

**TOWN COUNCIL MINUTES  
ECONOMIC DEVELOPMENT  
Town Hall Council Chambers  
February 11, 2019, Monday**

Present: Ed Harrington, Chairman  
Fred Happel, Councilor  
Rebecca Haugh, Councilor  
Brian McDonald, Councilor

Absent: Christopher Heffernan, Vice Chairman

Also Present: Ted Langill, Chief of Staff  
Richard Swanson, Town Auditor  
Joseph Callanan, Town Solicitor  
Robert Luongo, Planning Director  
Eric Schneider-Principal Planner  
Christine Howe-Program Manager-Grants and Procurement  
Maureen Kiely, Councilor

Recording Secretary: Mary Barker

**19 012-GND Realty Trust Agreement**

Chairman Harrington called the meeting to order at 6:33 PM.

He reported that when he came on board in 2007, the area was beginning the largest recession he'd ever seen. The two biggest issues in Weymouth at that time were net school spending and the deplorable condition of the town's playing fields. Because of Proposition 2 ½, revenue isn't keeping up with yearly cost increases. In order to maintain decent levels of spending in schools, the town was forced to cut in other departments. 35% of staff were reduced in Police, Fire and DPW. By FY2008, Weymouth was at rock bottom in net school spending. Through minimal increases in the tax base and by restructuring debt and fee structure, Mayor Hedlund has made incredible improvements in fields; from among the worst to among the best in the state. Weymouth's average residential taxes are near the very lowest in the state; however, due to the serious underfunding of schools, demand for properties is improving, but still very low. The only way to increase demand is to improve the school curriculum, and the only way to do that is to significantly improve the tax base- through commercial development and age restricted and other types of development. These would increase revenue without significantly increasing costs. The committee will determine whether the Town Council should give its approval.

He invited Bob Luongo and Eric Schneider of the Planning Department to explain the definition of a TIF and how this proposal and a TIF are appropriate and consistent with the needs of the town:

- What is a TIF?
- Where is it used?
- Is this an appropriate use?

A TIF, or Tax Incremental Financing is a means of use of private/public partnership. The tax break, or increment, is the difference between the assessed value of current blighted state and the assessed value going forward --as a fully developed project of 87 units and commercial space of \$18 million. The increment is what is abated for the term- ten years- is 100% for ten years on commercial only. The developer will pay real estate taxes on vacant land (assigned value). They can be granted for up to 100% of the tax increment for a period of up to twenty years.

The Landing is distressed and underutilized. It's an urban area not developed to its fullest value even when it was active. Before the PWay grant was awarded for sidewalks, trees, etc. The area had seen an increase in property values and decreased tax revenue. This is exactly what the state created the TIF for. It is the right tool. It has worked with Braintree and Weymouth for mixed-use in the closest thing to urban area; transit-oriented. MAPC created the vision for the downtown. The towns adopted village overlay districts in both Braintree and Weymouth which allows for mixed-use development. The state created TIF's as a way to increase housing stock, jobs, and quality of life.

This TIF satisfies the state's criteria:

- Concentrate development utilizing existing infrastructure
- Encourages development
- Revitalization.
- Encourages economic development
- Create environmental justice areas (areas seeing disinvestment- brings equity to the neighborhood)
- Expand housing opportunities
- Increased job and business opportunities.
- Advance Regional economic growth

The Landing has all the needs for which the Commonwealth designed the TIF. It meets the goals and will bring housing, jobs and economic equity.

Chair Harrington asked if the plan includes retail and professional offices also? The answer was "yes".

Mr. Luongo reported that the increment abating has to go to the occupant of the space, to make the rentals more attractive. While the developer is getting relief from the taxes, it must be passed along to the tenant. It's not the same with Braintree's Landing 53 (all market rate). Chair Harrington responded that should make this project more competitive than Landing 53.

Ms. Howe presented a Powerpoint with Principal Planner Schneider:

## Tax Increment Financing Agreement between Town of Weymouth and GND Realty Trust

- Site Timeline
  - 1999 - GND Realty Trust acquires the site
  - 2005- 14,000 square foot Walgreens proposed for site but abandoned after heavy neighborhood and political opposition
  - 2010- Town adopts Village Center Overlay District
  - 2014- GND proposes 54 unit mixed-use building; withdrawn after opposition from town officials and residents raise parking issues
  - 2015- Town of Braintree approves Landing 53 (mixed use project with 172 residential units and 11,000 square feet of commercial space); Approval comes with \$1.6M tax relief
  - 2016-
    - GND negotiates purchase of additional land from Archdiocese of Boston for \$850,000
    - Weymouth applies for state MassWorks Grant to fund design and construction of Smelt Brook daylighting. Town is advised that at least 87 new units would be needed to justify grant consideration
    - Town awarded \$1.6M MassWorks Grant Phase 1 Smelt Brook Daylighting project in November.
  - 2017-
    - GND submits new proposal with 87 units, retail, and additional parking. Proposal receives local approvals from Weymouth Conservation, Braintree Conservation and Weymouth BZA.
    - Through Army Corps permitting process, GND discovers that building their foundation over the ACOE pipe will add approximately \$1 million to the project.
  - 2018- GND approaches the town to discuss potential incentives to make project viable and to allow progress on daylighting project
- Importance of site
  - Highly visible gateway into Weymouth
  - Vacant and blighted site is a detriment to future economic growth in the area
  - Collaboration with GND needed to secure easements to allow town to fulfill Greenbush mitigation obligations
  - MassWorks Grant totaling \$2.2M is predicated on significant private sector investment. Losing the 87-unit project jeopardizes the grant.
- Site complications
  - Site multi-jurisdictional requiring permitting from both Weymouth and Braintree
  - 96" Army Corps pipe and easement traverse the site requiring additional federal permitting
  - Proximity to Smelt Brook triggers extensive environmental permitting from local, state and federal agencies

- Costly acquisition of Archdiocese property was required to make expanded project feasible
- Construction season limited due to work stoppages while smelt are active
- Construction techniques required add expense compared to similar projects
- Agreement components
  - Tax on commercial portion of project waived for a period of 10 years
  - Building permit fees paid in full after 5 years
  - Water and sewer fees deferred for 12 years and then paid in full over next 5 years at 0% interest
- Local TIF Agreement Details
  - Over the past ten years these properties have generated a total of \$230,000 in tax revenue. In FY19 the total was less than \$7,000
  - Commercial taxes to be waived for a period of ten years with a total estimated benefit to GND of \$533,000
  - Residential taxes will be paid as normal with an estimated increase in revenue to the Town of \$2.1 million over the ten-year period.
- Summary
  - Decades of delays and complications have left a major gateway to Weymouth vacant and blighted
  - GND Realty has worked with the Town to secure grant funding and fulfill mitigation obligations
  - Overall, the completion of the project will revitalize the landing and the

Mr. Schneider noted that Phase two of the MassWorks grant will be dependent on the build-out of this project.

Chair Harrington asked what provisions are in place in the TIF agreement to check the developer- what if the project is not begun within the time outlined? Ms. Howe responded that it is covered in the agreement. They would have to go back to the state to make exceptions for the MassWorks grant-- if this project was jeopardized. There is this possibility. Councilor McDonald noted TIF's aren't unusual; they provide incentives to get economic development moving.

Mr. Collier, who is partnering with Mr. Delegas, noted that the retail is market driven and the TIF will directly influence development. They are hearing from the brokerage community that Landing 53 rents are the reason it hasn't filled. The reduction in taxes relates to the rent. The retail is also in a better position. They feel it will be more successful.

Chair Harrington asked Mr. Collier to explain his working relationship with Mr. Delegas. He responded that Mr. Delegas does not have the developmental expertise so he was brought in to provide that. His experience includes 25 years in Boston area development projects. The construction is more complicated because of soils. It will be marketed at equal or just below market rates. As for construction start, the biggest lead time item is

architectural docs. They are in the works and will be shown at BZA. Design docs will be done at the end of June, with permitting for site work in July and full build permit in August. There is an active sewer line that runs across the site that will have to be redirected. If things slip, hopefully it will not be by months. Chair Harrington noted Mr. Collier's information is provided in the committee's backup package.

Councilor Haugh asked about the parking. There are 112 spots allocated for the residents. She asked if the MBTA commuter lot is usable at night? Mr. Schneider responded that he joined a neighborhood group with Mayor Sullivan that is reviewing this and within the next month hopes to come up with some solutions. They need to maximize the number of spaces they can get out of the public lot. Eight spaces per unit for Braintree is a pretty aggressive goal even for a transit-oriented project. This project is for one space per unit.

Councilor McDonald asked how much of the construction staging was set up on the Weymouth side, and how will this impact the current project. Mr. Collier responded that the culvert construction adjacent to the property will be completed by the end of March. Construction will move up and over the street by July. It may require having to take lanes down to accommodate staging as they construct the culvert. Coordination and cooperation- they allowed the town to stage and stockpile equipment on the site for the daylighting, and once completed will allow for an easement for the area. There are 4400 sq. ft. of permitted area and an easement plan where abandonment of the sewer line is a benefit to the town. Removing certain easements for the benefit of other easements is still to the benefit of the town.

Councilor Happel noted he is concerned with the parking. He asked--what is the occupancy rate of Landing 53? Mr. Collier responded it's at 90% - a telltale sign that transit-oriented development works.

Chair Harrington asked for a realistic number of school aged children that will result from the development? Mr. Collier responded that with larger scale projects like this in an elevator building, school aged children drops off significantly. Turnover tends to make it fluctuate. Single-family homes tend to be the predictor of school kids. He estimates 2 or 3 students to come out of 66 units. Mr. Delegas is looking to building and holding for the long term and is interested in the same. Focus is a long-term sale with a leasing company.

Councilor Haugh asked if the low to moderate housing is subject to 10%. Mr. Collier responded that the residential will be all market rate.

The chair reported that he asked the town Auditor to review the information and Mr. Swanson read a statement to the committee. He reported that the financial spreadsheet in the initial packet submitted by Planning needed to be updated and it has been. He agreed the projections as represented are reasonable.

Chair Harrington reported that Councilor Kiely submitted a letter to the committee and Councilor Haugh read it into the record.

Chair Harrington noted the other incentives- permit fees/water/sewer are within the purview of the Mayor.

Councilor McDonald asked about reports rumoring that out-of-state workers will be brought in and paid less than local workers. Will they be paid prevailing wages? Mr. Collier responded that EMJ Construction, the general contractor, has offices coast to coast. They are going through budgets and intend to pull from the local sub-base and resource everything locally. Locally sourced subcontractors will build this project.

A motion was made by Councilor Haugh to refer measure 19 012 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Happel.

The chair thanked Councilor Kiely for her letter and Auditor Swanson for his report and reported that he is excited about the project. The town has improved parks and schools and now this commercial development. It is all progress in the right direction. Unanimously voted. UNANIMOUSLY VOTED.

#### ADJOURNMENT

At 7:43 PM, there being no further business, a MOTION was made by Councilor Haugh to adjourn and was seconded by Councilor McDonald. UNANIMOUSLY VOTED.

Respectfully submitted by Mary Barker, Recording Secretary.

Approved by Ed Harrington as Chair of the Economic Development Committee.

#### Attachments:

1. Power Point presentation from Planning Department (revised)
2. Auditor Swanson's report
3. Letter in support from Councilor Kiely

Approved unanimously on 4 March 2019