligible for such assistance. The provisions of this Section 19(c) shall not apply to the parkways, existing and future portions of which shall remain subject to the master developer's control until such time as the master developer transfers control to a third party on such terms as the master developer and each third party may agree.

# 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?



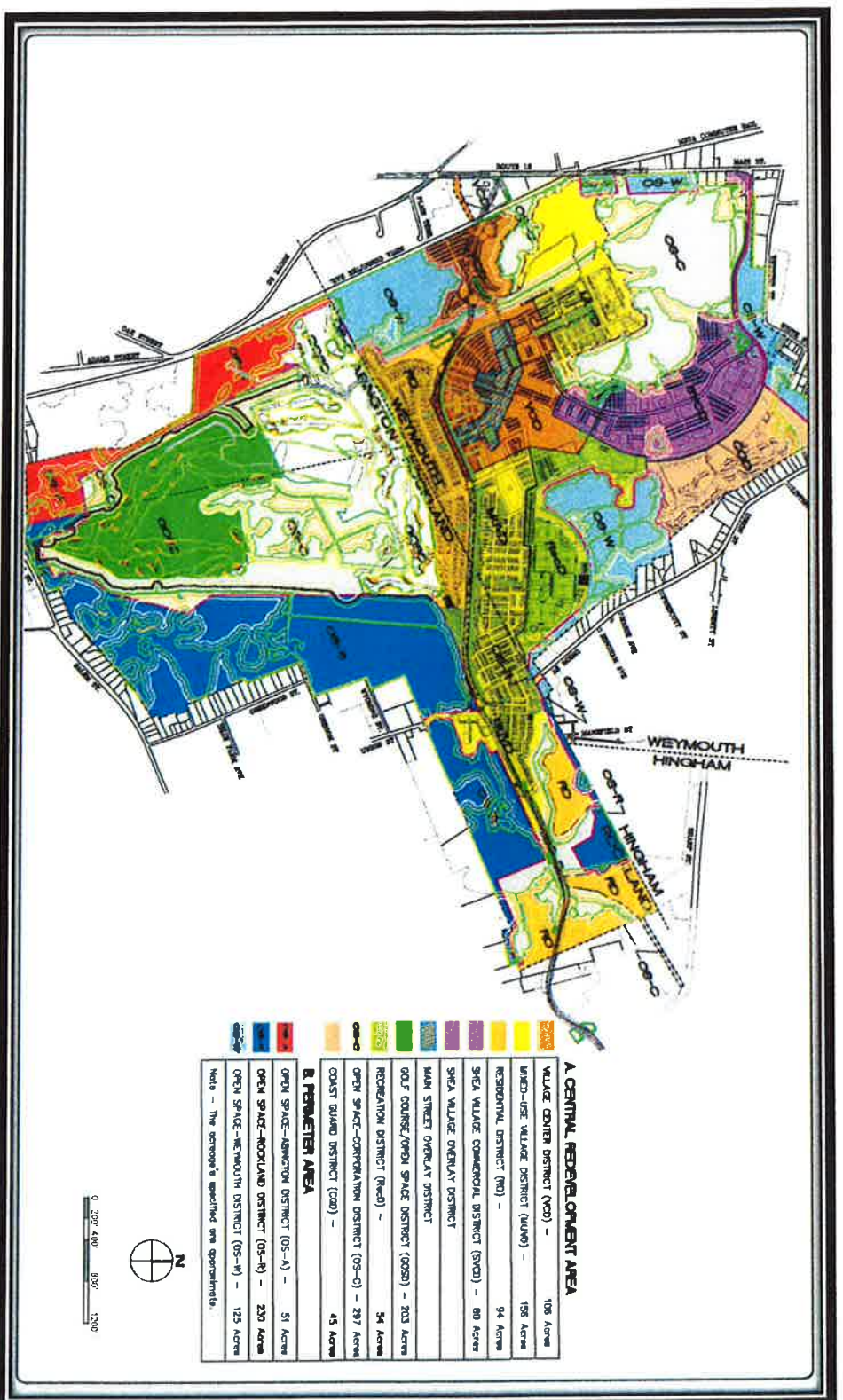
Southfield will continue to be a smart-growth, transit-oriented, sustainable development with recreational amenities, open space, and walking and biking trails.



# What Stays the Same?



- Zoning:





# What Stays the Same?



- Current law does **not allow** individuals to put zoning articles in front of Town Meeting.
- The proposed legislation does nothing to limit the ability of individual citizens or citizen groups to lobby their Selectmen to initiate a rezoning process.
- The proposed legislation actually enhances the ability of individual citizens in a particular town to influence the zoning applicable within their town's portion of Southfield because it eliminates the requirement that modifications be approved by all three towns.

# 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>
	\$8,169,668	\$16,365,332	\$24,535,000

# Faulty Financial Projections



## Year 1 Costs

- Tri-Town contends that the cost to the three Towns in Year 1 will be \$2.5 million if the legislation is enacted, resulting in a deficit of \$133K
- Tri-Town utilized its own cost projections, rather than working with the three Towns to determine what the costs to the towns will be
- Actual costs will be \$1.6 million, as shown in Starwood's financial projections
- Starwood worked with the towns in arriving at the projections
- Profit of \$400K (without host community fees) and \$1.2 million with host community fees

# Faulty Financial Projections



- For FY '19 Projections, Tri-Town used an “actuary”
- Starwood worked with the financial officers of the Towns
- Tri-Town’s projections for FY ‘19 are illogical:
  - Based on 1000 residential units/300,000 sq. ft. of commercial
  - 23,000 total housing units in Weymouth (SouthField would be 4.2% of the total)
  - Tri-Town claims the need will be 15 firefighters
    - Weymouth has approximately 100 firefighters for 23,000 units
    - Tri-Town’s projection would require 13% of the force be dedicated to SouthField for only 4% of the total demand
  - Tri-Town claims the need for 8 police officers
    - Weymouth has 93 police officers
    - Tri-Town’s projection would require 8% of the force be dedicated to SouthField for only 4% of the demand
  - Tri-Town claims \$1.5 million in education costs which is \$9600 per student
    - Cost to Weymouth is \$6900 per student (with state aid)

## FY2019 Expenses

• Expenses (personnel costs performed by independent actuary)	
• Debt Service	\$1,108,095
• Education	1,492,000 (156 students = 10 teachers)
• Police	1,346,600 (8 police officers)
• Fire	2,185,000 (15 firefighters)
• Public Works	726,500 (5 staff members)
• Equipment Costs	1,815,000
• Overlay for abatements	300,000
» Does not include personnel costs for Assessing, Collections, Administration, Planning, Conservation	
• TOTAL	\$8,973,195
• Surplus/Deficit	\$2,592,975
To be absorbed by the Towns	

# Starwood Financials



- Study performed in September 2008—Pinehills had 1,163 residential units and 30,000 square feet of commercial development at that time
- Pinehills was generating \$7.2 million in revenue
- Cost to revenue ratio was 0.10, meaning that to provide municipal services to Pinehills, it cost the Town of Plymouth ten cents from every dollar generated
- “Halfway to completion, Pinehills has proven an economic engine beyond the town’s wildest expectations. ‘It blows all our projections out of the water,’ town Planning Director Lee Hartmann said. ‘We predicted \$6.4 million gross revenue at full build-out, and they are generating more than that halfway through.’” From *Pinehills Community is Cash Cow for Plymouth*, Gatehouse News Service (September 2008)
- Study cited to lower than average police costs and a high taxable value per residential unit
- Some differences from SouthField (19 students at the time and roadways privately maintained)

Source: *Pinehills Planned Community Fiscal Impact Report (September 12, 2008)*

