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AMESBURY CITY CLERK

**CITY OF AMESBURY
IN THE YEAR TWO THOUSAND EIGHTEEN**

SPONSORED BY: MAYOR KEN GRAY **BILL No.** 2018-053

- **WHEREAS**, the developers of Global Property Developers Incorporated are proposing a 410,000 square-foot forty- million-dollar athletic facility, known as the Atlantic Sports Center, off South Hunt Road; and
- **WHEREAS**, beyond the taxation value, the Atlantic Center represents an economic magnet bringing in visitors for tournaments and events from around the nation, representing an economic ripple effect with a positive impact for local businesses supplying goods, services, and accommodations; and
- **WHEREAS**, the City has been fortunate to benefit from new growth, and has new opportunity with vacant City-owned land, in the area of South Hunt Road and Route 150, such as: Amesbury Heights, Hatters Point, Baileys Pond, Arc Technologies, Trader Allens, and Margaret Rice, all of which will create traffic impacts in the South Hunt Area; and
- **WHEREAS**, South Hunt Road is the primary roadway for access to the Atlantic Center, it serves other industrial and commercial properties, and is connected to Route 150 and interchanges off 495, and yet, it has not seen any major improvement by the City in decades; and
- **WHEREAS**, the City established the LEAD program (Leverage Economic Access for Development) to establish a proactive approach to creating access to development sites by addressing off-site constraints; and
- **WHEREAS**, the Mayor recommended and the City Council approved funding for traffic studies for the South Hunt Road Corridor, matched by Global Properties, to facilitate planning which will address the needs for current and future growth in the City; and
- **WHEREAS**, the City has approved Tax Increment Financing for the Atlantic Sports Center initiating the first step in the development financing process; and
- **Whereas:** The City of Amesbury has an opportunity to leverage new growth from development in the South Hunt Road and Route 150 area of the City; and
- **WHEREAS**, the City will apply for funds from the Commonwealth, known as MassWorks, to be augmented by the District Improvement Program as established herein; and
- **WHEREAS**, The District Improvement Program, as outlined in the document cited herein, will provide opportunities to leverage new growth to create traffic mitigation infrastructure which will manage impacts of the new growth; and

Now Therefore: This Order shall establish a District Improvement Program (DIF) and take other actions pursuant to the document titled City of Amesbury South Hunt Area District Improvement Financing Program District Designation and Base Value Establishment, dated July 2nd, 2018, with the Base Value set on July 10, 2018. The DIF shall fulfill the purpose of leveraging funds to improve, enhance, expand, or create new, roadway and other improvements pursuant to the above document as maybe amended. This Order is a request of the Municipal Council to vote to:

1. Approve the South Hunt Area Development District (the "District"), a Development District pursuant to Chapter 40Q of the M.G.L., which is approximately 509 acres, comprised of parcels as shown on the map, and as listed in the above referenced document;
2. Approve the South Hunt Area Invested Revenue District (the "IRD"), pursuant to Chapter 40Q of the M.G.L., which is approximately 509 acres, is coterminous with the Development District, and is comprised of parcels as shown on the map, and as listed in the above referenced document;
3. Designate the City of Amesbury Department of Community and Economic Development as the administrator of the District, working in concert with the Amesbury Economic Incentives Committee as outlined in the above document;
4. Request, through the Mayor, that City of Amesbury Assessor Department establish and certify the Original assessed value of the taxable property within the boundaries of the District and, on an annual basis, certify the amount by which the assessed value has increased or decreased from the original value;
5. Authorizes said Department of Community and Economic Development to take other action in connection with the approval of the District.

Summary: The above referenced DIF Program is outlined in the document referenced herein, which is incorporated herein by such reference. The Base Value Establishment is dated July 10, 2018. This DIF Program implements Mass. Gen. Laws Ch. 40Q District Improvement Financing. The above actions do not include the targeting of specific investments, or the request for approval of investments, or a percentage capture rate for the determination of revenue until such time as a capital plan is completed and adopted. Further, the above actions do not include authorizations for expenditures of funds, in any form or manner, without appropriation.



Amesbury

William Scott
Director Office of Community Development
City Hall, 62 Friend Street
Amesbury, MA 01913-2884

(978) 388-8110 - 313
scottw@amesburyma.gov

Memorandum

To: Mayor Gray
Christian Scorzoni, City Council President

From: William Scott, Community Development Director
RE: DIF Cover Letter – South Hunt Area
Date: July 2, 2018

Introduction

The attached document, City of Amesbury South Hunt Area District Improvement Financing Program District Designation and Base Value Establishment, dated July 2nd, 2018, represents the District Improvement Program proposal which is part of the overall financing plan to support infrastructure improvements toward supporting the Atlantic Sports Center and the resulting positive economic impacts. The details of the DIF proposal are evident in the above referenced document. This memorandum is meant to recap the overall process for the incentive program as set forth through a prior Resolution number 2018-017 and to provide background on the DIF proposal.

The date of the values is set for July 10, 2018. As a "653" community the values are adjusted in Amesbury for the period from January 2nd, to June 30th. As we begin the fiscal year some updating is necessary that should be available on July 10th the date of the first reading. The values that are in this plan are preliminary with updates provided on July 10. A new document and spreadsheets will be handed out at the first reading.

The Atlantic Center represents the largest, single economic opportunity the City has seen in decades. The Atlantic Center has a distinct advantage to Amesbury by building upon the infrastructure of the tourist economy, and by providing a more consistent visitor market. In that sense, it is not the re-tooling of an economy, rather, the Atlantic Center provides the new growth for the expansion of an economy that Amesbury already offers.

The project is more than tax revenue from the estimated forty-million-dollar value; the Atlantic Center brings new visitors to the community creating a ripple effect through the economy. Hotel stays, restaurants, gas stations, groceries, clothing, and numerous other businesses will benefit. As the development moves forward, there have been ideas for additional support businesses, such as more hotel rooms, longer stay opportunities for teams, training facilities, the development of other sports facilities, better transportation options for visitors. The ripple effect not only provides for business expansion, it fuels the possibilities for new business growth which requires mitigation.

While the Atlantic Center represents the primary magnet for these opportunities, the City has already realized new growth. Once the facility comes on-line, the City will face additional pressure from businesses

wanting to be in the City, benefiting from the new visitor. As we move forward, impact mitigation issues will be beyond the Atlantic Center impacts. The next iteration of public improvements should address recently approved projects, potential projects (especially those on City land), The Atlantic Center, and potential new growth. This paper will review the issues of a City-led, proactive mitigation package, and explain the next steps for the DIF program.

The DIF Program

Context

New investments generate new dollars to address prior mitigation problems, which in turn facilitates the new investments by mitigating the impacts of new growth. The public investments based on new revenue from private investments only happens when the guarantee of development occurs. The timing of this DIF request is commensurate with the application for MassWorks funds in the amount of \$2.5 million. Together the funding will form the basis for the South Hunt Area Phase One roadway improvements which are meant to address the current projects in process, such as the Atlantic Sports Center.

Template

This DIF program represents the first one in the Commonwealth which will use the new DIF template as created by the consultants Cronin Associates, Victoria Storrs, who is contracted with MassDevelopment to create DIF Guidelines for the Commonwealth. That contract also includes the necessary documentation to obtain approvals for DIF projects with the City and two other communities, Dedham and Plymouth. We are fortunate to be a recipient of these services and because we are out in front of other communities with a complex project the consultants and MassDevelopment have provided expert guidance to help us create the above referenced document.

The Relationships

The document outlines the entire process, however the request of the City Council is only to establish the District so that the base assessment values can be frozen to create the necessary increment for future decisions. The setting of the percentages that will result from the program will occur after we have a established capital program. The details of this program and the links to others are expressed below.

TIF: This provides the necessary relief to facilitate a private project faced with site constraints. This opens the door to leveraging private investments and creating the ripple effect to encourage other private projects.

MassWorks: This program will be the foundation of the funding for the offsite traffic program. With the Atlantic Sports Center we have a project that will provide the incentive for the Commonwealth to fund the improvements necessary to mitigate traffic for the development. Our approach is to solve not only the Atlantic Sports Center issues but also create opportunities for future parcels (owned by the City) by planning for their mitigation.

DIF Program: This program is gap financing that will take over issues such as engineering and capital not covered by the above grant. This flexible tool can adjust to changing conditions of a complex project through the approvals by the City Council. Our first phase is to set the district, and based on the capital plan and grant possibility we will request to set the percentage. This is necessary at this time to indicate to the Commonwealth that we are providing the match.

Conclusions

While this approach to combine programs is more complex than most approaches it is used in most cases where the project is of the scale and demand such as the Atlantic Sports Center. The flexibility of the DIF allows the City to respond to opportunities in a manner that addresses constraints. The combined approach will not only mitigate traffic for the Atlantic Sports Center, we will address the traffic from prior, current, and future projects. The future projects include those on City property which will facilitate the

more expeditious development having both permits and plans for off-site improvements. The leverage associated with the DIF represents the opportunity to use the substantial growth in private development to facilitate that development without burdening the City with impacts. This request is to establish the necessary districts and their base values so that as we develop future information we can apply the new growth revenues to address the capital plan.