

# GARFIELD FOUNDATION

## COVER SHEET FOR GRANT APPLICATIONS

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To ensure further processing of your organization's grant application, please return this completed Cover Sheet to the Garfield Foundation office. The Garfield Foundation encourages that Cover Sheets be submitted via e-mail to: [jdowning@garfieldfoundation.org](mailto:jdowning@garfieldfoundation.org).

**Organization** *Boston Redevelopment Authority*

**Representative/Legal Signatory**  
*Peter Meade*  
*Director*  
*Peter.Meade.bra@cityofboston.gov*

**Project Contact**  
**Title** *Inés Palmarin*  
**Email** *Ines.Palmarin.bra@cityofboston.gov*

**Address** *One City Hall Square 1<sup>st</sup>, Boston, Ma 02201*

**Phone** *617.918.4434*

**Fax** *617.367.6087*

**Website** *[www.bostonredevelopmentauthority.org](http://www.bostonredevelopmentauthority.org)*

**Mission Statement (please be as brief as possible)**

In partnership with communities, the BRA plans Boston's future while respecting its past. We prepare our residents for new opportunities through training, human service and job creation. The BRA guides physical, social, and economic change in Boston's neighborhoods and its downtown to shape a more prosperous, sustainable, and beautiful city for all.

**Geographic region served**

*City of Boston*

**Beneficiaries served**

*617,594*

**Does your organization produce an Annual Report?**  Yes  No

If so, please attach current Annual Report.

*[www.bostonredevelopmentauthority.org](http://www.bostonredevelopmentauthority.org)*

**Organization's fiscal year:** July-June

**Total Organizational Budget:** *See attached.*

Please attach current fiscal year's operations budget, including confirmed and pending income.

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**Project title:** *Fairmount Corridor and Crossroad Planning Initiative*

**Total Project Budget:** \$380,000

**Grant Request:** \$30,000

Please attach a dated project budget including expenses, confirmed and pending contributions and any other income.

***List of contributing project donors***

1. *Boston Redevelopment Authority*
2. *Boston Foundation (Pending)*
3. *Metropolitan Area Planning Council*
4. *HUD Challenge Grant (Pending)*

## **B. Executive Summary**

The Fairmount Corridor and Crossroad Planning Initiative (FCCPI) is guided by a Mayoral imperative and vision to enhance the Fairmount Corridor, not only as a vital transportation center and destination, but to ensure the Fairmount Corridor becomes a series of distinct districts with a collaborative approach toward vibrant economic activity, improved quality of life for residents and a sustained reputation for creating job opportunities with career ladders.

The Boston Redevelopment Authority ("BRA"), as lead agency for the Fairmount Initiative will bring to bear the knowledge of senior level staff from departments across many City agencies in an effort to determine the best strategies to implement planning and economic development goals in support of this corridor. To support this effort the BRA will seek to engage technical experts and consultants in the fields of economic analysis, real estate, planning and workforce development to augment the skills and activity undertaken by City of Boston agencies.

### **INITIATIVE GOALS**

- Improve the built environment and public infrastructure at each Crossroad / Station Area to support new density and greater diversity of uses and population.
- Establish an action oriented implementation plan that will increase access to transit, housing, employment, goods and services, community resources and open space for the communities in the Fairmount Corridor.
- Enhance the social, economical and environmental vitality of residents, businesses and organizations located in the Fairmount Corridor and City of Boston.
- Advocate for accelerated improvement of transit service, including rapid-rail train cars, and affordable transit fares.

### **INITIATIVE OBJECTIVES**

Working in collaboration with area residents, businesses and community organizations from South Station to Readville / Hyde Park and with State transit and regional agencies, craft:

#### **THE FAIRMOUNT CORRIDOR:**

- A Corridor-wide Community Vision that establishes a new identity for the corridor and promotes continued expansion and improvement of corridor transit services that will support corridor population growth and increased density.
- Identify key Crossroads / Station Areas along the corridor with significant Transit Access potential and prepare Strategic Land Use recommendations for each.
- Establish economic development and demographic growth targets for the entire corridor and relate to increasing transit capacities (e.g. existing vs. 5yr., 10 yr. and "full build").

#### **CROSSROADS AND STATION AREAS:**

- A Transit Access and Public Realm Improvement Plan that promotes and improves multi-modal connections, access, and accessibility to Fairmount Line Stations, increases transit ridership, and advances the local and Corridor-wide Community Visions with immediate, near and long term improvement action items.
- A District Economic and Development Plan that will generate new business, investment and employment opportunities, and update land use plans to increase area social, economic, and environmental vitality and diversity.
- Use & Design Guidelines that promote economic, social and environmental sustainability, green buildings, and the creation and preservation of green spaces.

- Development Scenarios for selected publicly and privately owned sites that advance the Community Corridor Vision, with the ability to enhance community sustainability and promote new development and green buildings.
- Zoning Revisions and Amendments that promote the Community Vision and support the Use & Design Guidelines.

The requested funding will be for Phase I of the FCCPI. Phase I objectives include: (1) to complete a corridor-wide community vision and comprehensive corridor strategic plan, and (2) complete crossroad/station area planning and improvement plans at Uphams Corner and one or two additional crossroad/station areas. As resources become available, additional crossroad/station area improvement plans will be initiated. Currently the planning initiative is funded for \$350,000. We are requesting \$30,000 from the Garfield foundation toward fulfilling the objectives and goals of Phase I.

### C. Project Proposal

**Background: Describe your organization's history and accomplishments and, if funding is being sought for an ongoing project, describe the project's history and accomplishments.**

In 1957, the BRA was established by the Boston City Council and the Massachusetts Legislature. The BRA assumed the development powers previously held by the Boston Housing Authority and expanded them beyond public housing. In 1960 the City Planning Board was abolished and its powers were transferred to the BRA. The BRA's statutory authority was set forth in the Massachusetts General Laws, chapter 121B, section 4 in 1957 and Chapter 652, section 12 in 1960. Its broad development authorities include the power to buy and sell property, the power to acquire property through eminent domain, and the power to grant tax concession (under MGL chapter 121A) to encourage commercial and residential development. As the City's planning and economic development agency, the BRA has the responsibility and unique ability to lead, bring together, and coordinate City land use, economic, development, and transportation activities.

The Fairmount Line is a 9.2-mile commuter rail service running from Boston's multi-modal central station in downtown Boston (South Station) and terminating at the Readville section of Boston's Hyde Park neighborhood. The trip takes about 30 minutes and makes 17 inbound trips to South Station and 14 outbound trips to Readville every weekday; average daily ridership is 1,650 passengers.

Historically, the line has traveled from suburban locations directly into the central business district of downtown Boston, bypassing large sections of Boston's predominately lower-income urban neighborhoods. These neighborhoods have endured environmental impacts from the train line without enjoying access to its benefits. There are currently only four neighborhood stops on this commuter rail line, Uphams Corner, Morton Street, Fairmount and Readville. The Readville and Fairmount neighborhoods are predominantly white and middle income, while those in Uphams Corner and Morton Street are predominantly lower-income persons of color.

The Massachusetts Bay Transit Authority (MBTA) is currently constructing four new stations strategically located at Newmarket/South Bay (construction contracts executed, completion in 2013) Four Corners (in construction and scheduled for completion by the end of 2012), Talbot Avenue (construction contracts executed, completion in 2013) and Cummins/Blue Hill Avenue (in design, construction completion 2013/14). These four new stations will significantly expand transportation options (both rail and bus) for these lower-income and predominantly minority neighborhoods. Two additional stations (Columbia Road and River Street) may be added in the future. Approximately 41,000 people live within a ½ mile walk of the current four stations. About 49,000 people live within ½ mile of the 4 new stations and 63,000 additional people will be within ½ mile of a transit stop if all six new stations are built. The map shows the locations of the existing funded and proposed stations.

The addition of the new stations will provide better access to transit to the very low income populations living in these neighborhoods. However, there remains a need to increase access to jobs and affordable housing opportunities along the Corridor, to improve the livability of the neighborhoods and to address the remaining barriers to transit.

**Mission and Strategy: What is the mission of your organization? Describe your organization's strategy for achieving its mission and how the proposed project fits into the strategy.**

The FCCPI will establish a Corridor-wide Community Vision and comprehensive area-improvement plans at key Crossroads and Station locations. The planning work will be undertaken in phases (due to resource constraints), focusing first on the development of the Community Corridor Vision and the Uphams Corner Community Planning Initiative, followed by area improvement planning at two or three selected Crossroad / Station locations.

The Initiative will provide a broader planning and economic development context for the existing work of the Fairmount Collaborative and the Fairmount Greenway Task Force, recent Boston Redevelopment Authority initiatives including the Hyde Park Master Plan, the Mattapan Economic Development Initiative, and the Newmarket Eco-district Program, and the work of local community and regional organizations.

**Project Significance: Describe the problem being addressed. What are the project's short-term and long-term goals? Why is the project important? What are the potential challenges?**

The addition of the new transit stops will enhance the access of neighboring residents of the station areas to existing and new job opportunities all along the Fairmount Corridor. Residents of the new station areas will have increased and efficient access to major employment areas such as downtown Boston, the expanding industrial and retail area near the Newmarket/South Bay Mall area, Boston's flourishing Innovation District in South Boston and the commercial and light industrial centers near the Readville station.

The stations will also improve access to jobs and shopping opportunities in the neighborhood business districts along the corridor, including six Main Streets districts: 1. Uphams Corner, 2. Bowdoin-Geneva, 3. Greater Grove Hall, 4. Four Corners, 5. Mattapan Square and 6. Hyde Park. In addition, there are several significant commercial and/or retail economic development projects in development or planned along the corridor that will bring new employment opportunities to the residents of the station areas rather than requiring them to travel to the new jobs.

**Work Plan: Describe the project including objectives, activities, and implementation schedule. List any deliverables you expect the project to produce and the anticipated completion date.**

Please see Work Plan in the Supplemental Materials Page 10.

**Monitoring and Evaluation: Describe how you will track progress and gauge the project's effectiveness. What if, any, baseline data are you using to understand the problem?**

To measure the success of the proposed objectives and goals that comprise our work plan, we will develop a programmatic analysis report to gauge the success of the initiative. In addition, community meetings, surveys, documented feedback, and other project evaluation methods will be employed to track progress. Evaluations and progress will be reported and distributed reports or as-needed through user-friendly documentation, presentations and maps via the initiatives websites, emails or hard copy.

**Collaboration and Coordination: Describe how you will track progress and gauge the project's effectiveness. What, if any, base like data are you using to understand the problem?**

The FCCPI will be led by BRA and DND staff and include a city inter-agency team with key representatives from housing, transportation, planning, real estate, engineering and service departments. Key to this initiative is the City's ongoing work and coordination with elected officials, the MBTA, MassDOT and MAPC on transit service and planning in the corridor and region. In addition, the BRA will lead a Mayoral appointed Corridor Advisory Group (CAG) and for each Crossroad/Station Area, a District Working Advisory Group (WAG). Both CAG and WAG will include residents, businesses, community organizations, and institutional representatives. The BRA and DND will together lead the outreach efforts to the community and businesses.

**Diversity: Describe how issues of diversity (gender, socio-economic status, ethnicity, etc.) have been considered and integrated into the project.**

Utilizing the city's research department, a comprehensive demographic profile of the corridor will be developed. This data will be used to better understand demographics that are underrepresented or marginalized in planning processes along the corridor. To increase participation in the planning initiative, the initiative will seek to:

- (1) Expand typical city outreach by partnering with local stakeholder groups, non-profits, CDC's, etc. to increase initiatives exposure and participation;
- (2) Create multi-lingual outreach materials and providing translators at meetings (historically including Haitian, Cape Verdean, Spanish and Vietnamese);
- (3) Establish new public participation methods and strategies for greater public input and comments; and
- (4) Create website and other beneficial social media sites.

**Staff: Describe the experience and qualification of any staff or volunteers expected to play significant roles in implementing the project.**

**Ines Palmarin  
Senior Planner**

Inés Palmarin is currently a Senior Planner II at the Boston Redevelopment Authority where she currently manages the Fairmount Corridor and Crossroad Planning Initiative. For the past 12 years Ines has worked on numerous planning initiatives. She managed the Christian Science Plaza Revitalization Project, Centre/ South Street Streetscape and Transportation Action Plan, the Dorchester Avenue Action Plan, the Roxbury Strategic Master Plan managed the Oversight Committee and the Jackson Square Planning Initiative. Prior to this position, Inés worked as a Program Coordinator at Jobs and Community Services [division of the BRA] on a grant from the Department of Labor targeting English as a Second Language dislocated worker in Boston. Prior to working with the City Inés was a Housing Advocate for the Elderly, a Social Worker for the Cambridge Department of Social Services and a youth worker in East Boston, Mission Hill, and Mattapan.

Inés is a graduate of Wheelock College 96 where she majored in Human Development with a concentration in Elementary Education and minored in Urban Studies. She was the recipient Sue Swap Community Service Award and received the Wheelock College Presidents Leadership Award in 2002. She received her Master's in City Planning from the Massachusetts Institute of Technology where she focused on Housing and Community Economic Development. She was a board member of Sociedad Latina a youth service agency in Mission Hill, coached for the South End Astros girls softball youth division, served on the Community Advisory Board of and WGBH' and the South End Lower Roxbury Youth Workers Alliance. She currently resides Mattapan. She is the co-founder of two non profits Gathering of Hearts and Boston Mothers care both working to eradicate poverty serving children and their families. She is passionate about civic engagement especially in urban neighborhoods of color.

**Jeremy Rosenberger**  
**Planner**

Jeremy Rosenberger is an Urban Planner in the Planning Department at the Boston Redevelopment Authority. Mr. Rosenberger's responsibilities have included managing planning initiatives for the City of Boston such as the Mid Dorchester Action Plan, Dorchester Avenue Project, and Dorchester Avenue Zoning Update and overseeing planning and development projects in the Dorchester and Mattapan neighborhoods. He is currently working on a new major planning initiative relative to the Fairmount Line Corridor. Jeremy received his BA from Berklee College of Music and the University of Massachusetts-Boston and a Master's Degree in Public Administration from the Suffolk University.

**John Dalzell**  
**Senior Architect**

At the BRA, Boston's planning and economic development agency, Mr. Dalzell leads Green Building and Sustainable Development initiatives including public and internal sustainable development and green building policy development such as the January 2007 enactment of Boston's Green Building Zoning regulations which made Boston the first major city to require private developers to build green to LEED standards. Mr. Dalzell represents the BRA on the City's Inter-Agency Green Building Committee, organizes staff green building trainings, and provides sustainability and green building guidance to internal project planning and review teams.

Additionally, Mr. Dalzell focuses City resources on sustainable development through community based area and district planning initiatives and programs in Boston's neighborhoods. In May, Mr. Dalzell launched the Mayor's E+ Green Building Demonstration Program to test the feasibility of urban environmental, energy, and equity positive (E+) residential prototypes in Boston neighborhoods. The program will result in the redevelopment of three infill sites and construction of ten new high performance deep green residential homes that annually generate more energy than they use.

Mr. Dalzell is a member of the US Green Building Council Board of Directors where he provides perspectives on urban design, city and community development to the national Board. He served as a nationally elected member of the USGBC's LEED for Neighborhood Development Core Committee, is the co-chair of the USGBC Location & Planning Technical Advisory Group (LP TAG), and a Founding Board Member of the USGBC Massachusetts Chapter. He is a frequent speaker and has presented on sustainability, neighborhood development planning, district revitalization, green buildings and municipal policy at numerous national and local forums.

**The Boston Redevelopment Authority (BRA)** is the lead agency regarding Boston's efforts in the areas of planning, economic development, and workforce development. The BRA (251 staff members) also provides research and analysis to non-profits and to policy makers at all levels of government. Furthermore, the BRA emphasizes cross-departmental collaborations, constantly inviting professionals in various disciplines to inform the work of colleagues with different areas of focus. In the past ten years, the BRA has reviewed and approved over 3.3 million square feet of development within a half mile of the Fairmount Line. Just one example of many is **The Mid-Dorchester Action Plan**—a joint initiative of DND and the BRA that began in the summer of 2008 designed to coordinate the strategic disposition of public property located around the underserved areas of Four Corners, Bowdoin-Geneva, and Codman Square areas where the City owns as many as 270 vacant properties, totaling over 1.2 million square feet. As part of the initiative, an extensive community outreach effort resulted in a series of three community meetings, bringing a variety of community stakeholders to the table. As a result, the development guidelines set forth community acceptable parameters for development of the city-owned properties in the study area. Furthermore, RFP (Request for Proposal) Selection Committees were set up, blending community stakeholders and city-staff, to review the proposals.

**Fairmount/Indigo Line Community Development Corporation Collaborative:** The CDC Collaborative is an umbrella group of community organizations and not-for-profits corporations along the corridor who are working together on three major goals: 1. To bring transit equity to the residents in the distressed neighborhoods along the nine-mile Fairmount line, 2. To spearhead smart growth, economic development, and transit-oriented development that benefit the residents and the communities in the corridor, and 3. To connect all the neighborhoods on the corridor with a bike path, routes to existing parks and green spaces. The four Boston non-profit Community Development Corporations serving the neighborhoods through which the Fairmount Line runs are the Dorchester Bay Economic Development Corporation, the Codman Square Neighborhood Development Corporation, the Mattapan Community Development Corporation and the Southwest Boston Community Development Corporation. Together these four CDCs have created or preserved over 1600 units of affordable housing and 190,000 square feet of commercial space.

**Metropolitan Area Planning Council:** serves the people who live and work in 101 cities and towns of Metro Boston. With a mission to achieve smart growth and regional collaboration, MAPC is governed by a council comprising municipal representatives, gubernatorial appointees, and state and regional agency members. MAPC's 60 staff members have extensive expertise in land use, economic development, housing, transportation, environmental issues, public health, public safety, data analysis, legislative affairs, and municipal collaboration. MAPC and is a member of the Boston MPO and vice-chair of the MPO's Transportation Planning and Programming Committee. MAPC is a founding board member of the Massachusetts Smart Growth Alliance, and the principal author of *MetroFuture*, the region's smart growth plan. MAPC administers the Metro Boston Sustainable Communities program and facilitates its work.

**Boston Main Streets:** the City-supported, nationally recognized Main Streets program consists of 20 non-profits based in the City's neighborhood business districts which help steer historic preservation and economic revitalization of the districts through design, technical assistance, and financial support. Six of these districts are located in the Fairmount Corridor.

**The Massachusetts Bay Transportation Authority (MBTA)** runs the transit system for the Greater Boston metropolitan area, including bus subway, ferry lines and the commuter rail system, including the Fairmount Commuter Rail Line. The MBTA is undertaking the repairs to the existing stations and construction of the four new stations on the Fairmount Line. Please see support letter in attachment X.

**Boston Transportation Department (BTD):** will participate in the visioning and planning around crossroads and station areas. BTD has been engaged with neighborhood planning initiatives along the Fairmount Corridor, most recently as the City and community partners collaborated on a Choice Neighborhoods plan for the Quincy Corridor.

**Boston Foundation (PENDING)**

#### **D. Budgets**

The BRA Planning Department has allocated \$250,000 to the Fairmount Corridor Initiative and is seeking additional funding through local foundations and state and federal resources (including the 2011 HUD Community Challenge Grant). The first year budget is estimated to be \$380,000 (including Garfield Foundation contribution) and include the Visioning Scope, Uphams Corner community planning, and one or two additional Crossroad/Station areas. Additional crossroad / station areas will be phased based on resources and capacity. The funding from the Garfield Foundation will be part of the Phase I scope.



**E. Supplemental Materials**

See Attached.

# Fairmount Corridor and Crossroads Planning Initiative

## Proposed Phase I Work Schedule

	2011			2012			2013			2014	
	Fall	Winter	Spring	Summer	Fall	Winter	Spring	Summer	Fall	Winter	
<b>Project Initiation</b>											
Stakeholder Migs											
Issue RFP, Select Consultant											
Project Kick-off/Corridor Visioning Charrettes											
Select members of Corridor Advisory Group (CAG)											
<b>Plan Development*</b>											
Community Corridor Vision											
Uphams Corner Uphams Corner								☆	☆		
Crossroad/Station Area TBD								☆	☆		
Crossroad/Station Area TBD								☆	☆		
<b>Community Meetings</b>											
Monthly WAG meetings											
Monthly CAG meetings											
<b>Meetings/Coordination</b>											
Bi-Monthly Project Team Meetings											
Monthly City Team Meetings											
Coordination with Elected Officials/Stakeholders											
Progress Report											
Progress Report											

\*Crossroad/Station Plans vary in terms of scope of works, but include all inventory and data gatherngs tasks, community meetings, in addition to objectives outlined in the work plan

☆ Indicates Milestone/Deliverable

# Fairmount Line Corridor & Crossroads Planning Initiative

## Proposed Budget-Phase I

### Phase I Budget\*

**\$380,000**

BRA Planning	\$250,000
Boston Foundation	\$100,000
Garfield Foundation	\$30,000
<b>[REDACTED]</b>	
<b>[REDACTED]</b>	
Existing Conditions	\$10,000
District Economic and Development Plan	\$50,000
Development Scenarios	\$15,000
Use & Design Guidelines	\$20,000
Transit Access and Public Realm Improvement Plan	\$50,000
Zoning Revisions and Amendments	\$5,000

\*Phase I budget is for Corridor Visioning Process, Improvement planning at Uphams Corner and one or two additional Crossroad/Station areas

### Identified Crossroad/Station Areas

**\$570,000**

<b>[REDACTED]</b>	
Existing Conditions	\$10,000
District Economic and Development Plan	\$45,000
Development Scenarios	\$15,000
Transit Access and Public Realm Improvement Plan	\$25,000
Zoning Revisions and Amendments	\$5,000
<b>[REDACTED]</b>	
Existing Conditions	\$10,000
District Economic and Development Plan	\$20,000
Development Scenarios	\$15,000
Use & Design Guidelines	\$15,000
Transit Access and Public Realm Improvement Plan	\$50,000
Zoning Revisions and Amendments	\$5,000
<b>[REDACTED]</b>	
Existing Conditions	\$10,000
District Economic and Development Plan	\$25,000
Transit Access and Public Realm Improvement Plan	\$35,000
Zoning Revisions and Amendments	\$5,000
<b>[REDACTED]</b>	
Existing Conditions	\$10,000
District Economic and Development Plan	\$50,000
Development Scenarios	\$25,000
Use & Design Guidelines	\$10,000
Transit Access and Public Realm Improvement Plan	\$50,000
Zoning Revisions and Amendments	\$5,000

Existing Conditions	\$10,000
Community Outreach	\$15,000
Development Scenarios	\$20,000
Use & Design Guidelines	\$5,000
Transit Access and Public Realm Improvement Plan	\$15,000

Existing Conditions	\$5,000
District Economic and Development Plan	\$25,000
Development Scenarios	\$10,000
Transit Access and Public Realm Improvement Plan	\$25,000

# BOSTON LOCAL DEVELOPMENT CORPORATION

## TRUSTEES

JOHN K. DINEEN, ESQ.  
NUTTER MCCLENNAN & FISH, LLP

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THE FIRST NATIONAL BANK OF PS/MCH

MARVIN GILMORE  
CDC OF BOSTON

MARLO MCCARTHY, ESQ.  
WIDETT & MCCARTHY

JOHN MARSTON  
EASTERN BANK

REGINALD NUNNALLY  
DEPARTMENT OF NEIGHBORHOOD DEVELOPMENT  
BOSTON REDEVELOPMENT AUTHORITY

THOMAS YOUNG  
FIRST REPUBLIC BANK

## OFFICERS

JOHN K. DINEEN, PRESIDENT

HUGO SOUS, CLERK  
BRA

FRANCESCO C. TOCCI, INTERIM TREASURER  
BRA

## STAFF

FRANCESCO C. TOCCI, GENERAL MANAGER  
BRA

WILLIAM P. NICKERSON, SENIOR FINANCE MANAGER  
BRA

PHILIP LAMARCA, FINANCIAL SERVICES COMPLIANCE  
COORDINATOR  
BRA

WANDA NAWASHAI, ASSISTANT CLERK  
BRA

## MEMBERS

Sarah Abrams, Fidelity Corporate Real Estate  
Anthony Amcah, Sovereign Bank New England  
Paul Ayoub, Nutter, McClellan & Fish, LLP  
Lawrence A. Bianchi  
Wesley Blair, Brookline Savings Bank  
Amelia Charamba, Peabody & Amick  
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Neil Fitzpatrick, Geo Trans International  
Michael Foley, Jack Conway Realtors  
Donald Giles, Massachusetts REB Association  
James H. Greene, Rubin & Rudman  
Charles T. Grigsby, Mass. Capital Resource Company  
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Ronald Homer, Access Capital Strategies  
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E. Macey Russel, Choate Hall & Stewart  
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Marilyn Swartz-Lloyd, Management Strategies, Ltd.  
Michael K. Vaughn, McDermott, O'Neill & Associates  
Stuart Vidolker, Presidential Holidays  
Thomas Walsh, Insignia ESG  
Fletcher Wiley, Esq., PRWT Services, Inc.

## Boston Local Development Corporation

Boston Marine Industrial Park, 22 Drydock Ave, Suite 307, Boston, MA 02210

September 26, 2011

Mr. Orson Watson  
Community Revitalization Program Advisor  
89 North Water Street  
New Bedford, MA 02740

Re: The Fairmount Corridor and Crossroad Planning Initiative

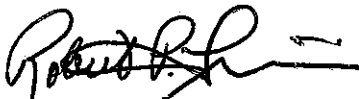
Dear Mr. Orson:

On behalf of the Boston Local Development Corporation (BLDC), I would like to thank you for considering the Boston Redevelopment Authority's Fairmount Corridor and Crossroad Planning Initiative proposal for funding support.

The BLDC acts as the fiscal sponsor for the Boston Redevelopment Authority. The BLDC receives the Boston Redevelopment Authority's grants and disperses funds for their use. In the event that a grant is made for the Boston Redevelopment Authority Fairmount Corridor and Crossroad Planning Initiative BLDC accepts financial responsibility.

Thank you again for considering supporting the Fairmount Corridor and Crossroad Planning Initiative proposal. I look forward to the possibility of a future relationship with The Garfield Foundation.

Sincerely,



Robert P. Luisi,  
BLDC Treasurer  
(617) 918-5425

**BOARD MEMBERS OF THE BOSTON REDEVELOPMENT AUTHORITY**  
**Boston City Hall, 9<sup>th</sup> Floor, Room 910, Boston MA 02201**

**CLARENCE J. JONES, CHAIRMAN**

**CONSUELO GONZALES THORNELL, TREASURER**

**PAUL D. FOSTER, VICE CHAIRMAN**

**TIMOTHY J. BURKE, MEMBER**

**JAMES M. COYLE, MEMBER**

**PETER MEADE, DIRECTOR**

**BRIAN P. GOLDEN, EXECUTIVE DIRECTOR/SECRETARY**

**All correspondence for the Board Members should be addressed to:  
Maura Hendricks, Boston Redevelopment Authority, One City Hall Square,  
Room 910, Boston, MA 02201-1007. The office telephone number is  
617-918-4336.**

**BOSTON REDEVELOPMENT AUTHORITY  
COMPARATIVE BUDGET SUMMARY  
(OOO'S)**

Draft

<b>IN THOUSANDS</b>	<b>FY 11 FORECAST</b>	<b>FY 12 BUDGET</b>
<b>OPERATING REVENUE:</b>		
RENTAL, LEASES	\$ 10,052	\$ 9,437
EQUITY PARTICIPATION	1,379	1,684
PROJECT INCOME	2,391	2,700
INTEREST INCOME	709	50
OTHER INCOME	540	450
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 15,070</b>	<b>\$ 14,321</b>
<b>OPERATING EXPENSES:</b>		
PERSONNEL	\$ 7,646	\$ 7,088
EMPLOYEE BENEFITS	3,419	3,848
ADMINISTRATIVE	495	494
CONTRACTUAL SERVICES	605	600
PROPERTY MANAGEMENT	1,017	928
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 13,182</b>	<b>\$ 12,958</b>
<b>REVENUES OVER EXPENSES</b>	<b>\$ 1,889</b>	<b>\$ 1,364</b>
<b>FUND BALANCE BEGINNING OF YEAR</b>	<b>3,901</b>	<b>5,790</b>
<b>FUND BALANCE END OF YEAR</b>	<b>\$ 5,790</b>	<b>\$ 7,154</b>



**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

**Basic Financial Statements and Required  
Supplementary Information**

**June 30, 2010**

**(With Independent Auditors' Report Thereon)**



**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

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KPMG LLP  
Two Financial Center  
60 South Street  
Boston, MA 02111

## Independent Auditors' Report

The Board of Directors  
Boston Redevelopment Authority:

We have audited the accompanying statement of net assets of Boston Redevelopment Authority (the Authority), a component unit of the City of Boston, as of June 30, 2010, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

The Authority has not presented a Management's Discussion and Analysis that U.S. generally accepted accounting principles has determined necessary to supplement, although not required to be part of, the basic financial statements.

The schedule of funding progress on page 18 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2010 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

KPMG LLP

November 4, 2010

**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Statement of Net Assets

June 30, 2010

<b>Assets:</b>	
<b>Current assets:</b>	
Cash and cash equivalents (note 3)	\$ 47,395,196
Accounts receivable:	
Rent, net	240,833
Intergovernmental	967,593
Other accounts receivable	84,941
Prepaid assets	138,023
Notes receivable, net, current portion (note 4)	1,188,577
Disposition receivables – development sites, current portion (note 12)	2,253,867
<b>Total current assets</b>	<b>52,269,030</b>
<b>Noncurrent assets:</b>	
Notes receivable, net (note 4)	83,957,011
Notes receivable – Rowes Wharf, net (note 5)	811,860
Disposition receivables – development sites (note 12)	29,418,334
<b>Capital assets (note 7):</b>	
Nondepreciable	14,943,083
Depreciable	6,262,182
Less accumulated depreciation	(2,600,245)
<b>Total capital assets, net</b>	<b>18,605,020</b>
<b>Total noncurrent assets</b>	<b>132,792,225</b>
<b>Total assets</b>	<b>185,061,255</b>
<b>Liabilities:</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued expenses	2,280,716
Deferred revenue, current portion (note 12)	2,253,867
<b>Total current liabilities</b>	<b>4,534,583</b>
<b>Noncurrent liabilities:</b>	
Notes payable (notes 6 and 9)	1,475,000
Deposits (note 9)	19,729,721
Vacation and sick leave (note 9)	1,420,472
Other postemployment benefits (note 13)	3,109,554
Due to designated projects (notes 4 and 9)	56,458,425
Due to City of Boston (notes 4 and 9)	63,891,884
Deferred revenue (note 12)	31,177,148
Other (note 9)	1,575,055
<b>Total noncurrent liabilities</b>	<b>178,837,259</b>
<b>Total liabilities</b>	<b>183,371,842</b>
<b>Net assets:</b>	
Invested in capital assets, net of related debt	6,599,163
Unrestricted	(4,909,750)
Commitments and contingencies (note 10)	
<b>Total net assets</b>	<b>\$ 1,689,413</b>

See accompanying notes to basic financial statements.

**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Statement of Revenues, Expenses, and Changes in Net Assets

Year ended June 30, 2010

Operating revenues:	
Intergovernmental	\$ 13,863,044
Sale of property	3,154,692
Rent and other property payments (note 8)	7,896,944
Notes receivable -- interest income (note 5)	1,188,120
Gross profit recognized on installment sale (note 5)	483,217
Other	1,992,287
	<hr/>
Total operating revenues	28,578,304
Operating expenses:	
Personnel	8,307,467
Fringe benefits	3,484,028
Other postemployment benefits	1,039,223
Supplies and services	2,142,402
Contractual services	13,485,500
Depreciation	245,337
Other	8,697
	<hr/>
Total operating expenses	28,712,654
Operating loss	<hr/> (134,350)
Nonoperating revenues:	
Interest income	83
	<hr/>
Total nonoperating revenues	83
Decrease in net assets	<hr/> (134,267)
Net assets, beginning of year	1,823,680
Net assets, end of year	\$ <hr/> <hr/> 1,689,413

See accompanying notes to basic financial statements.

**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Statement of Cash Flows

Year ended June 30, 2010

Cash flows from operating activities:	
Cash received from customers and other governments	\$ 29,611,060
Cash paid to employees	(12,147,060)
Cash paid to suppliers and consultants	<u>(16,602,392)</u>
Net cash provided by operating activities	<u>861,608</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(351,732)</u>
Net cash used in capital and related financing activities	<u>(351,732)</u>
Cash flows from noncapital financing activities:	
Payments to development projects	(270,357)
Interest earnings on escrow deposits	83
Program grant receipts and advances	3,357,598
Payments from the City of Boston	10,601,855
Payments made in behalf of the City of Boston	<u>(10,699,878)</u>
Net cash provided by noncapital financing activities	<u>2,989,301</u>
Net increase in cash and cash equivalents	3,499,177
Cash and cash equivalents, beginning of year	<u>43,896,019</u>
Cash and cash equivalents, end of year	\$ <u>47,395,196</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (134,350)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	329,835
Increase in other postemployment liability	1,039,223
Decrease in notes receivable – Rows Wharf, net	24,022
Changes in operating assets and liabilities:	
Accounts receivable	711,992
Disposition receivables – development sites	2,854,631
Prepaid assets	(28,464)
Accounts payable and accrued expenses	(937,329)
Vacation and sick leave liability	(355,565)
Deferred revenue	<u>(2,642,387)</u>
Net cash provided by operating activities	\$ <u>861,608</u>

See accompanying notes to basic financial statements.

**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Notes to Basic Financial Statements

June 30, 2010

**(1) The Authority**

The Boston Redevelopment Authority (the Authority) was established in 1957 pursuant to Chapter 121B, as amended, of the General Laws of Massachusetts, to administer community development projects and to function as the planning agency of the City of Boston (the City). The Authority is governed by a five-member board of directors appointed for terms of five years. The Authority is a component unit of the City.

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Presentation**

The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as specified by the Governmental Accounting Standards Board's (GASB) requirements for an enterprise fund. Operating revenues and expenses result from the administering of community development projects within the City. All other revenues and expenses are reported as nonoperating revenues and expenses.

Under GASB Statement No. 20, *Accounting and Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Authority applies all Financial Accounting Standards Board statements and interpretations issued on or before November 30, 1989, except those that conflict with or contradict GASB pronouncements.

**(b) Use of Estimates**

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(c) Revenue Recognition**

The Authority earns revenue from a variety of different sources including, but not limited to, land sales, equity participation agreements, and long-term operating leases.

Sales revenue is generally recorded upon transfer of title or, in the case of installment sales, when certain milestones are met. Equity participation revenue is recognized when a sale takes place on a property where the Authority retains a legal right to a percentage of all future resale.

The Authority has long-term leases with certain tenants in the Historic Monument Area of the Charlestown Navy Yard; these leases are for approximately 80 years. The Authority also has a number of leases on other properties throughout the City that generate lease revenue. Generally, the leases do not have scheduled rent increases and as such, revenue is recorded on an accrual basis in accordance with the contractual terms.

The Authority also receives a significant amount of intergovernmental revenue, which is used solely for capital projects that are under the oversight of the Authority.

**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Notes to Basic Financial Statements

June 30, 2010

**(d) Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Authority considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

**(e) Capital Assets**

Capital assets are carried at cost or at estimated historical cost if actual cost is not available. Cost includes not only purchase price or construction cost, but also ancillary charges necessary to place the asset in its intended location and condition for use.

**(f) Depreciation**

The Authority provides for depreciation using the straight-line method. Depreciation is intended to distribute the cost of depreciable assets over the following estimated average useful lives:

	<u>Years</u>
Buildings	30
Land improvements	30
Furniture and fixtures	10
Vehicles	5
Computers	3

**(g) Compensated Absences**

Employees may accumulate unused vacation and sick leave as earned. Upon retirement, termination, or death, employees are compensated for accumulated unused vacation up to a maximum of three times their annual accrual. Sick leave accumulates at the rate of 1¼ days for each calendar month of service with no maximum limit. Upon termination, employees with 20 or more years of service may receive in cash 32% of their accrued but unused sick leave.

**(h) Deposits**

Deposits are funds given to the Authority by developers for the development of specific projects within the City and are recorded as a liability until certain milestones are met.

**(i) Due to Designated Projects**

Due to designated projects represents funds that will be made available for housing projects within the City.

**(j) Due to City of Boston**

Amounts due to the City consist of loans funded by the City and federal grants passed through the City for urban development and housing development projects. The Authority loans these funds to various not-for-profit community developers with repayments remitted to the City's neighborhood development fund.



**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Notes to Basic Financial Statements

June 30, 2010

**(3) Cash and Cash Equivalents**

The Authority follows GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, which requires that entities disclose essential risk information about deposits and investments.

**(a) Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of bank failure, the Authority's deposits may not be returned. The Authority carries deposits that are fully insured by the Federal Deposit Insurance Corporation, as well as uninsured deposits. As of June 30, 2010, deposits in banks had a carrying value of \$15,780,640. Of the total bank balance, \$572,560 was uninsured.

**(b) Investment Policy**

State and local statutes place certain limitations on the nature of deposits and investments available to the Authority. Deposits (including demand deposits, term deposits, and certificates of deposit) in any one financial institution may not exceed certain levels without collateralization by the financial institutions involved. Investments may also be made in securities issued by or unconditionally guaranteed by the U.S. government or its agencies that have a maturity of less than one year from the date of purchase and in repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

**(c) Interest Rate Risk**

As of June 30, 2010, the Authority's only cash equivalent was a fixed income money market fund. The fair value of the money market fund was \$31,614,556 and its weighted average maturity was less than one year.

**(d) Credit Risk**

As of June 30, 2010, the Authority's money market fund was not rated.

**(4) Notes Receivable**

Notes receivable as of June 30, 2010 consist of the following amounts:

	<u>Amount</u>
Notes receivable:	
Real estate	\$ 4,741,428
Development and housing	25,767,762
Passed through the City	<u>54,636,398</u>
	85,145,588
Less allowance for uncollectibles	<u>—</u>
Notes receivable, net	<u>\$ 85,145,588</u>

**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Notes to Basic Financial Statements

June 30, 2010

Principal payments are due on the outstanding notes receivables as follows:

	<u>Amount</u>
Year ending June 30:	
2011	\$ 1,188,577
2012	370,577
2013	370,577
2014	330,395
2015	22,000
Thereafter	<u>82,863,462</u>
Total principal due	\$ <u>85,145,588</u>

Notes receivable – real estate consist of loans made by the Authority for redevelopment projects.

Notes receivable – development and housing are loans provided by the Authority. Amounts collected are made available for new loans.

Notes receivable – passed through the City consist of loans funded by the City and federal government under loan programs such as urban development and housing development action grants. The Authority loaned these pass-through funds to various not-for-profit community developers to accomplish their development and housing initiatives. The Authority administers these loans, with any repayment remitted to the City's neighborhood development fund.

Amounts due to the Authority related to the notes receivable described above are not recorded as revenues on the Authority's financial statements. Any collections on those notes are paid to the City or designated projects and are recorded as due to the City or due to designated projects on the Authority's financial statements.

**(5) Rowes Wharf**

In July 2007, the Authority entered into an agreement with a developer that previously had a long-term ground lease and contingent interest agreement in a property located at Rowes Wharf in Boston, Massachusetts (the Property) with the Authority. Under the agreement, the developer exercised a land purchase option available under its ground lease and negotiated the settlement of the Authority's remaining interest in the Property.

**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Notes to Basic Financial Statements

June 30, 2010

The sale was consummated by the issuance of notes by the Authority to the developer in the amounts of \$14,000,000 and \$4,500,000. Both notes have terms of 20 years with interest rates of 6.80%. Aggregate amounts due to be received under the notes as of June 30, 2010 were as follows:

	<u>Amount</u>
Year ending June 30:	
2011	\$ 545,903
2012	584,203
2013	625,191
2014	669,054
2015	715,995
Thereafter	<u>13,999,607</u>
Total principal due	\$ <u>17,139,953</u>

During the year ended June 30, 2010, principal payments of \$510,113 and interest payments of \$1,188,120 were received from the developer. The Authority will record and recognize the profit from the sale on the installment method, as follows:

	<u>Amount</u>
Gross sales proceeds	\$ 18,500,000
Cost of land	<u>(876,134)</u>
Gross profit on installment sale	17,623,866
Gross profit recognized through June 30, 2010	<u>(1,295,773)</u>
Gross profit not yet recognized	\$ <u>16,328,093</u>

**(6) China Trade Center**

In 1993, the Authority purchased the China Trade Center (CTC) from an unrelated party for approximately \$2,225,000, including past-due property taxes due to the City of approximately \$750,000. Funding for the purchase was provided by the City. In connection with the transaction, the City received from the Authority a noninterest-bearing mortgage note of \$1,475,000 due upon the sale or refinancing of the property. The Authority rents the space to various unrelated parties. The CTC is included in the Authority's capital asset balance at June 30, 2010.

**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Notes to Basic Financial Statements

June 30, 2010

**(7) Capital Assets**

The following is a summary of activities by major categories of capital assets for the year ended June 30, 2010:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Capital assets not being depreciated:				
Land	\$ 15,001,400	26,161	(84,498)	14,943,063
Total capital assets not being depreciated	<u>15,001,400</u>	<u>26,161</u>	<u>(84,498)</u>	<u>14,943,063</u>
Other capital assets:				
Land improvements	471,384	—	—	471,384
Building	3,743,124	309,674	—	4,052,798
Furniture and fixtures	1,496,903	—	—	1,496,903
Computers	524,938	15,897	(377,962)	162,873
Vehicles	78,224	—	—	78,224
Total other capital assets at historical cost	<u>6,314,573</u>	<u>325,571</u>	<u>(377,962)</u>	<u>6,262,182</u>
Less accumulated depreciation for:				
Land improvements	23,568	15,715	—	39,283
Building	1,113,480	141,257	—	1,254,737
Furniture and fixtures	1,004,759	79,884	—	1,084,643
Computers	518,685	6,805	(377,962)	147,528
Vehicles	72,358	1,676	—	74,034
Total accumulated depreciation	<u>2,732,850</u>	<u>245,337</u>	<u>(377,962)</u>	<u>2,600,225</u>
Other capital assets, net	<u>3,581,723</u>	<u>80,234</u>	<u>—</u>	<u>3,661,957</u>
Capital assets, net	\$ <u>18,583,123</u>	<u>106,395</u>	<u>(84,498)</u>	<u>18,605,020</u>

**(8) Operating Leases and Other Property Payments**

The Authority is a lessor of property under operating leases expiring in various years through 2088. The property was acquired in connection with the Authority's redevelopment activities and has not been capitalized.

**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Notes to Basic Financial Statements

June 30, 2010

Minimum future rentals to be received on all noncancelable operating leases as of June 30, 2010 for each of the next five years and thereafter are as follows:

Year ending June 30:	<u>Amount</u>
2011	\$ 2,945,374
2012	2,804,639
2013	1,837,972
2014	1,644,639
2015	1,644,639
Thereafter	<u>78,509,474</u>
	<u>\$ 89,386,737</u>

The Authority is also a lessor of property under operating leases with terms of less than one year. Total rental income under short-term operating leases was \$1,257,404 for the year ended June 30, 2010.

The Authority receives a percentage of revenues from the sale and resale of real estate. The Authority received payments amounting to \$927,067 for the year ended June 30, 2010.

**(9) Long-Term Liabilities**

The following is a summary of long-term liabilities by major category:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
Notes payable	\$ 1,475,000	—	—	1,475,000
Deposits	20,829,733	638,969	1,738,981	19,729,721
Vacation and sick leave	1,776,037	—	355,565	1,420,472
Other postemployment benefits	2,070,331	1,039,223	—	3,109,554
Due to designated projects	53,100,827	7,230,305	3,872,707	56,458,425
Due to the City of Boston	63,989,907	10,601,855	10,699,878	63,891,884
Deferred revenue	33,444,535	507,004	2,774,391	31,177,148
Other	594,955	1,035,186	55,086	1,575,055
	<u>\$ 177,281,325</u>	<u>21,052,542</u>	<u>19,496,608</u>	<u>178,837,259</u>

**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Notes to Basic Financial Statements

June 30, 2010

**(10) Risk Management**

The Authority is exposed to various risks of loss related to general liability, property and casualty, workers' compensation, and employee health and life insurance claims.

Buildings are fully insured against fire, theft, and natural disaster to the extent that losses exceed appropriate deductible amounts per incident. The Authority provides for workers' compensation and health claims through premium based plans.

The Authority is involved in lawsuits concerning routine contract matters and public liability tort actions, the majority of which are covered by contractors', homeowners', landlords', and tenants' liability insurance policies. In addition, the Authority is involved in other litigation including land damage cases resulting from the acquisition of properties as a result of exercising its powers of eminent domain. Management believes that there is no significant liability associated with these claims.

**(11) Pension Plan**

**(a) Plan Description**

All full-time Authority employees are required to participate in the State-Boston Retirement System (the System), a cost-sharing, multiple-employer defined benefit pension plan. The System provides for retirement allowance benefits up to a maximum of 80% of an employee's highest 3 year average annual rate of regular compensation. Benefit payments are based upon an employee's age, length of creditable service, level of compensation, and group classification. Employees become vested after 10 years of creditable service. A retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with 10 years of service. The System issues a publicly available financial report that can be obtained from the Boston Retirement Board, Room 816, City Hall, Boston, Massachusetts 02201.

**(b) Funding Policy**

Plan members are required to contribute to the System at rates ranging from 5% to 9% of annual covered compensation. Members hired after December 31, 1978 must contribute an additional 2% of regular compensation in excess of \$30,000. The Authority is required to pay into the System its share of the remaining systemwide actuarially determined contribution plus administration costs that are apportioned among the employers based on active covered payroll. The Commonwealth of Massachusetts reimburses the System for a portion of benefit payments for cost-of-living increases granted prior to July 1, 1998. The contributions of plan members and the Authority are governed by Chapter 32 of the Massachusetts General Laws. The Authority's contributions to the System for the years ended June 30, 2010, 2009, and 2008 were \$1,739,459, \$2,186,591, and \$2,086,434, respectively, which equaled its required contribution for those years.

**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Notes to Basic Financial Statements

June 30, 2010

**(12) Disposition Receivables – Development Sites**

Amounts due to the Authority related to certain land disposition transactions that are recorded as deferred revenues until such time as the transactions progress to the point that the Authority has earned the revenue based upon due dates specified in the agreements or upon the achievement of certain milestones. At June 30, 2010, the Authority recorded \$31,672,201 of disposition receivables of which \$2,166,000 will become due upon the achievement of certain milestones and the remaining \$29,506,201 will be due as follows:

	<b>Amount</b>
Year ending June 30:	
2011	\$ 2,253,867
2012	2,204,962
2013	1,949,628
2014	1,238,968
2015	1,238,968
Thereafter	20,619,808
	\$ 29,506,201

For the year ended June 30, 2010, the Authority recorded revenue of \$2,651,617, which was previously recorded as deferred revenue.

**(13) Other Postemployment Benefits**

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was required to be implemented by governments with annual revenues greater than \$100 million for financial statement periods beginning after December 15, 2006. GASB Statement No. 45 requires governments to account for other postemployment benefits, primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the statement of revenues, expenses, and changes in net assets when a future retiree earns his/her postemployment benefit rather than when he/she uses his/her postemployment benefit. To the extent that an entity does not fund its actuarially required contribution, a postemployment benefit liability is recognized on the statement of net assets over time.

**(a) Plan Description**

In addition to providing the pension benefits described, the Authority provides postemployment healthcare and life insurance benefits (OPEB) for retired employees through the Group Insurance Commission (GIC). The GIC is a quasi-independent state agency that administers an agent multi-employer defined benefit OPEB plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the Authority and can be amended by the Authority. As of June 30, 2010, the actuarial valuation date, approximately 138 retirees and 103 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Notes to Basic Financial Statements

June 30, 2010

**(b) Benefits Provided**

The Authority provides medical, prescription drug, mental health/substance abuse, and life insurance to retirees and their covered dependents. All active employees who retire from the Authority and meet the eligibility criteria will receive these benefits.

**(c) Funding Policy**

Retirees who retired on or before July 1, 1994 contribute 10% of the cost of the health plans, as determined by the GIC. Those who retired after July 1, 1994 contribute 15% of the cost of the health plan, as determined by the GIC. The Authority contributes the remainder of the health plan costs on a pay-as-you-go basis.

**(d) Annual OPEB Costs and Net OPEB Obligation**

The Authority's fiscal year 2010 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of 30 years. The following table shows the components of the Authority's annual OPEB cost for the year ended June 30, 2010, the amount actually contributed to the plan, and the change in the Authority's net OPEB obligation based on an actuarial valuation as of January 1, 2009:

	<u>Amount</u>
ARC	\$ 1,589,410
Adjustment to ARC (including interest on net OPEB obligation)	<u>20,998</u>
Annual OPEB cost	1,610,408
One time adjustment	(4,971)
Contributions made	<u>(566,214)</u>
Change in net OPEB obligation	1,039,223
Net OPEB obligation – beginning of year	<u>2,070,331</u>
Net OPEB obligation – end of year	\$ <u><u>3,109,554</u></u>



**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Notes to Basic Financial Statements

June 30, 2010

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Fiscal year ended</u>	<u>Annual OPEB cost</u>	<u>Percentage of OPEB cost contributed</u>	<u>Net OPEB obligation</u>
2010	\$ 1,610,408	35%	\$ 3,109,554

**(e) Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2010, based on an actuarial valuation as of January 1, 2009, was as follows:

Actuarial accrued liability (AAL)	\$ 18,363,559
Actuarial value of plan assets	—
Unfunded actuarial accrued liability (UAAL)	<u>\$ 18,363,559</u>
Funded ratio (actuarial value of plan assets/AAL)	—%
Covered payroll (active plan members)	\$ 10,106,809
UAAL as a percentage of covered payroll	181.7%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the Authority are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AALs for benefits.

**(f) Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the plan as understood by the Authority and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Authority and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Notes to Basic Financial Statements

June 30, 2010

In the January 1, 2009 actuarial valuation, the projected unit credit cost method was used. The actuarial value of assets was not determined as the Authority has not advance funded its obligation. The actuarial assumptions included a 4.5% investment rate of return and an initial annual healthcare cost trend rate of 9.0%, which decreases to a 5.0% long-term trend rate for all healthcare benefits after 10 years. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis. This has been calculated assuming the amortization payment increases at a rate of 4.5%.

**BOSTON REDEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Boston)

Required Supplementary Information

Schedule of Funding Progress

June 30, 2010

Unaudited

(Dollars in thousands)

Valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) (b)	OPEB	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll ((b-a)/c)
			(Funded) unfunded AAL (UAAL) (b-a)			
January 1, 2007	\$ —	16,653	16,653	—%	\$ 9,969	167.0%
January 1, 2009	—	18,364	18,364	—	10,107	181.7

See accompanying independent auditors' report.