

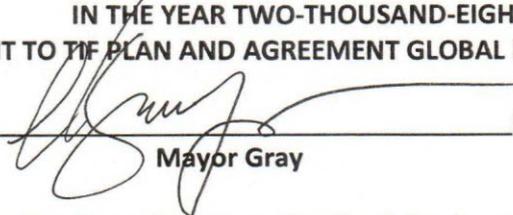
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AMESBURY CITY CLERK

**CITY OF AMESBURY
IN THE YEAR TWO-THOUSAND-EIGHTEEN
AMENDMENT TO TIF PLAN AND AGREEMENT GLOBAL PROPERTY DEVELOPERS**

SPONSORED BY:


Mayor Gray

BILL No.

2018-063

An Order that the Amesbury City Council hereby takes the following actions, as individually cited below, for the purpose of collectively approving an amendment to a Tax Increment Financing incentive for Global Property Developers, as described herein, and further described in the attachments, principally the document titled The Atlantic Center Tax Increment Financing Amendment 24 South Hunt Road Amesbury, Mass. Global Property Developers, September 2018, which is incorporated herein, by reference.

Be it Ordained by the City Council of the City of Amesbury, assembled, and by the authority of the same, as follows: that the Amesbury City Council hereby votes to approve and authorize the Mayor to amend prior agreements and plans resulting from a previously authorized Order number 2018-030: for property located at 24 South Hunt Road in Amesbury, referenced by Amesbury Assessors Map 95 parcel 5/B, Essex County Registry of Deeds Book 458 and Page 29, comprised of 50.74 acres (hereafter referred to as the PROPERTY), the amendment to a Tax Increment Financing Zone Application and Tax Increment Financing ("TIF") Plan, a Tax Increment Financing Agreement, by and between the City of Amesbury and Global Property Developers, a Massachusetts corporation with a principal place of business at 80 First Street, Bridgewater, Massachusetts, represented by Steven Callahan (hereinafter referred to as "COMPANY").

WHEREAS, the COMPANY wishes to improve and thereby increase the value of the property located at 24 South Hunt, Amesbury, hereafter known as PROPERTY, as shown in "EXHIBIT A"; and,

WHEREAS, pursuant to the City of Amesbury Guidelines for Incentives, the CITY is willing to update and amend the previously granted tax concession, to off-set the project's site-specific development constraints, in return for guarantees by the COMPANY, as cited herein; and,

WHEREAS, to accommodate the Commonwealth EACC review timeline, the prior approved TIF Plan and Agreement (Bill No. 2018-030) was filed in April of 2018. Since that time circumstances have changed to warrant an amendment to the prior TIF. These circumstances are outlined in the above referenced document which demonstrates the amendment is mutually beneficial to both parties; and,

WHEREAS, the COMPANY has received a Tax Increment Financing Exemption from the CITY through Bill Number 2018-030. The amended agreement "EXHIBIT B", will take into account the current circumstances and further enhance the financial viability of the proposed project planned for the PROPERTY, in accordance with the Massachusetts Economic Development Incentive Program and Chapter 23A and Chapter 19 of the Acts of 1993 and 402 CMR 2.00; and,

WHEREAS, the COMPANY, by construction, occupancy, and operations of the proposed project will create employment opportunities; and,

WHEREAS, the proposal by the COMPANY will create additional taxation, above the current values of the PROPERTY; and,

WHEREAS, the Amesbury City Council voted to adopt the Amesbury Incentive Guidelines, contained in the report titled "The City of Amesbury Economic Incentives Strategy, An Approach to Leverage Positive Economic Growth March 2014", as a means to support the use of Tax Increment Financing as a tool to encourage economic development within the Northern Essex Regional Economic Target Area; and,

WHEREAS, the COMPANY for the initial approval has already filed both a letter of interest and an EDIP Preliminary Application, as provided in "EXHIBIT C";

NOW, THEREFORE, BE IT Ordered by the City Council and the City of Amesbury that:

1. The City Council previously authorized through Bill Number 2018-030 that the Mayor of the City of Amesbury may file an application and seek approval with the state Economic Assistance Coordinating Council (EACC) to establish an Economic Opportunity Area (EOA) for the PROPERTY, to be known as the 24 South Hunt Economic Opportunity Area. This task has been approved by the City Council and Commonwealth's EACC and will remain as approved not subject to this amendment.
2. The City Council hereby approves: The Atlantic Center Tax Increment Financing Amendment 24 South Hunt Road Amesbury, Mass. Global Property Developers, September 2018, which is attached hereto, and incorporated herein, by reference. Details as to the reasons for the amendment are contained therein.
3. The City Council hereby authorizes and requests the Mayor to execute, on behalf of the City, an amendment to the TIF Agreement; and, submit the TIF Zone and Plan to the EACC for its approval and certification, pursuant to 402 CMR 2.18 and 751 CMR 11.06.
4. The area known as the PROPERTY shall remain as a TIF Zone pursuant to the prior approval by the City Council and the EACC, pursuant to M.G.L. c.40 Sec. 59 and 751 CMR 11.04.
5. The Mayor shall be authorized to submit any and all required materials to the Commonwealth of Massachusetts' Economic Assistance Coordinating Council, and to take such other actions and execute any such documents on behalf of the City, as may be necessary to carry out this order for an amendment to the TIF Plan and the TIF Agreement.

First Read: _____, 2018

Approved: _____

Council Clerk

Council Chairman

Date: _____

Approved: _____
Ken Gray
Mayor



Amesbury

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

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scottw@amesburyma.gov

Memorandum

To: Mayor Gray
From: William Scott
RE: TIF Amendment
Date: August 31, 2018

The scale and complexity of the Atlantic Center project often requires a flexible process that responds to changes in the project scope, timing, and opportunities. When the plans were filed in February of this year, the building and the details were sufficient to move forward. However, during the Planning Board process the developers' plans and operational approach had been refined with more details. Rather than continue with a TIF agreement and Plan that is based on older information, it would be prudent to update the document to reflect these changes and provide an incentive that responds to the development program.

The original TIF was based on the information at the time, however a large scale development requires a process that responds to opportunities. There is an advantage of opening the facility in a phased manner which means that operations could occur for the rinks possibly in the winter of 2019. Adding fiscal year 2020 (July 2019) to the TIF schedule will provide the developer with the incentive from a partial opening thus not setting the burden at their opening when the operations are at its most crucial financial stage.

Further, as the Planning Board has concluded the process, their detailed approach has created a decision which references conditions, plans and documents. This decision is far more detailed and finite and should be referenced in the TIF as the definition of the FACILITY. Currently we have a definition that references the earlier plans, no conditions, and the possibility of future plans. Adding the reference to the Planning Board decision creates absolute clarity as to the development parameters and obligations.

Because the original plan was based on a target number of \$4.5 million as requested by the developer, we need a schedule that can be proven in that regard. The State does not escalate the TIF values, therefore we should match their program. The result is a slight uptick in the last five years of 4%. The City's revenues can escalate for the portion of the growth that is beyond the TIF benefit and therefore our escalation can still occur.

Overall the number is \$4.25 million which is less than the \$4.5 million originally requested, this is a partial concession for adding the earlier year. Therefore, under this amendment the City obtains: more surety in the project definition through the reference to the Planning Board decision, a better chance of an earlier opening and operations and the resulting ripple impact, and a schedule that will be less than the original intended value of \$4.5 million yet more fixed for the developer without escalation in the incentive values.

Because the incentive has not begun, there is no disruption of the values program. The attached report outlines the change in *italics* and underlined. Rather than submit partial information, the report repeats much of the original report and amends only the sections necessary. This provides continuity in the approval process by not requiring that we reference back to the original document.