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AMESBURY CITY CLERK

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

SPONSORED BY: 
C. Kenneth Gray, Mayor

BILL No 2018-054

Summary: A Resolution to support the following:

The City Council hereby resolves that traffic mitigation is an integral component of the current and future success for the City and that the proactive steps taken by the City to facilitate economic development are necessary to ensure positive and timely growth. Such growth potential is outlined in the attached document titled Amesbury- South Hunt Area Development Program which outlines actual activity and potential growth. The City Council hereby offers this resolution to confirm the support for economic development by supporting the application for MassWorks funds toward improving infrastructure in the South Hunt area.

Be it Resolved by the City Council of the City of Amesbury assembled and by the authority of the same, considers this matter as follows:

WHEREAS, Global Property Developers Incorporated are proposing, and have recently received Planning Board approval for, a 410,000 square foot, forty million dollar athletic facility, known as the Atlantic Sports Center, located at 24 South Hunt Road, on a 50 acre property, which will contain 5.5 hockey rinks, a 2,500 seat events center, and over 130,000 square feet of office space; and

WHEREAS, the City has experienced growth in the study area with the approval of developments such as Amesbury Heights (240 apartment units 40R), Baileys Pond (100 units townhouse), and Hatters Point (45 condos) all which will create traffic impacts in the area; and,

WHEREAS, beyond the recent projects the City owns two parcels of 38 acres and 7 acres which represent development potential in the South Hunt area; 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 principal purpose of the Massworks funding is to support the traffic mitigation efforts to facilitate the Atlantic Sports Center proposal and by virtue of that development leverage opportunity for future investment in the other vacant parcels in the area, while addressing recently approved growth.; 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 Property Developers, to facilitate planning, which will address the needs for current and future growth in the City; and,

WHEREAS, the City has, and will continue to be, a partner with the economic development process and will make use of innovative methods which invest City funds, such as the Tax Increment Financing, District Improvement Financing; and,

NOW, THEREFORE, be it resolved that the City Council does hereby support the application for MassWorks funding, to offset the site constraints of the Atlantic Center, to provide traffic mitigation from recent growth, to enable future possibilities on City owned land, to leverage the private investments and City funds, and to facilitate the substantial opportunities of the Atlantic Center



Amesbury

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Memorandum

To: Mayor Gray
Christian Scorzoni, City Council President

From: William Scott, Community Development Director
RE: MassWorks Support – South Hunt Area
Date: July 2, 2018

The attached document, Amesbury- South Hunt Area Development Program, dated July 2nd, 2018, represents the current and possible growth in the area. 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 visitors. 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.

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.

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

Without the MassWorks funds the City would increase the DIF and decrease the TIF. Therefore the possibility exists that the project is no longer viable without the infusion of the MassWorks funding for the off-site programs. The three incentive programs are linked to form the foundation of a financing plan that facilitates economic growth for now and into the future. The Resolution will establish the support by the City Council which is crucial to demonstrate the City is in unison regarding the economic growth across multiple programs.

Amesbury- South Hunt Area Development Program

July 2nd, 2018

Background

The City has experienced growth in the study area with the approval of developments such as Amesbury Heights (240 apartment units 40R), Baileys Pond (100 units townhouse), and Hatters Point (45 condos). In addition to these recently constructed, and under construction projects is the Atlantic Sports Center project located at 24 South Hunt Road. The 50 acre property is the future location of the Atlantic Sports Center, a proposed 410,000 square foot, \$40 million athletic facility, with 5.5 hockey rinks, office space and conference center. The project received approval for a TIF and recent approval by the Planning Board. Additional development potential in the area consists of vacant City land in the form of 46 South Martin Road, 38 acres, and 21 Pond View road (route 150) at 6.7 acres. The combined impacts of approved private development and potential public/private partnership development sites requires an investment in traffic improvements to facilitate mitigation for the Atlantic Sports Center.

The principal purpose of the Massworks funding is to support the Atlantic Sports Center proposal and by virtue of that development leverage investment in the other vacant parcels in the area. Essentially, in the South Hunt Road / Route 150 area there are multiple ongoing developments under consideration and construction and approximately 90 acres of vacant land, of which 45 acres is owned by the City. The intent of the South Hunt Area Development Plan is to coordinate the mitigation for these developments to facilitate positive traffic movements for the developments under construction, those in the planning process, and the vacant land with development potential. This is a proactive approach that requires current term, near term and long term actions in a phased approach that mitigates the growth in a timely and appropriate manner.

Phasing

The South Hunt Area Development Plan is a three-phased approach to providing the mitigation necessary to support the current area development, principally the Atlantic Sports Center project. The first phase will address the projects currently under construction and approaching construction, such as the Atlantic Sports Center, by focusing on the connections between Interstate Route 495 North Bound ramps and South Hunt Road with Route 150. The second phase will address growth from currently vacant sites that are projected for development over the next five years by improving local roads that connect the sites to the arterial roads. Phase three will incorporate complete streets connections and improvements to augment the prior phases and, if necessary, improve connections to the Interstate Route 495 South Bound ramp system. Each phase will identify a series of sequential funding sources scheduled based on the availability of the funds, and the duration of time necessary to seek the funds. The City will be a strong advocate in securing funding by exercising the District Improvement Program funding option in a manner that leverages the private investments as they occur. This phasing approach may change dependent on the results of the analysis and the implementation of private projects. Additional areas may be considered as the study moves forward and alternate sequencing may occur as opportunities become evident.

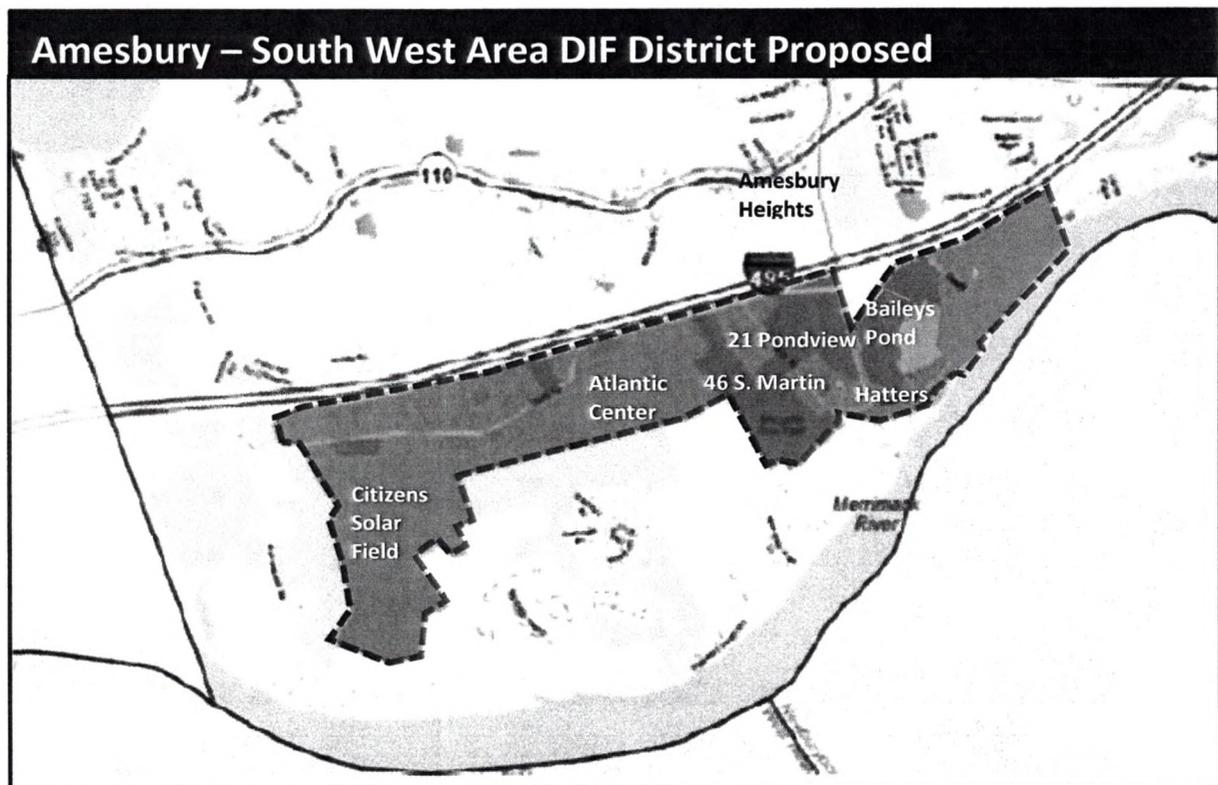
Phase	Years	Improvements	Mitigating	Funding
One	2018 to 2020	Create an intersection at Route 150 and South Hunt Road.	Projects completed, under construction and nearing construction.	MassWorks City DIF
Two	2021 to 2022	Local roads: widening South Hunt Road, Beacon Street, South Martin Road, and creation of new roadway connections to vacant sites.	Projects on Vacant Sites, and augmentation to phase one.	City DIF Chapter 90 TIP
Three	2022 to 2024	Complete Streets improvements on local roads. South Bound Ramp and 150 if necessary.	Creating multimodal connections, enhancing safety. Improving highway access if necessary	TIP City DIF Chapter 90 Complete Streets

Funding

The overall funding for the South Hunt Area Development Plan is dependent on the availability of funds within the context of the program sequence. Funds such as MassWorks are available, depending on award, in a given fiscal year. District Improvement Funding program (DIF) funding provides a continual source of revenue with each private project and can serve to address soft costs in-between phases. The Transportation Improvement Program (TIP) requires detailed plans and the process associated with the MPO, therefore the TIP funding source is slated for projects after the first phase to provide sufficient time for the process.

District Improvement Financing (DIF)

This funding source relies on new growth to generate revenues, which can be allocated to an account for expenditures or applied to borrowing for a public project. This funding source requires that the development move forward to guarantee the revenue for the borrowing against the new growth. The district in this case (see below map) is a collection of parcels with large vacant parcels and developments that are ready to begin construction and therefore generate revenue. The primary vacant parcels and development projects within the area include those outlined above and as indicated in the table below the figure.



Projects within Proposed DIF District				
Project	Location	Description	Status	Est Value
Hatters Point	60 Merrimac St	45 Units Condominiums	1st Phase completed 20 Units	\$ 30,000,000.00
Baileys Pond	Route 150	100 Units Townhouses	Site Construction	\$ 30,000,000.00
City Property	21 Pondview	Vacant Land Commercial	Vacant no proposals	\$ 5,000,000.00
City Property	46 S Martin	Vacant Land Commercial	Vacant no proposals	\$ 15,000,000.00
Atlantic Center	24 South Hunt Rd	410,000 sq. ft. Athletic Center	In permitting	\$ 40,000,000.00
				\$ 120,000,000.00

Estimates based on construction possibilities, does not represent possible assessment value.

Full Buildout Development Program

The overall buildout program for the South Hunt Development Area was determined based upon developments under construction, those anticipating construction and projections of development scenarios for vacant parcels using the existing zoning. For the vacant parcels, the most conservative traffic generators were programmed for the land uses anticipated to be developed on these parcels.

Development Name	Location	Development Level
Hatters Point	60 Merrimac Street	45 Units Condominium
Baileys Pond	Route 150	100 Units Townhouse
Amesbury Heights	Route 110	240 Units Apartment
Margaret Rice (Vacant)	46 South Martin Road	140,000 SF Office (possible buildout)
Trader Allen	21 Pond View Road	4,000 SF Retail (possible buildout)
Atlantic Sports Center	24 South Hunt Road	5.5 Sheets Ice Rink 2500 Event Seats 105,000 SF Fitness Areas 7,000 SF Medical Office 43,000 SF Office 100-seat Restaurant (Total building area 410,000 SF)
Atlantic Sports Center Site	24 South Hunt Road	200 Room Hotel