

Shoals Industrial Facility Sold

BY DAVID G. BRONNER

The massive mile-long 2.27 million square foot building and 638 acres were sold for \$190 million to Rocket Shoals, LLC, an affiliate of the private equity firm AE Industrial Partners (AEI), in which the RSA is an investor.

Built in 2007, its previous tenants included National Steel Car, Navistar, and Freight Car America. The RSA received \$20 million in cash and a 30-year mortgage at 7.75%, which we expect will be paid off early.



AEI will make the site an aerospace, space, and defense production hub for military and commercial clients. The aerospace engineering destination will be headed by Chris Emerson, Senior Partner at AEI, with collective experiences with past projects, including Mercedes-Benz in Tuscaloosa and the Airbus final assembly line in Mobile, giving us confidence in creating an “aerospace corridor” in North Alabama. ●

RSA’s Alabama Investments from 1973-2023

BY MARK FAGAN

Since 1973, the RSA has invested in all types of financial assets around the U.S. and the world. RSA’s investments were in Alabama when the potential return was equal to or better than in other places. These investments included housing, office buildings, golf courses, hotels, restaurants, spas, retail outlets, and manufacturing plants. The RSA developed office buildings and parking decks in Montgomery and Mobile for housing government and industry. The RSA assisted in recruiting and, in many cases, financed corporations in aerospace, automotive, maritime, metals, railcar, biotech, distribution, chemical, forestry products, retail, and internet companies in Alabama.

Since the mid-1990s, RSA investments in media companies have produced over

a billion dollars in free advertising for Alabama and the Robert Trent Jones (RTJ) Golf Trail. This advertising and the positive publicity from the Trail enhanced the state’s image and attractiveness for corporate recruitment and tourism expansion. Annual tourism spending in Alabama increased from \$1.8 billion in the mid-1990s (before the Trail and RSA’s free advertising) to over \$24 billion in 2023. Several million square feet (sf) of commercial space and around 9,000 houses have been developed around RTJ Trail sites in the last 30 years. RSA’s investments and industrial recruitment in Alabama increased the number of jobs and tax revenue in the state while producing positive returns for the RSA. ●

Increases in Real Assets and Economic Development Activities at RSA from 1973 to 2023 (50 years)		
	FY 1973	FY 2023
Number of Funds Under Management	3	24
Amount of Funds Under Management	\$623 million	\$47.9 billion
Commercial/Residential Real Estate Developed	0	17 million sf total
Commercial Buildings	0	17 sites /12 million sf total
Parking Decks	0	14 sites /3 million sf total
Office Buildings+Decks in Montgomery	0	21 sites /5 million sf
Office Buildings+Decks in Mobile	0	8 sites /1.7 million sf
Office Buildings in New York City	0	1 site /4 million sf total
Golf Courses	0	11 sites /450 holes total
Golf Course Buildings	0	22 sites /5 million sf total
Hotels	0	8 sites /1.7 million sf total
Spas	0	6 sites /63,000 sf total
Restaurants	0	20
Resort Communities	0	2 sites /600 units total
Older Adult Housing Facilities	0	4 sites / 933 units
Specific Real Estate Assets in Alabama	0	52
Leases to State Agencies	0	59
Corporate Projects Financed in Alabama	0	53+
Alabama Cities with RSA Assets or Financing	3	30+
Alabama Cities Where RSA Recruited Industry	0	11

RSA's Largest Real Estate Holding – 55 Water Street

SUSTAINABILITY IN ACTION, TRANE TECHNOLOGIES EDITOR

Originally constructed in 1972 as the largest office building in the world, 55 Water Street stands today as one of New York City's premier Class A commercial office structures. At about 4 million square feet, the building serves as the largest privately-owned office building in New York City, large enough to need its own zip code.

Its location in the heart of Manhattan's financial district near the East River gives tenants and visitors unmatched views of the New York City skyline and harbor from each of its 51 floors in addition to its elevated acre of public outdoor space.

For the owners and managers of this New York City landmark, building modernization is not only about providing comfort and amenities and enhancing the resiliency of the infrastructure, but also reducing the building's carbon footprint. More than 70 percent of greenhouse gas emissions in New York City come from buildings, and 55 Water Street is doing their part to decarbonize 4 million square feet of it.

More than a decade ago, they made a commitment to the community and tenants to reduce the building's impact on the environment, provide resiliency and create value. Trane® by Trane Technologies has been partnering with 55 Water Street on their decarbonization journey for over a decade, beginning with equipment upgrades and today continuing to advance building electrification technology—all along working together toward a more sustainable future.

Between 2011 and 2014, Trane worked with 55 Water Street to create grid resiliency and building redundancy by upgrading the chiller plant—including thermal storage and controls. The chiller plant now includes two high-efficiency

duplex centrifugal chillers and a dual-duty chiller, capable of charging 143 ice storage tanks, as part of the building's thermal storage system.

The thermal energy ice tanks store cooling energy like an HVAC battery and dispatch it when it's most beneficial for the building. The Trane chiller cools fluid



that circulates through tubes in the tank to freeze the surrounding water. At night when electricity rates are lower, the dual duty chiller charges the tank (produces the ice), and during the day when renewable energy is available, the plant discharges (melts the ice) to lower the need for grid-provided energy. . . .

These improvements saved 2GWh/year of energy, reduced summer peak demand by 2.1 MW, offset 36 million

pounds of CO₂e—the equivalent of removing 3,280 gas-powered cars from the road—and saved \$2.5 million a year in building operational cost savings. As a result, 55 Water Street was awarded \$942,000 in incentives from the New York State Energy Research and Development Authority and was recognized with the 2017 Energy Project of the Year Award from the New York Association of Engineers.

In 2015, Trane helped 55 Water Street to find even more ways to decrease their energy use through intelligent services. Between 2016 and 2019, the work continued with an upgrade to the four back-up diesel generators with clean emissions technology to significantly reduce the nitrous oxide emissions. These generators are used to reduce the demand on the local grid when it is stressed. These resiliency improvements reduced summer peak demand by 5.0 MW and earned \$4.25 million in incentives from Con Edison Demand Management Program.

"We invested in these decarbonization technologies to meet our ongoing commitment to our tenants and the community to reduce the building's impact on the environment, provide resiliency and create value," said Dan Palino, chief operating officer, New Water Street Corporation. "The performance of

these infrastructure changes has exceeded our expectations in reducing our ongoing energy usage, and we have contributed to improving the reliability of the electricity grid locally."...

(Editors note: *The RSA had invested \$100 million in 55 Water Street, and later acquired it for an additional \$282 million. 55 Water Street is currently appraised at \$1.89 billion.*) ●

ERS Board of Control Special Election Results

The ERS Board Election Committee met on January 30 and certified the special election results for the Active State Employee Position No. 2. Congratulations to Carol Bullard on her election to this position. She began her term

immediately after the election certification and will complete the remainder of the term previously held by Lindsey Ward, which ends on September 30, 2027. ●

Alabama Success Stories

Alabama Nature Center and NaturePlex

The Alabama Nature Center (ANC) is a Planned-Use Outdoor Education Facility offering hands-on, outdoor-based educational programs and activities for students, educators, church and civic groups, and the general public. The ANC, which was conceptualized by the Alabama Wildlife Federation (AWF) Board of Directors in January 2001, contains 350 acres of striking forests, fields, streams, wetlands, and ponds that are traversed by five miles of boardwalks and trails in three regions: Still Creek Run, Turkey Ridge, and Hilltop Pass. In addition to the trails and boardwalks, the ANC includes the 4,000-square-foot Lanark Pavilion and more recent NaturePlex.

The NaturePlex is a 23,000-square-foot heated and cooled structural facility designed to fit into the natural surroundings, ensuring the beauty of the Lanark property is not compromised. It serves as the ANC's official and permanent Welcome and Education Center. It fulfills the final structural element of the AWF Board's vision for a world-class outdoor education center in Alabama.

The NaturePlex can be reserved for school field trips, teacher training workshops, seminars, and other educational programs by contacting the AWF. Interested groups can choose from programs designed by AWF's staff, or programs can be customized to meet your needs. Lanark, just a few miles north of Montgomery, is the state headquarters of the AWF and the former estate of Isabel and Wiley Hill, who were also benefactors of the ANC. The grounds at Lanark contain five destinations: AWF Headquarters, Historic Lanark, Lanark Pavilion, ANC, and the NaturePlex. General admission is \$5.00 per person and includes access to the

hands-on Discovery Hall, theater, classrooms, community room, gift shop, and scenic boardwalks.

On Saturdays, you can enjoy any of their special programs as well as hike five miles of scenic ANC trails while learning about the fascinating natural history of central Alabama. From distinguishing between a white oak and a red oak to observing the natural processes of a seasonal pond, you get more than just a walk in the woods when you pause to study the interpretive signs along the trails. From ponds and creeks to forests and fields, you

can always find new life waiting around the next trail bend. You can even add to the outdoor experience with a tasty picnic under or around the ANC pavilion.

In addition to the self-guided trail system, you can enjoy entertaining and informative conservation education programming during designated weekends.

These weekends feature themes that highlight snakes, salamanders, frogs, turtles, birds, hydrangeas, and even fishing, just to name a few. During these weekends, you can also enjoy a guided hike by one of ANC's world-class biologists.

The ANC staff invites you to step outside, take a breath of fresh air, and discover what happy trails await you at the ANC. For more information about any of the ANC programs, please email anc@alabamawildlife.org or visit www.alabamawildlife.org/alabama-nature-center/.

This is a series of articles about Alabama Success Stories. Please let us know if you have a similar success story you would like to share with the RSA membership. You may contact us at communication.correspondences@rsa-al.gov. ●



Retiring in Paradise Has Its Financial Problems

ANNE TERGESEN, *THE WALL STREET JOURNAL*

RETIRING ABROAD REQUIRES A LOT OF PLANNING AND OFTEN A GOOD ACCOUNTANT.

When people dream of jetting off to the French countryside or a tropical island to begin a new chapter in retirement, tax and banking policies don't usually feature prominently in the fantasy. But pulling off a move overseas in retirement requires navigating financial rules in both the U.S. and one's new home. Mistakes are easy to make and can be costly, financial advisers with international clients say.

Some Americans living abroad inadvertently run afoul of the Internal Revenue Service and get hit with penalties and interest. Others are cut off by their U.S. banks and brokerage firms. Retirees also

can run into trouble accessing or paying for healthcare...

Here's what to research before retiring abroad:

Bank and retirement accounts:

Americans who retire abroad should generally keep most of their money in the U.S., advisers said. That way they can continue to take advantage of individual retirement accounts and 401(k)s, which offer tax advantages, Lachowitz said.

Some U.S. banks and brokerage firms drop customers with foreign addresses. If you have to move your money, do so before leaving the U.S. Before leaving the U.S., shop for credit cards without foreign transaction fees, which can amount to about 2% of a transaction's value.

Taxes: Your income is subject to U.S. income tax regardless of where you live. If

you don't file a U.S. tax return, you could face penalties and interest, and even criminal prosecution.

Expats may owe tax to both the U.S. and the country they live in.

...Tax treaties the U.S. has with more than 60 countries might not completely protect expats from taxes that can arise as a result of differences between their new home country's tax system and that of the U.S. For example, some treaties protect the tax-free status of Roth retirement accounts while other treaties don't, said David Kuenzi, an adviser at Creative Planning International.

Most expats also have to submit a report of Foreign Bank and Financial Accounts, or FBAR, to the Treasury

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Spring Travel Looks to Be Very Busy, Start Planning Your Spring Getaways at RSA's Outstanding Hotels, Spas, and RTJ Golf



Member Hotel
Discounts Webpage

RETIREMENT SYSTEMS OF ALABAMA
201 SOUTH UNION STREET
P.O. BOX 302150
MONTGOMERY, ALABAMA 36130-2150

PRSR STD
U.S. POSTAGE
PAID
MONTGOMERY, AL
PERMIT NO. 402

ENJOY YOUR SPRING A Special Deal FOR RSA MEMBERS

The Battle House,

A Renaissance Hotel \$129

- March 1-5, 10-12, 17-19, 24-31
- April 1-4, 14-16, 22-24, 28-30
- May 1-3, 5-8, 12-14, 16-19, 24-31

The Battle House RSA Spa Package \$244

- March 4-5, 11-12, 18-19, 25-27
- April 1-3, 15-16, 22-23, 29-30
- May 1, 6-8, 13-14, 27-29

Riverview Plaza \$119

- March 3-5, 10-12, 20-21, 24-28, 30-31
- April 4-6, 14-16, 19-21, 28-30
- May 1-3, 9-11, 17-19, 24-28

Grand Hotel (plus a 15% resort fee) \$137

- March 1-7, 13-14, 20-21 • April 1-3, 7-9, 28-30
- May 12-14, 19-22

Grand Hotel RSA Golf Package (plus a 15% resort fee) \$209

- March 1-7, 13-14, 20-21, 31 • April 1-3, 7-9, 28-30
- May 12-14, 19-22

Grand Hotel RSA Spa Package \$285 (plus a 15% resort fee)

- March 1-7, 13-14, 20-21, 31 • April 1-3, 7-9, 28-30
- May 12-14, 19-22

Marriott Shoals \$119

- March 3-5, 17-18, 24-26 • April 1-2, 7-8, 14-15
- May 1-2, 6-7, 27-28

Marriott Shoals RSA Spa Package \$229

- March 3, 17, 24 • April N/A (Closed for Renovation)
- May N/A (Closed for Renovation)

Renaissance Ross Bridge \$129

- March 2-3, 6-7, 13-14, 27-31
- April 1-4, 10-11, 23-24, 28-30
- May 1-2, 5-6, 27-30

Renaissance Ross Bridge RSA Spa Package \$260

- March 3, 19 • April 14, 21-23 • May 5-6, 27-29

Auburn/Opelika Marriott Resort \$119

(plus a 10% resort fee) Web reservation will show \$144, including \$25 resort fee. Guest will only be charged RSA rate at checkout.

- March 3-6, 10-14, 17-21 • April 5-10
- May 19-20, 26-30

Auburn/Opelika Marriott Resort RSA Spa Package \$234 (plus a 10% resort fee)

- March 3-6, 10-11, 13-14, 17-18, 20-21
- April 5-10 • May 19-20, 26-30

Prattville Marriott \$109

- March 10-11, 24-25, 30-31 • April 7-8, 14-15, 21-22
- May 5-6, 19-20, 26-27

Renaissance Montgomery \$129

- March 17-18, 24-25, 30-31 • April 7-8, 21-22, 27-30
- May 9-10, 27-31

Renaissance Montgomery RSA Spa Package \$244

- March 30 • April 27, 30 • May 9-10, 28-31

Specific room requests may require additional charge.

Rates available the 1st of the month and are not applicable to groups.

Corporate/Promotional Code: R2A
on www.rsa-al.gov

Book Online and Save RSA \$4.

Retiring in Paradise Has Its Financial Problems

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Department. This is required in years in which the cumulative balance of your foreign financial accounts exceeds \$10,000 at any time during the year. The penalties for willfully failing to do so can be the greater of \$100,000 or half of the account value for every year you failed to file.

To owe no state income tax, you must “break your domicile,” said Kuenzi, which means showing you have no intention to return to that state. Clients often sell their homes and cancel their driver’s licenses and voter registrations to satisfy the requirement, he said.

You may need to rewrite your will: Make plans to have a new will and estate plan that conforms to laws of your new home, Kuenzi said.

The cost of healthcare: Medicare doesn’t generally cover services outside the U.S., so those moving abroad must secure health insurance elsewhere.

Adam Bates, an insurance broker who specializes in international policies, recommends an international health insurance policy. He often advises clients aged 65 and older who move overseas to pay premiums for Medicare, too. Otherwise, they may get hit with hefty penalties and face monthslong coverage gaps if they return to the U.S. and want to enroll. ●

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Member Services

Penny K. Wilson

PEEHIP

J. David Wales

RSA-1

Rhonda H. Peters

Teachers’ Retirement

Christopher P. Townes

The Retirement Systems of Alabama

201 South Union Street

P.O. Box 302150

Montgomery, Alabama 36130-2150

Phone: 334.517.7000

877.517.0020

RSA Website: www.rsa-al.gov