

# City of Amesbury Amesbury Heights District Improvement Financing and Development Program Report

**Mayor Ken Gray**



City of Amesbury Office of Community and Economic Development  
William Scott, Director

November 4, 2019

- September 12, 2017 with Order number 2017-064
- Amended April 9, 2019 Borrowing Schedule & Appendix
- Amended November 4, 2019 with Capital Plan

# Contents

- Introduction ..... 1
  - About Development Districts and Programs, or "DIF" ..... 2
  - About the Amesbury Heights Development District..... 4
  - Description of the Approval Process and Legislative Actions ..... 4
  - Amesbury Heights Development District and Program Information Summary..... 6
- Part I: The Amesbury Heights Development District..... 7
  - Description of the Amesbury Heights Development District..... 7
  - Statement of Findings ..... 8
  - Duration of the DIF District and Base Date for Assessment of Parcels ..... 8
  - Parcel Information ..... 9
  - Amesbury Heights DIF and Other Special Districts..... 9
  - Activities Authorized within a DIF District..... 10
- Part II: Amesbury Heights Development Program ..... 12
  - Statement of Means and Objectives ..... 12
  - Duration of the Development Program..... 13
  - Projects to be Implemented ..... 13
  - Operation and Management of the DIF District and Development Program..... 13
  - Invested Revenue District and Invested Revenue District Development Program ..... 15
  - Financial Plan..... 15
    - Capital Plan ..... 16
    - Statement of the Retention of Tax Increment as DIF Revenues ..... 17
    - Tax Increment and DIF Revenue Flow of Funds..... 18
    - Impact on Taxing Jurisdictions. .... 20
    - Estimates of Tax Revenues ..... 21
- Appendix A: Definitions ..... 22
- Appendix B: Legislative Action ..... 26
- Appendix C: Map of the DIF District and Parcel List..... 31
- Appendix D: Assessor's Certification ..... 33
- Appendix E: Guidelines for Entering into Public/Private Partnerships..... 34
- Appendix F: Detailed Analysis of the Tax Increment to be Retained ..... 35

## Introduction

The City of Amesbury (the "City") designated the *Amesbury Heights Development District* and Invested Revenue District (the "DIF District") on September 12, 2017 with Order number 2017-064, attached hereto and incorporated herein by reference.

The City of Amesbury now designates this Amesbury Heights Area Development Program and Invested Revenue District Development Program (the "Development Program") for the DIF District, as enabled by Massachusetts General Law Chapter 40Q. The establishment and implementation of the DIF District and Development Program will improve, enhance, expand, or create new facilities associated with organized sports leagues serving Amesbury residents in a manner that best leverages the volunteer efforts of the leagues, their readiness to proceed, the available matching capital, and the greatest amount of participants. The outcome will be to address the impacts of residential developments by providing the necessary facilities for residents in a manner that continues to support growth. Appendix A includes definitions of terms used in this document.

This *Amesbury Heights Development District and Program Report* (the "Report") describes the process by which the DIF District and Development Program will be established, together with the projects to be supported, the expected revenues and financing plans, and the ongoing management of the DIF District. With this Report and the legislative actions undertaken and included in Appendix B, the City has established or now establishes:

- ✓ The Amesbury Heights Development District, which identifies the part of the City in which projects will be implemented; and
- ✓ The Amesbury Heights Invested Revenue District, which identifies the part of the City from which Tax Increment Revenues will be captured, and which is coterminous with the Development District.
- ✓ The Amesbury Heights Development Program, which describes the capital plan including the type and cost of projects to be undertaken by the City, and the type and costs of projects expected to be undertaken by private entities as a result of the public investments made by the City in the DIF District; and
- ✓ The Amesbury Heights Invested Revenue District Development Program, which provides details of the financial plan including the expectations for the generation and collection of Tax Increment Revenue, the percentage of Tax Increment Revenue anticipated to be captured and used for projects in the DIF District, and expectations for borrowing.

A Development District and Development Program may be established at the same time, or a DIF District may be established prior to adoption of a Development Program. In addition, a DIF District or Development Program may be amended, provided that any such amendment be approved by the same legislative process undertaken during the original establishment. The City of Amesbury now adopts its Development Program, including updating the capital plan and establishing a schedule for the percentage of Tax Increment to be captured, through the same legislative process that was undertaken to establish the DIF District on September 12, 2017 with Order number 2017-064.

This *Introduction* first describes the uses of Development Districts and Development Programs, the statutory authority of municipalities to enter into them, and key provisions that must be satisfied. It then sets forth the steps taken to authorize the DIF District and, when it is complete, the accompanying Development Program.

In *Part I: The Amesbury Heights Development District*, this report describes the Amesbury Heights Development District boundaries, including the boundaries of the Invested Revenue District, which are the same as for the Development District. It provides information about the parcels included. Improvements and activities will be implemented within the DIF District to create new public facilities and further the City's strategic goals.

In *Part II: The Amesbury Heights Development Program*, the report presents the proposed Development Program which will implement the City's development goals within the DIF District. It presents a description of the projects, the operation and maintenance plan, and the financial plan.

## **About Development Districts and Programs, or "DIF"**

A Development District and accompanying Development Program enable a municipality to identify and capture an anticipated stream of local property tax revenues expected to be generated by new development in a designated district. As private development investments are made by public and private entities in a district, the assessed value of real property in that district is expected to increase, and tax revenues collected on the *increase* in the assessed value are used to pay for facilities to support private investment and growth. The method for designating a district and capturing tax revenues associated with increases in assessed value are established by statute.

Massachusetts General Law Chapter 40Q (the "DIF Statute") authorizes towns and cities in Massachusetts to create development districts ("DIF Districts") for the purpose of economic development. A DIF District has a defined boundary and includes commercial and residential real and personal property. All projects included in the Development Program will be implemented within the DIF District.<sup>1</sup>

A DIF District and Development Program will usually also be accompanied by an Invested Revenue District ("IRD") from which the town or city will collect and designate future incremental real and personal property tax revenues to support infrastructure investment and economic development within the DIF District. The IRD may include all or a portion of the parcels within the DIF District.

A parcel that is within a DIF District but not the accompanying IRD will not have tax revenues captured for use in the Development Program. However, because it is located within the DIF District, Development Program projects may be implemented on that parcel.

A DIF District and IRD only capture property tax revenue on any New Growth, as determined by Proposition 2 1/2<sup>2</sup>, that occurs after the Invested Revenue District is created. No special assessments or tax rate increases are implemented through the creation of a DIF District, an IRD, or a Development Program. Only property, real or personal, which is otherwise taxable under law is taxable in a DIF District – no property becomes taxable as a result of inclusion in a DIF District or IRD.<sup>3</sup>

As New Growth occurs in a DIF District and the IRD which includes all or a portion of the DIF District, incremental revenues generated by taxes collected *only on the assessed value of the New Growth* within the

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<sup>1</sup> As per the statute, water and sewer projects may be implemented on parcels outside of the DIF District depending on the structure and composition of the water and sewer systems.

<sup>2</sup> For a definition of New Growth and reference to a detailed explanation, please see Appendix A, "Definitions."

<sup>3</sup> Inclusion in a DIF District does not alter the tax status of property, real or personal. While being included in a DIF District does not make property taxable, inclusion in a DIF District does not *prevent* property from becoming taxable if other statutes make it taxable.

IRD value, are retained for use in the Development Program. The increase in assessed value resulting from New Growth is called the Tax Increment. Taxes collected on the amount of the assessed value prior to the establishment of a DIF District continue to flow to the municipality's General Fund; only taxes attributable to New Growth are retained and designated as DIF Revenues to be used to for projects in the Development Program. If no New Growth occurs, no Captured Assessed Value is created and no Tax Increment is collected; all taxes from the DIF District and IRD flow into the General Fund.

Towns and cities are authorized under the DIF Statute to create DIF Districts, IRDs, Development Programs, and Invested Revenue District Development Programs, and may do so through local legislative processes. Approval by the Massachusetts Economic Assistance Coordinating Council is not required; nor is an application to the Economic Development Incentive Program.<sup>4</sup> However, a DIF District and IRD, and a Development Program and Invested Revenue District Development Program, are established within state statutory limits and must include certain information, as follows:

- Confirmation that the area of a DIF District does not exceed 25 percent (25%) of the total area of the community.
- The duration of the Development Program, which may not exceed 30 years, either from the date of the designation of its DIF District, or from a stabilization date that is defined in the Development Program.
- Establishment of the percentage of the Tax Increments to be designated as DIF Revenues and applied to the Development Program, either with a set schedule or by describing a method or formula that will be used each year.
- Estimates of the Tax Increments expected to be generated as a result of the creation of the DIF District and Development Program, with a comparison to tax revenues that would be expected to be generated in the absence of such a district and program.
- A plan to conduct an annual evaluation of the needs of the Development Program, the Tax Increments, and the DIF Revenues that are generated from the percentage of the Tax Increment that is retained, and return to the General Fund amounts in excess of those needed for the Development Program.

### ***DIF and Incentives for Private Investment***

The DIF Statute does not specifically authorize municipalities to enter into public/private partnerships or to provide tax abatements or other financial incentives to private parties. However, the DIF Statute does authorize municipalities to "make and enter into all contracts and agreements necessary in order to carry out the development program."<sup>5</sup> Such partnerships and agreements can complement the economic development efforts of a municipality, and properties and entities in DIF Districts may be eligible for other federal, state, and local incentives.

Tax Increment Financing ("TIF"), which enables a municipality to enter into an agreement to reduce taxes on Real Property, offers incentives for investment in a targeted area. TIF requires approval by the state's Economic Assistance Coordinating Council ("EACC"). Municipalities may apply for permission to enter into

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<sup>4</sup> Prior to 2016, such approvals were required, but Chapter 218 of Sessions Laws, August 9, 2016, updated M.G.L. 40Q and removed that requirement as well as other administrative rules.

<sup>5</sup> M.G.L. Ch. 40Q §2 (3).

TIF Agreements through the Economic Development Incentive Program. TIF may be used within a DIF District as a tool to encourage private investment but any such TIF is separately authorized by the municipality as well as approved by the EACC.

## **About the Amesbury Heights Development District**

The City of Amesbury is hereby creating the Amesbury Heights Development District as part of a collaborative process to capture revenues from a development known as Amesbury Heights off Route 110/36 Haverhill Road. Through District Improvement Financing (DIF), the City may allocate a defined percentage of revenue accruing from the improvement of properties in the Development District to fund eligible projects. The district also encompasses the area where the revenue will be applied to create the improvements. At the time of the establishment of this district only the IRD was established to freeze the values of the private investment. In this amendment to the DIF District and IRD the Development Districts has been amended to include the area where the investments will occur. That area is shown in the Development Districts maps comprises parcels at the property known as Woodsom Farm

The AHDD now encompasses Assessors Map 86 – Parcel 25 taxable real estate properties comprising 26.6 acres off route 110. In a future amendment a portion of parcels 37-4 and 50-6 at the area referred to as Woodsom Farm will be included in the development dictrict. The area at Woodsom Farm will be refined by surveying the lot to the exact location of the investments prior to borrowing funds for the improvements. The parcels The District boundary and a list of the Assessors parcels it encompasses are included in the City Council Order establishing the DIF District, included as Appendix A.

The Amesbury Heights District Development plan and Investment Revenue District is represented by the Amesbury Heights Apartment 40R complex and Planning Board approval. This project, which is completed at this time, represents over five apartment buildings with 48 units per building for a total of 240 units. The number of affordable units is 25% of the 240 or 60 which is allocated by unit type as follows: 25 one bedroom units, 34 two bedroom units, and 1 three bedroom unit. The Development Program will create new growth. The DIF in this case will invest those proceeds into infrastructure to create opportunities for community improvements. That program is described generally herein with a subsequent approval necessary for the detailed capital plan.

## **Description of the Approval Process and Legislative Actions**

The South Hunt Area DIF District is established through local approval processes.

The City Council has: *[Please note that dates in 2019 are planned but have not yet occurred]*

- Held a public meeting on September 12, 2017 to review the proposed Amesbury Heights DIF District, and held a First Reading at the same meeting.
- Asked the City's Finance Committee to review and discuss the proposed South Hunt Area DIF District during its meeting on July 25, 2018.
- Held a Second Reading at a City Council Meeting on September 25, 2018 and at the same meeting voted to approve the South Hunt Area Development District. Evidence of the vote is included as Appendix B.

- Received the Assessor's Certification indicating the Original Assessed Value of parcels, and the percentage of total City acreage, in the Development District. The Assessor's Certification is included as Appendix D.
- Held a public meeting on April 9, 2019 to review the proposed Amesbury Heights Development Program and Invested Revenue District Development Program, and held a First Reading at the same meeting.
- Asked the City's Finance Committee to review and discuss the proposed Amesbury Heights Development Program and Invested Revenue District Development Program during its meeting on April 23, 2019.
- Held the Second Reading at a City Council Meeting on May 14, 2019, and at the same meeting voted to approve the Amesbury Heights Development Program and Invested Revenue District Development Program. Evidence of the vote is included in Appendix B.

*Anticipated local approval activities with expected dates*

- Held a public meeting on November 12, 2019 on the Amesbury Heights Development Program and Invested Revenue District Development Program, and Capital Plan, comprised of the First Reading.
- Asked the City's Finance Committee to review and discuss the proposed Amesbury Heights Development Program and Invested Revenue District Development Program, and Capital plan during its meeting on November 26, 2019.
- Held the Second Reading at a City Council Meeting on December 10, 2019, and at the same meeting voted to approve the Amesbury Heights Development Program and Invested Revenue District Development Program and Capital Plan. Evidence of the vote is included in Appendix B.

Due to the holidays the above meeting dates may change. Documentation of the legislative actions is included in Appendix B.

## South Hunt Area Development District and Program Information Summary

Development District Name	Amesbury Heights Development District
IRD Name	Amesbury Heights Invested Revenue District (IRD) (coterminous with Development District)
Development Program Name	Amesbury Heights Development Program
IRDDP Name	Amesbury Heights Invested Revenue Development Program (IRDDP)
Date of Development District and IRD Establishment	September 12, 2017
Base Date for Assessed Values in the DIF District and IRD	January 1, 2017
Acceptance of Chapter 653	Yes: New Growth between January 2 and June 30 recognized as of January 1
Certified, Original Assessed Value in the DIF District as of the Base Date	\$19,432,800 (see Assessors Certification updated 3/28/2019)
Certified, Original Assessed Value in the IRD as of the Base Date	\$19,432,800 (see Assessors Certification updated 3/28/2019)
Total Acres in the DIF District	26.43
Term of the DIF Program	30 years from the date of the establishment of the DIF District on September 12, 2017.
Tax Increment to be Captured	See "Statement of the Retention of Tax Increment as DIF Revenues" and Table 6 of this document
DIF District Administrator	Office of Community and Economic Development with the Amesbury Economic Incentives Committee

# Part I: The Amesbury Heights Development District

This section of the Report describes the DIF District boundaries and parcels, presents the Statement of Findings as required by statute, and lists the activities that a municipality may undertake, under the DIF Statute, to further its goals for the DIF District.

## Description of the Amesbury Heights Development District

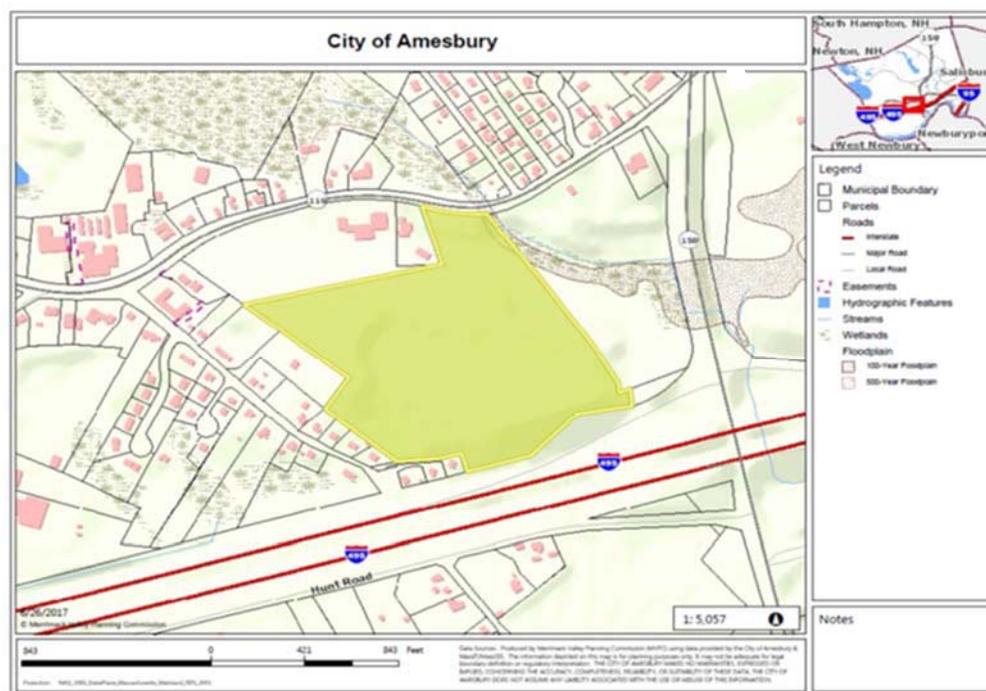
The DIF Statute provides for the establishment of two districts when a development improvement district and program are undertaken:

A *Development District* which includes the parcels on or around which development projects, public or private, will be undertaken. A Development District is established in advance of or at the same time as the Development Program.

An *Invested Revenue District* (“IRD”) which includes the parcels from which a Tax Increment will be calculated and incremental revenues (DIF Revenues) will be collected when New Growth occurs. An IRD may be coterminous with the DIF District, sharing all boundaries and parcels, or it may be smaller than but wholly within the DIF District.

The Amesbury Heights Development District and the Amesbury Heights Invested Revenue District (the “DIF District”) will encompass 26.43 acres of parcels in the areas as outlined on the map below with the parcels as summarized in “Parcel Information,” below, and attached as Appendix C. **This District is hereby amended to include portions of the Woodsom Farm parcels as defined by the capital plan shown in Appendix G: Woodsom Farm Phase One, Level One Athletic Fields.** The objective for the investments will be to improve, enhance, expand, or create new facilities associated with organized sports leagues serving Amesbury residents in a manner that best leverages the volunteer efforts of the leagues, their readiness to proceed, the available matching capital, and the greatest amount of participants.

The map below illustrates the **approved** DIF District. A larger version is attached in Appendix C.



## Statement of Findings

According to the DIF Statute, in order to establish a Development District “The city or town shall find that the designation of the development district is consistent with the requirements of this section and will further the public purpose of encouraging increased residential, industrial and commercial activity in the commonwealth.”<sup>6</sup>

The City of Amesbury finds that the designation of the Amesbury Heights Development District will further the public purpose of providing the support infrastructure for increased residential activity in the commonwealth.

## Duration of the DIF District and Base Date for Assessment of Parcels

### *Duration of the DIF District*

The DIF District is established as of the date of its adoption; a record of the legislative action taken is included as Appendix B.

The DIF Statute does not limit the term of a DIF District. However, an accompanying Development Program is limited to a term of thirty (30) years, either from the date the DIF District is established or thirty (30) years from project stabilization as defined in the Development Program.

The term of the Amesbury Heights Development Program will be for thirty from the establishment of the DIF District.

### ***Base Date for Assessment of Parcels January 2017***

A Tax Increment for a DIF District is collected on changes in the assessed value of each parcel in the accompanying IRD when the assessed value is attributable to New Growth, not general market factors or a community wide revaluation. The DIF Statute provides that a community calculate changes in assessed value as a result of New Growth in comparison to an Original Assessed Value, which is the assessed value as of the Base Date for that DIF District. New Growth that results in an increase in assessed value over the Original Assessed Value can be used to calculate and capture the Tax Increment. As a result, establishing a DIF District *and* IRD establishes the Base Date and Original Assessed Values, and therefore the amount of New Growth that is deemed to have occurred since the formation of the DIF District and from which tax revenues, or DIF Revenues, can be captured for purposes of the Development Program.<sup>7</sup>

Under the DIF Statute, the Base Date is the last assessment date of the real property tax immediately preceding the creation of the DIF District. The assessment date for all communities in the Commonwealth

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<sup>6</sup> M.G.L. 40Q §2 (a)

<sup>7</sup> The DIF Statute allows a community to establish a DIF District first, and then an IRD at a later date. The Base Date and Original Assessed Value are established with the IRD, which generates the revenue. A DIF District alone will only identify where projects are to be implemented. The City of Amesbury establishes this DIF District and IRD at the same time.

of Massachusetts is January 1 of each year. January 1 is therefore the Base Date for the purposes of determining the Original Assessed Value of all parcels in a DIF District.

Certain communities in Massachusetts may add New Growth that occurred on a parcel between January 2 and June 30 of each year to the assessed valuation of that parcel and recognize the value of that New Growth as of the January 1 assessment date. This is enabled by the Act Establishing the Budget and Control and Reform Act of 1989<sup>8</sup> in which a community may, by vote of its legislative body, accept the legislation and thereafter recognize New Growth occurring between January 2 and June 30 of each year as if it were New Growth as of January 1 of that same year. Communities who have accepted this legislation are sometimes referred to as “653 communities.”

The Base Date for the City of Amesbury DIF District is January 1, 2017. The Original Assessed Value of the DIF District is the assessed value as of January 1, 2017. The City of Amesbury is a “653 community.” Therefore, while January 1 is and will always be the assessment date for all parcels in the City of Amesbury and the DIF District, New Growth occurring between each January 2 and June 30 will be added to the assessed value as of January 1 of that year. As a result of updates from the Assessors the Certification was amended on November 26<sup>th</sup>, 2018 to reflect changes as per the 653 community.

## Parcel Information

The table below summarizes the parcels that will be included in the DIF District and IRD, by current use type. A full list of parcels is included as Appendix C.

Use	Acres in District	Percent of District
Commercial	0	0%
Industrial	0	0%
Residential	26.43	100%
Exempt	0	0%
<b>Totals</b>	<b>26.43</b>	<b>100%</b>

## Amesbury Heights DIF and Other Special Districts

The establishment of the DIF District does not impose a special assessment or other increased tax on any parcel. The same property tax rates that are applied to parcels outside of the DIF District are applied within the DIF District. Parcels that are in the DIF District, and also in another special district, are noted in the table included in Appendix C.

The establishment of the DIF District does not prevent the collection and distribution of fees, special assessments, or other monies from parcels in any other special districts. Owners of property in the DIF District will continue to be responsible for all obligations, actions, and payments associated with other special districts.

The DIF Statute establishes that the aggregate area of all development districts within a city or town may not exceed 25% of the total area of that city or town. The City of Amesbury measures its area in acres. As

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<sup>8</sup> Section 40 of Chapter 653 of the Acts of 1989, Amending M.G.L. Chapter 59 § 2A (a).

shown in the table below, the acreage in the DIF District and all prior DIF districts is below the state maximum.

City of Amesbury Total Square Miles	13.71
City of Amesbury Total Acres	8,774.40
Prior DIF Districts, Total Acres	531.96
Total Acres in DIF Districts as a Percent of Total Acres in the City:	6%

The Assessor's Certification from which information in the table was drawn is included in Appendix D.

### **Activities Authorized within a DIF District**

According to the DIF Statute, a municipality may "acquire, construct, reconstruct, improve, preserve, alter, extend, operate, maintain or promote development intended to meet the objectives of the development program." In addition to the powers granted by any other law, for the purpose of carrying on a project as authorized by this chapter, a city or town may:"<sup>9</sup>

"(1) incur indebtedness as hereinafter provided and pledge tax increments and other project revenues for repayment thereof;

(2) create a department, designate an existing department, board officer, agency, municipal housing or redevelopment authority of the city or town or enter into a contractual agreement with a private entity to administer the activities authorized by this chapter;

(3) make and enter into all contracts and agreements necessary in order to carry out the development program;

(4) receive from the federal government or the commonwealth loans or grants for, or in aid of, a project and receive contributions from any other source to defray project costs;

(5) purchase or acquire by eminent domain pursuant to chapter 79 or chapter 80A, insofar as those laws may be applicable, and pursuant to all preliminary requirements prescribed by law, such property or interests therein within a district as the city or town may deem necessary in order to carry out the development program; provided, however, that any taking of property by eminent domain for any purpose for which the taking by the city or town could not be made in the absence of this chapter shall be authorized by a two-thirds vote as defined in section 1 of chapter 44;

(6) make relocation payments to persons, businesses or organizations that may be displaced as a result of carrying out the development program;

(7) clear and improve property acquired by it pursuant to the development program and construct public facilities thereon, or contract for the construction, development, redevelopment, rehabilitation, remodeling, alteration or repair of such property;

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<sup>9</sup> M.G.L. 40A §2 (c)

***(8) cause parks, playgrounds or schools, water or sewer drainage facilities or any other public improvements that it is otherwise authorized to undertake, to be laid out, constructed or furnished in connection with the development program;***

(9) lay out, construct, alter, relocate, change the grade of, make specific repairs upon or discontinue public ways and sidewalks in or adjacent to the development district;

(10) cause private ways, sidewalks, ways for vehicular travel and similar improvements to be constructed within the development district for the particular use of the development district or those dwelling or working therein;

(11) adopt ordinances or by-laws under section 5 of chapter 40A, or repeal or modify the ordinances or by-laws or establish exceptions to existing ordinances and by-laws, regulating the design, construction and use of buildings;

(12) sell, mortgage, lease as lessor, transfer or dispose of any property or interest therein acquired by it pursuant to the project plan for development, redevelopment or rehabilitation in accordance with the development program;

(13) invest project revenue as hereinafter provided; and

(14) do all things reasonably necessary or convenient to carry out the powers granted in this chapter."<sup>10</sup>

The City of Amesbury will engage in some or all of these activities to further its goals for the DIF District. These are described in the Development Program.

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<sup>10</sup> Ibid

## **Part II: Amesbury Heights Development Program**

The DIF Statute requires that each community adopt a Development Program to identify the goals of the DIF District, to describe and govern the implementation of projects to promote those goals, and to describe the management of a financial plan to support funding for the goals. A Development District may be adopted either at the same time as the establishment of the DIF District or at a later time, provided the same legislative and certification methods are used. Once adopted, a Development Program may be altered or amended by the same processes used for adoption of the original DIF District and Development Program.

The Amesbury Heights Development Program will be developed commensurate with the completion of plans and requested for approval through the required process to amend this document borrowing for this project will not occur until such time as the Development Program is approved by the City Council.

### **Statement of Means and Objectives**

The DIF Statute requires “a statement of means and objectives designed to improve the quality of life, the physical facilities and structures and the quality of pedestrian and vehicular traffic control and transportation within a Development District. Means and objectives designed to increase or improve residential housing, both affordable and market rate, may also be addressed within a district and shall be considered part of a Development Program.” This section of the Report satisfies that requirement.

The City of Amesbury establishes this DIF District and Development Program to enhance the cyclical relationship between private investment and the use of taxation from new private investment to leverage infrastructure improvements to facilitate the private investment. The infrastructure will mitigate growth impacts and create the opportunities for the new private investment which will facilitate the creation of new athletic field facilities to support residential growth. The DIF District creates the vehicle through which private investment can be converted into the infrastructure investment necessary to facilitate the growth.

The creation of the Development Program will promote the above goals and objectives by:

1. Designating the existing Amesbury Economic Incentives Committee (the “AEIC”) to administer the DIF District and IRD and the Development Program and IRDDP and report to the City Council;
2. Capturing a portion of the Tax Increment generated by New Growth in the Invested Revenue District (“IRD”) to create an anticipated revenue stream (the DIF Revenues) dedicated to fund these projects. Funding may include both pay-as-you-go funding and the issuance of indebtedness to which DIF Revenues may be pledged;
3. Providing funding for improvements to the DIF District which will encourage new and expanded recreational facilities by making the DIF District a more attractive place to live, work, and engage in leisure activities. This increased activity will generate New Growth and therefore additional (incremental) tax revenues, which may be designated as DIF Revenues as described in this Development Program, and which will fund such improvements in whole or in part;
4. Addressing the impacts of new growth, and make investments in, the DIF District by providing an anticipated revenue stream to mitigate the demands of new residential growth; and
5. Communicating to residents and businesses in the community, the region, and beyond, that the City is encouraging and supporting the expansion of public facilities to mitigate demands placed by new growth.

The City has identified a set of public improvement and private development projects that are expected to promote the development of the South Hunt Area.

## **Duration of the Development Program**

The Amesbury Heights Development Program, including the IRDDP, will be in place for thirty (30) years from the date the Amesbury Heights is established. A record of the legislative action taken is included as Appendix B.

### ***Public Facilities to be Constructed***

The Amesbury Heights Development Program will address the inadequacies of the City Athletic Fields as identified by the recent document titled "Sports Fields Master Plan" October 2018, by Milone and Macbroom, updated October 2019 to include the Capital Improvement Plan. The development program will be funded by two sources determined at this time of this document; the first being a bond for \$1.5 million from City funds, and the second \$1.0 million from this DIF project. Together these funds sources provide a budget from which the improvements are funded. The improvements pursuant to this document are provided in Appendix G: Woodsom Farm Phase One, Level One Athletic Fields.

### ***Plans for Relocation of Displaced Persons***

The Amesbury Heights Development Program will not eliminate any residential units or displace any residents. In fact, the project will facilitate public recreational field improvements to serve current and future residential growth.

### ***Plans for Housing***

The Amesbury Heights Development Program does not propose to use DIF Revenues or other public funds to add to or renovate any housing structures. However, the housing planned by private development projects expected to be built is supported indirectly by the Development Program's mitigation of the traffic impacts of the existing and proposed developments.

### ***Proposed Regulations and Facilities to Improve Public Athletic Fields***

A major goal of the Amesbury Heights Development Program is to improve athletic fields in the community to provide the necessary facilities to support the demands of such growth. Several publicly-funded projects are under development through the planning stages and any associated regulations and facilities to will be included in the final, adopted Development Program.

## **Operation and Management of the DIF District and Development Program**

The City of Amesbury will employ the existing Amesbury Economic Incentives Committee, (the "AEIC") and amend the purpose and intent of the AEIC to broaden its role from the oversight of the Tax Increment Financing (TIF) program to include the DIF program. The AEIC will be responsible for the ongoing operation and management of the DIF District and Development Program for the term of the Development Program.

The AEIC shall be designated by the Mayor to review project applications and make recommendations for action. The Mayor's appointments shall consist of the Finance Director, the Assessor, the Director of the Office of Community and Economic Development, or their designee. Two members of the City of Amesbury City Council shall be appointed by the City Council, and a member of the Planning Board shall be appointed

by the Planning Board. The AEIC shall create and as required amend its bylaws and administrative forms to establish operational parameters and rules of order within the context of this DIF District and Development Program and any past or future DIF Districts and related Development Programs.

The AEIC will be responsible for annually reporting to the City of Amesbury about the status and progress of all projects, whether the projects are directly administered by the AEIC or are administered by the City, or are implemented through public/private partnership agreements, including expenditures of DIF Revenues and the compliance of private partners with the terms of such agreements.

The AEIC will be responsible for administering projects and reporting on:

Capital Projects - the AEIC will cause to be constructed and maintained all infrastructure projects included in the Development Program. The AEIC may delegate such construction and maintenance activities to the municipality, except that the AEIC will be responsible for annually reporting to the municipality about the status and progress of the projects, including expenditures of DIF Revenues.

Employment, Public safety, and Economic Development projects – the AEIC may directly administer such projects, or delegate projects to be implemented directly by the municipality, or recommend that the municipality enter into public/private partnerships to implement such projects. The AEIC is not authorized to enter into public/private partnerships but may be authorized by the municipality to oversee, manage, and report on any such partnerships that the municipality has entered into.

Public/Private Partnerships – the AEIC will, within the Guidelines for Entering into Public/Private Partnerships included in this Development Program as Appendix E, develop and implement the process through which the municipality may approve and enter into agreements with private parties, in which the private parties will carry out specific components of the Development Program. Public/private partnerships may include but are not limited to: Tax Increment Financing (TIF) Agreements and other incentives for investment by private entities as well as contractual agreements for the provision of education, training, and other services as described in the Development Program.

Deposit of DIF Revenues - The AEIC will review the Assessor's annual certification<sup>11</sup> of the amount of New Growth adjustment to the levy limit of the City that is attributable to parcels within the DIF District and will calculate the Tax Increment. The AEIC will calculate the dollar amount determined by the percentage of the Tax Increment to be captured for the purposes of the Development Program (the "DIF Revenues") and will deposit, or cause to be deposited, all DIF Revenues to the Development Program Fund and then into the Development Sinking Fund Account and Project Cost Account, including any sub accounts, and then into the General Fund, as provided for in the Financial Plan.

Percentage of Tax Increment retained as DIF Revenues - As described in the Financial Plan, the percentage of the Tax Increment that is allocated to the Development Program Fund will be established at the time of the adoption of the Development Program, either as a stated percentage or as a formula to be applied. The AEIC will review whether there should be revisions to the percentage retained at least every five (5) years, provided that all obligations of the Development Sinking Fund Account and the Project Cost Account subaccounts continue to be met. The AEIC will report any recommended changes to the City for approval as established below in the Financial Plan.

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<sup>11</sup> As required by M.G.L. Ch. 40Q §3 (b)

Issuance of Debt – the AEIC will, as part of its management of the Development Program, evaluate the use of debt to finance projects and will make a recommendation to the City. Information about the proposed use of debt is presented below in the Financial Plan.

Annual Audit of Development Program Funds – the AEIC will ensure that all accounts and subaccounts of the Development Program are included in the City’s annual financial audit.

## **Invested Revenue District and Invested Revenue District Development Program**

The City of Amesbury established its Amesbury Heights Invested Revenue District (“IRD”) when it established the Amesbury Heights Development District. The legislative action taken to establish these districts is included as Appendix B. The Tax Increment that will provide revenue to support the Development Program will be collected from parcels in the IRD.

The Amesbury Heights IRD is coterminous with the Amesbury Heights Development District and all parcels within the Development District are therefore within the IRD. When the Development Program is developed additional parcels will be added as part of the amendment. Those parcels are identified herein as a portion of the area known as Woodsom Farm. This area will be a Development District and not an IRD.

The DIF Statute requires the adoption of an Invested Revenue District Development Program (“IRDDP”) when an IRD is used to collect and use Tax Increment revenue for a Development Program. Therefore the City establishes an IRDDP as part of its Development Program. An IRDDP includes information about estimates of tax revenues to be collected, a projection of tax revenues that would be collected in the absence of the Development Program, information about plans for municipal debt, the percentage of Tax Increment to be captured during the term of the Development Program, and estimates of the impact of the collection and use of the Tax Increment on all taxing jurisdictions within the IRD. All information required by the DIF Statute to be included in an IRDDP is presented, together with the information required to be provided as part of a Development Program, in the Financial Plan.

## **Financial Plan**

A Financial Plan must be established as part of the Development Program, as required by the DIF Statute. The Financial Plan includes information required for both the Development Program and the IRDDP. This Financial Plan sets forth the City’s expectations as of the time of the establishment of the DIF District and will be finalized with the adoption of the final Development Program.

The Amesbury Heights Development Program includes the establishment of funds as a portion of a capital budget to support the Development Program. Once the budget is established with this action and the bond approval the Development Program details will be developed.

To support these projects, the City will calculate and collect the Tax Increment and retain a percentage that will be deposited to the Development Program Fund as DIF Revenues. DIF Revenues will be used to repay debt obligations, if any, and to fund projects on a pay-as-you-go basis.

## Capital Plan

The Capital Plan associated with this DIF is provided in Appendix G: Woodsom Farm Phase One Athletic Fields. The Plans and cost estimates provide an overview of the total development at the site including Phase One, which is the subject of the DIF. The budget for the projects does not exceed the \$1,000,000 from this DIF, \$1.5 million from the prior borrowing authorization, and an estimated \$300,000 from the school project for a total \$2.8 million in funds. The plan addresses the relocation of fields from the school project and the provision of fields to begin the process of reducing the backlog of facilities as outlined in the Athletic Fields Recreation master plan dated October 2019.

### ***Maximum Amount of Indebtedness to be Incurred***

The City of Amesbury expects to issue General Obligation Bonds in support of the projects in the Development Program and may choose to issue notes in anticipation of a bond issuance. Issuance will be approximately \$1,000,000 for this DIF Program. DIF Revenues will be used to pay all or some of the debt service on such bonds and notes, with actual amounts of DIF Revenues allocated to debt service depending on actual DIF Revenues and the repayment schedule of the bond issue. As provided by the DIF Statute,<sup>12</sup> the bonds and notes issued will not be included in the debt of the municipality for the purpose of determining its debt limit.

This *Amesbury Heights DIF District and Development Program Report* does not authorize borrowing. Any debt issued by the City to pay for improvements described in this Report will be authorized separately through the City's customary debt issuance process.

### ***Additional Sources of Capital***

The City of Amesbury is planning on borrowing \$1.5 million from general fund obligation bonds. .

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<sup>12</sup> M.G.L. Chapter 40Q §4, (m)

## Statement of the Retention of Tax Increment as DIF Revenues

As part of this Development Program, the City of Amesbury has established the following statement of the amount of each year's Tax Increment to be retained and used as described in this Development Program. These retained Tax Increments will be designated as the DIF Revenues.

The City of Amesbury expects to retain the Tax Increment revenues to be designated as DIF Revenues and deposited to the Development Program Fund each year as set forth in the table below, "ESTIMATED Percentages of Tax Increment Retained as DIF Revenues."

However, if the City has issued debt and has used the proceeds of such debt to pay for project costs of this Development Program, and the Tax Increment revenues captured as set forth in the table below are insufficient to cover the debt service costs associated with the Development Program projects, then the City will capture more revenues than are shown in the table below. The City would capture up to 100% of DIF Revenues in any year where such debt service was equal to or greater than DIF Revenues. Given the value of the building is known, and the facility is constructed the availability of revenues for the borrowing are evident.

A detailed analysis of the calculation of the tax increment to be retained is included in Appendix F.

<b>Table 6: ESTIMATED Percentages of Tax Increment Retained as DIF Revenues</b>				
<b>Year(s) of DIF Term</b>	<b>Fiscal Year Ending</b>	<b>Dollar Amount</b>	<b>%of Increment</b>	<b>% of Total Taxes</b>
1	6/30/2020	\$ 20,000.00	12%	4%
2	6/30/2021	\$ 89,000.00	52%	18%
3	6/30/2022	\$ 87,000.00	51%	17%
4	6/30/2023	\$ 89,900.00	53%	18%
5	6/30/2024	\$ 87,700.00	51%	17%
6	6/30/2025	\$ 90,400.00	53%	18%
7	6/30/2026	\$ 88,000.00	52%	17%
8	6/30/2027	\$ 90,500.00	53%	18%
9	6/30/2028	\$ 87,900.00	51%	17%
10	6/30/2029	\$ 90,200.00	53%	18%
11	6/30/2030	\$ 87,400.00	51%	17%
12	6/30/2031	\$ 89,500.00	52%	18%
13	6/30/2032	\$ 86,500.00	51%	17%
14	6/30/2033	\$ 88,400.00	52%	17%
15	6/30/2034	\$ 90,100.00	53%	18%
16	6/30/2035	\$ 86,700.00	51%	17%

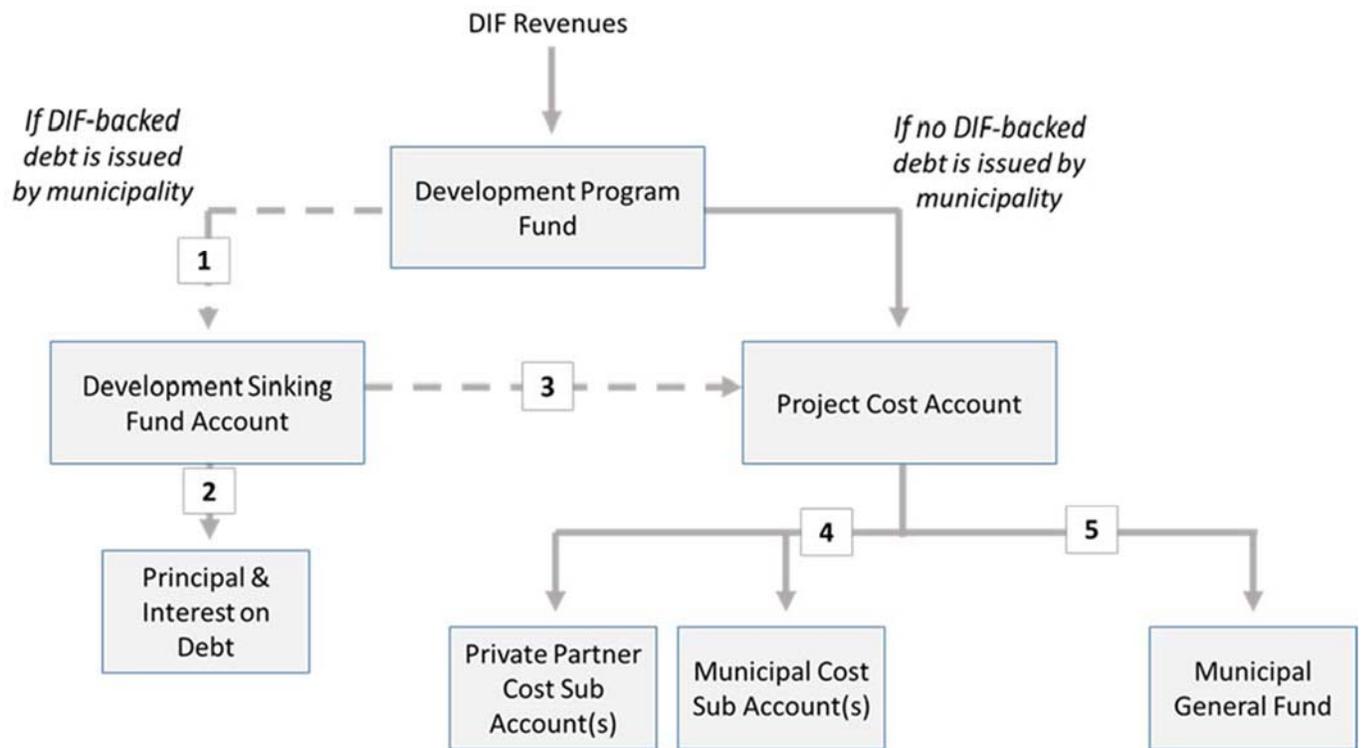
In addition, each year the City Assessor will certify the amount of the Tax Increment to the City. The AEIC will review the anticipated DIF Revenues and will cause the projects within the Development Program to be funded, as follows:

- As long as debt obligations to which DIF Revenues are pledged remain outstanding, the percentages of the Tax Increment to be retained and deposited as DIF Revenues to the Development Program Fund shall be at least sufficient to meet the pledge of DIF Revenues toward the obligations on that debt for the subsequent year;
- As long as a contractual agreement with a private party that provides for the provision of DIF Revenues to such party for implementation of a project remains in effect, and the private party is in compliance with all tax payments and other obligations under the agreement, the percentages of Tax Increment to be retained and deposited as DIF Revenues to the Development Program Fund shall be at least sufficient to meet any obligations under each such agreement with a private party for the subsequent year.
- For the capital costs and maintenance costs for infrastructure within the DIF District, including but not limited to the infrastructure constructed as part of the Development Program, a deposit to the Development Program Fund, then to the Project Cost Account, and then to the Municipal Cost Sub Account(s) funds needed to maintain and make improvements to infrastructure within the DIF District for the subsequent year.
- For the costs of employment programs, public safety, and other economic development programs included in the Development Program, a deposit to the Development Program Fund, then to the Project Cost Account, and then to the designated Municipal Cost Sub Account(s), funds needed to maintain and operate such programs within the DIF District for the subsequent year.

### **Tax Increment and DIF Revenue Flow of Funds**

Each fiscal year the Tax Increment will be calculated and, using the percentages of such increment to be captured for that year, the amount of DIF Revenues will be determined.

The Financial Plan establishes a series following funds and accounts, to which DIF Revenues will be deposited and distributed as shown in the graphic below. The priority of funds is established by the DIF Statute. A narrative description of the flow of funds follows the graphic.



Development Program Fund

The Development Fund will include (1) a Project Cost Account that is pledged to and charged with the payment of project costs that are outlined in the Financial Plan; and (2) in instances of indebtedness issued by the municipality to finance or refinance Project Costs, and to which DIF Revenues have been pledged as a source of repayment, a Development Sinking Fund Account.

DIF Revenues shall be deposited first to the Development Program Fund and then to the:

Development Sinking Fund Account

For as long as any municipal indebtedness to which DIF Revenues are pledged is outstanding, to the Development Sinking Fund Account in amounts sufficient to make payments in the amount of the pledge, on any such debt issued by the municipality to finance or refinance Project Costs, including the following: (ii) payment of the costs of providing or reimbursing any provider of any guarantee, letter of credit, policy of bond insurance or other credit enhancement device used to secure payment of debt service on any such indebtedness; and (iii) funding any required reserve fund, and otherwise to the:

Project Cost Account

The Project Cost Account, which shall consist of (1) one or more Private Partner Cost Sub Accounts (the "Private Partner Cost Sub Accounts") pledged to and charged with payment of the costs of payments or reimbursement consistent with each approved public/private partnership agreement, if any, and (2) one or more Municipal Cost Sub Accounts (the "Municipal Cost Sub Accounts") pledged to and charged with the payment of the municipality's project costs. DIF Revenues deposited to the Project Cost Account will be transferred first to the Private Partner Cost Sub Accounts, if any, and then to the Municipal Cost Sub Accounts.

### *Private Partner Cost Sub Accounts*

Should the municipality enter into any public/private partnership agreements in which DIF Revenues are made available through a contractual agreement with a private entity, in which that private entity undertakes the implementation of a project in this Development Program, a Private Partner Cost Sub Account will be established by that agreement. Amounts to be paid to the private entity under the agreement will be deposited into the Private Partner Cost Sub Account and payments to the private entity will be made from the Private Partner Cost Sub Account established by that agreement. The municipality's obligation to make a periodic payment under any agreement will only arise to the extent the municipality receives incremental real property tax revenue (the DIF Revenues) from properties in the Invested Revenue District. In any agreement, the municipality shall not obligate itself to make payments without receiving DIF Revenues, nor shall it be obligated to make payments if there is no New Growth and therefore no Tax Increment.

### *Municipal Cost Sub Accounts*

Expenditures of DIF Revenues, other than for public/private partnership agreements, will be included and approved as part of the municipality's annual capital projects budget, if any, and as part of the municipality's annual budget (for non-capital project costs.) Deposits to the Municipal Cost Sub Accounts will be made only after the municipality meets its obligations of any debt obligations that are secured by DIF Revenues and makes contractual payments on any public/private partnership agreements. Expenditures for public facilities, improvements, and programs (i.e., any expenditures of DIF Revenues for purposes other than public/private partnership agreements) will be made by payments from the Municipal Cost Sub Accounts.

Project costs funded by DIF Revenues will be paid from the Municipal Cost Sub Account. To facilitate payment of project costs, the municipality may choose to deposit into any Municipal Cost Sub Account other funds designated for projects it undertakes within the Development Program. For example, if a project is to be paid in part by DIF Revenues through the Project Cost Account and Municipal Cost Sub Account, and in part by grant funds, the municipality may choose to, but is not required to, deposit grant funds to the Municipal Cost Sub Account so that all costs of a project are paid from a single account.

The municipality reserves the right to make transfers between Development Program accounts and sub accounts as required, provided that the transfers do not result in a balance in either the Development Sinking Fund Account or the Project Cost Account, including any subaccounts, that is insufficient to cover the annual obligations of that account.

The municipality will annually return to the General Fund any DIF Revenues in excess of the amount estimated to be required to satisfy the obligations of the Development Sinking Fund Account, including any required reserve funds or other costs of debt, and in excess of the amount required to satisfy all annual project costs to be paid from the Project Cost Account, including any sub accounts.

### **Impact on Taxing Jurisdictions**

The establishment of the DIF District and IRD, and the implementation of the Development Program and the IRDDP, will not have an impact on the taxing jurisdictions within the DIF District and the IRD.

## Estimates of Tax Revenues

These are estimates and changes in tax rates, in uses of the properties including whether the properties are tax exempt, and in assessed values are also estimates. Actual tax revenues will be different. These estimates do not constitute a guarantee that tax revenues, Tax Increment, or DIF Revenues will be available; nor do they create an obligation by the municipality to collect and allocate tax revenues as shown in this table of estimates.

The table below presents these estimates and compares the tax revenues that would be expected if the South Hunt Area Development Program were not implemented and the associated increases in assessed value and incremental tax revenues did not occur. These estimates assume that in addition to other anticipated private investment, additional investment at the Atlantic Center property would not be made.

The City of Amesbury has entered into a Tax Increment Financing Agreement ("TIF" Agreement) with Global Property Developers in April of 2018, and this agreement will result in reduced tax payments on the Atlantic Center property. The effects of the reduced tax payments are shown in the revenue estimates.

*Assumptions used in these estimates:*

- The tax rate is \$18.37 per \$1,000 of assessed value for all properties and does not change.
- No New Growth is assumed in the DIF District except the projects in Table 4, above.
- Assessed values in the DIF District are not increased or decreased as a result of market value changes or revaluation.

# Appendix A: Definitions

## *Definitions from the DIF Statute<sup>13</sup>*

The following terms used in this Development District and Program have meanings as defined in Massachusetts General Law Chapter 40Q, Section (§) 1. Capitalization has been added to the statute's defined terms to identify them clearly in the text. (Capitalizations have been added for clarity.)

"Base Date", the last assessment date of the real property tax immediately preceding the creation of the district.

"Captured Assessed Value", the valuation amount by which the current assessed value of an invested revenue district exceeds the original assessed value of the district. If the current assessed value is equal to or less than the original, there is no Captured Assessed Value.

"Development District", a specified area within the corporate limits of a city or town which has been designated as provided in §2 and which is to be developed by the city or town under a Development Program.

"Development Program", a statement of means and objectives designed to improve the quality of life, the physical facilities and structures and the quality of pedestrian and vehicular traffic control and transportation within a development district. Means and objectives designed to increase or improve residential housing, both affordable and market rate, may also be addressed within a district and shall be considered part of a development program. The statement shall include:

- (1) a Financial Plan;
- (2) a complete list of public facilities to be constructed;
- (3) the use of private property;
- (4) plans for the relocation of persons displaced by the development activities;
- (5) plans, if any, for the development of housing, both affordable and market rate;
- (6) the proposed regulations and facilities to improve transportation;
- (7) the proposed operation of the district after the planned capital improvements are completed; and
- (8) the duration of the program which shall not exceed the longer of: (i) 30 years from the date of designation of the district; or (ii) 30 years from project stabilization, as defined in the development program.

"Financial Plan", a statement of the costs and sources of revenue required to accomplish the development programs which shall include: (1) cost estimates for the development program; (2) the amount of indebtedness to be incurred; and (3) sources of anticipated capital.

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<sup>13</sup> M.G.L. Chapter 40Q §1, "Definitions"

"Invested Revenue District", a type of Development District or portion of a district that uses tax increment financing<sup>14</sup> under §3.

"Invested Revenue District Development Program", a statement which, in addition to the information required for a Development Program, shall also include: (1) estimates of tax revenues to be derived from the Invested Revenue District; (2) a projection of the tax revenues to be derived from the Invested Revenue District in the absence of a Development Program; (3) a statement as to whether the issuance of bonds contemplated pursuant to this chapter shall be general or special obligation bonds; (4) the percentage of the tax increment to be applied to the Development Program and resulting tax increments in each year of the program; and (5) a statement of the estimated impact of tax increment financing on all taxing jurisdictions in which the district is located.

"Original Assessed Value", the aggregate assessed value of the Invested Revenue District as of the Base Date.

"Project", a project to be undertaken in accordance with the development program.

"Project Costs", any expenditure made or estimated to be made or monetary obligations incurred or estimated to be incurred by the city or town which are listed in a project plan as costs of improvements including, but not limited to, public works, acquisition, construction or rehabilitation of land or improvements for sale or lease to residential, commercial or industrial users within a development district plus any costs incidental to those improvements, reduced by any income, special assessments or other revenues, other than tax increments, received or reasonably expected to be received by the city or town in connection with the implementation of this plan.

Project costs shall include, but not be limited to:--

(1) "administrative costs", any reasonable charges for the time spent by city or town employees in connection with the implementation of a project plan;

(2) "capital costs", the actual costs of the construction of public works or improvements, new buildings, structures and fixtures; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures; the acquisition of equipment; and the grading and clearing of land;

(3) "discretionary costs", those payments made by the appropriate body of a city or town that in its discretion are found to be necessary or convenient to the creation of development districts or the implementation of project plans.

(4) "financing costs", including, but not be limited to, all interest paid to holders of evidences of indebtedness issued to pay for project costs and any premium paid over the principal amount of that indebtedness because of the redemption of the obligations before maturity;

(5) "improvement costs", those costs associated with developing new employment opportunities, promoting public events, advertising cultural, educational and commercial activities, providing public safety, establishing and maintaining administrative and managerial support and such other services as are necessary or appropriate to carry out the development program;

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<sup>14</sup> Note: while the statute uses the term "tax increment financing" it refers here specifically to financings under M.G.L. Chapter 40Q and *not* to tax increment financing under M.G.L. Chapter 23L or any other program which imposes additional taxes, fees, or assessments a district.

(6) "organizational costs", all reasonable costs relating to the conduct of environmental impact and other studies and informing the public about the creation of development districts and the implementation of project plans;

(7) "professional service costs", including, but not limited to, those costs incurred for architectural, planning, engineering and legal advice or services;

(8) "real property assembly costs", any deficit incurred resulting from the sale or lease by the city or town, as lessor, of real or personal property within a development district for consideration which is less than its cost to the city or town;

(9) "relocation costs", all reasonable relocation payments made pursuant to a condemnation;

(10) "training costs", costs associated with providing skills, development and training for employees of businesses within the development district; provided, however, that these costs shall not exceed 20 per cent of the total project costs and shall be designated as training funds within 5 years of the issuance of bonds pursuant to this chapter for the project or the designation of the district, whichever occurs later; and

(11) "water and sewer line costs", which shall include the costs related to the construction or alteration of sewage treatment plants, water treatment plants or other environmental protection devices, storm or sanitary sewer lines, water lines or amenities on streets or the rebuilding or expansion thereto so long as required by the project plan for a development district, whether or not the construction, alteration, rebuilding or expansion is within the development district;

Project costs shall not include the cost of a building or a portion of a building used predominantly for the general conduct of government, such as a city hall, courthouse, jail, police or fire station or other state or local government office buildings.

"Project revenues", receipts of a city or town with respect to a project including, without limitation, tax increments, investment earnings and proceeds of insurance or disposition of property.

"Tax Increment", mean revenues from taxes levied on the Captured Assessed Value in a Development District. Tax Increment includes assessed value increases resulting from New Growth. For a complete definition see M.G.L. Ch. 40Q § 1 "Definitions."

#### *Additional Definitions*

"Amesbury Economic Incentives Committee" (the "AEIC") means the committee designated by the City and charged with advising and guiding the City on the implementation of the Development Program. The AEIC shall be designated by the Mayor to review project applications and make recommendation for action. The Mayor's appointments shall consist of the Finance Director, the Assessor, Director of the Office of Community and Economic Development or their designee. Two members of the City of Amesbury City Council shall be appointed by the City Council, and a member of the Planning Board shall have appointed by the Planning Board. The AEIC shall create and as required amend its bylaws and administrative forms to establish operational parameters and rules of order within the context of this DIF District and any past or future DIF Districts.

"DIF Revenues" means the portion of the Tax Increment that is collected as a result of New Growth in the DIF District that is deposited to the Development Program Fund and used as provided for in the Development Program. DIF Revenues may be all or a portion of the Tax Increment for any fiscal year and

the percentage of each year's Tax Increment that becomes DIF Revenues is established by the Development Program and Invested Revenue District Development Program.

"New Growth" means increases to the assessed value of a property, as a result of development or other changes, as a result of the return of exempt real property to the tax role and new personal property, and new subdivision parcels and condominium conversions. For details of New Growth calculations, Please see *Levy Limits: A Primer on Proposition 2 1/2*, Massachusetts Department of Revenue Division of Local Services, available online at <https://www.mass.gov/files/documents/2016/08/oq/levylimits.pdf>.

"Real Property" means all real and personal property that is taxable under M.G.L. Chapter 40Q §3 (b).

"Tax Increment Financing" means a method of creating investment incentives for private entities that is overseen by the Economic Assistance Coordinating Council. Tax Increment Financing may be used in a DIF District.

# Appendix B: Legislative Action



CITY OF AMESBURY  
IN THE YEAR TWO THOUSAND SEVENTEEN

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**SPONSORED BY:** C. Kenneth Gray, Mayor **BILL No.** 2017-064

At the meeting of the Amesbury City Council held on September 12, 2017 in the City Hall Auditorium the following action was taken:

- **Whereas:** The District Improvement Program provides opportunities to leverage the capital from new growth to improve public facilities.
- **Whereas:** The City of Amesbury has an opportunity to leverage new growth from the Amesbury Heights Development to capture the value of new growth toward public improvements.
- **Whereas:** The City is fortunate to have dedicated organized sports teams throughout the community.
- **Whereas:** Community athletic facilities are in dire need of improvements and expansion. School-based athletic organizations as well as organized sport leagues are facing mounting facility challenges every year.

**Now Therefore:** This Order shall establish a District Improvement Program at the Amesbury Heights Development for the purpose of leveraging funds to improve, enhance, expand, or create new, athletic facilities owned by the City of Amesbury, and/or its School Department. The allocation of these funds shall be commensurate with a capital improvement plan (Plan) which will be developed by a committee appointed by the Mayor, including one member of the City Council to be appointed by the Council President, having sufficient broad representation to address the needs of such facilities. The Plan shall be submitted to the City Council by June 30 2018, for consideration by the Council toward amending the DIF to include a plan for investments. Said plan shall take into consideration leveraging the volunteer efforts of the community, the readiness to proceed of a proposed project, the need for the investment based on conditions and or programing limitations, the available matching capital, and the ability to serve Amesbury participants. This Order is a request of the Municipal Council to vote to:

1. Approve the Amesbury Heights Development District (the "District"), a Development District pursuant to Chapter 40Q of the M.G.L., approximately 26.43 acres, known as Assessors Map 86, Parcel 25, shown on the map presented to the Council in Appendix A of the below referenced report;
2. Find that the designation of the development district is consistent with the requirements of Chapter 40Q and will further the public purpose and encourage increased residential activity in the commonwealth;
3. Designate the City of Amesbury Department of Community and Economic Development as the administrator of District;
4. Request through the Mayor that City of Amesbury Assessor Department to 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.

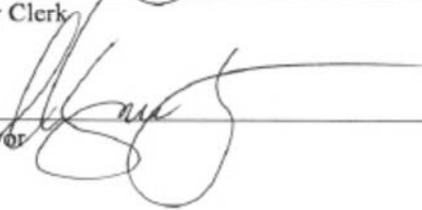
**Summary:** The DIF Program is outlined in the attached report, which is incorporated herein by reference, titled City of Amesbury, Amesbury Heights, District Improvement Financing Program District Designation and Base Value Establishment dated July 3, 2017. This DIF Program implements Mass. Gen. Laws Ch. 40Q District

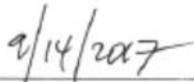
Improvement Financing. The above actions do not include the targeting of specific investments, or the request for approval of investments, or a percentage capture rate for the determination of revenue until such time as a Plan is completed and adopted. Further the above actions do not include authorizations for expenditures of these funds in any form or manner without appropriation. Any applicable amendments hereto shall be reflected in the applicable report submitted with this Order titled; City of Amesbury Amesbury Heights District Improvement Financing Program District Designation and Base Value Establishment, dated July 3, 2017.

Councilor Sherwood motioned to approve 2017-064 as written. Councilor McClure seconded. A roll call vote was taken and the vote passed with 7 in favor and 2 opposed (Stanganelli and McMilleon).

Witness my hand and seal for the City of Amesbury this 14<sup>th</sup> day of September, 2017

  
\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Date



CITY OF AMESBURY  
IN THE YEAR TWO THOUSAND NINETEEN

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**SPONSORED BY:** C. Kenneth Gray, Mayor

**BILL No.** 2019-016

At the meeting of the Amesbury City Council held on April 9, 2019 in the City Hall Auditorium the following action was taken:

**An Order** to appropriate \$1,500,000 to pay for costs of designing and constructing athletic fields at, but not limited to, Woodsom Farm.

**Summary:** This Order proposes to appropriate \$1,500,000 for the purpose of designing and constructing athletic fields at, but not limited to, Woodsom Farm. The order further authorizes the Mayor to borrow a sum of funds under G.L. c. 44, §7, or any other enabling authority.

**Be it Ordered by the City Council of the City of Amesbury assembled, and by the authority of the same, as follows:**

that \$1,500,000 is hereby appropriated to pay costs of designing and constructing athletic fields at, but not limited to, Woodsom Farm, including the payment of all costs incidental and related thereto; that to meet this appropriation the Treasurer, with the approval of the Mayor, is authorized to borrow a sum of funds under G.L. c. 44, §7, or any other enabling authority; and that the Mayor is authorized to take any other action necessary or convenient to carry out this project. Any premium received upon the sale of any bonds or notes approved by this order, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this order in accordance with G.L. c. 44, §20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

Councilor Nicholas Wheeler moved to amend 2019-016 by replacing three instances of "at Woodsom Farm" to "at, but not limited to, Woodsom Farm". Councilor Steven Stanganelli seconded. A vote was taken, and it was unanimous.

Councilor Joseph McMilleon moved to approve 2019-016. Councilor Donna McClure seconded. A roll call vote was taken, and it was unanimous.

Witness my hand and seal for the City of Amesbury this 10th day of April, 2019

  
\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
Mayor

4/16/2019  
Date



CITY OF AMESBURY  
IN THE YEAR TWO THOUSAND NINETEEN

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**SPONSORED BY:** C. Kenneth Gray, Mayor

**BILL No.** 2019-023

At the meeting of the Amesbury City Council held on May 14, 2019 in the City Hall Auditorium the following action was taken:

- **Whereas:** The District Improvement Program provides opportunities to leverage the capital from new growth to improve public facilities.
- **Whereas:** The City of Amesbury has an opportunity to leverage new growth from the Amesbury Heights Development to capture the value of new growth toward public improvements.
- **Whereas:** The City is fortunate to have dedicated organized sports teams throughout the community.
- **Whereas:** Community athletic facilities are in dire need of improvements and expansion. Athletic organizations are facing mounting facility challenges every year.

**Summary:** This Order shall amend the document titled "City of Amesbury Heights District Improvement Financing Program District Designation", adopted September 12<sup>th</sup>, 2017, which is incorporated herein by reference, by submitting the document titled "The Amesbury Heights District Improvement Program Report", dated April 1st, 2019, and as amended to April 9, for the purpose of leveraging funds to improve, enhance, expand, or create new, athletic facilities owned by the City of Amesbury, and/or its School Department. The allocation of these funds shall be commensurate with a capital improvement plan (Plan) having sufficient broad representation to address the needs of such facilities. The Plan shall be submitted to the City Council by June 30 2019, for consideration by the Council toward amending the DIF to include a plan for investments. Said plan shall take into consideration leveraging the volunteer efforts of the community, the readiness to proceed of a proposed project, the need for the investment based on conditions and or programing limitations, the available matching capital, and the ability to serve Amesbury participants. This Order is a request of the Municipal Council to vote to:

**Now Therefore, Be it Ordered by the City Council of the City of Amesbury Assembled, and by the authority of the same, as follows:** This Order shall amend the above referenced District Improvement Program (DIF) and take other actions pursuant to the amended document titled City of Amesbury Heights District Improvement Financing Program District Designation, adopted September 12th, 2017, which is incorporated herein by reference. The DIF shall fulfill the purpose of leveraging funds to improve, enhance, expand, or create new, Athletic Fields and other improvements pursuant to the above document as may be amended. The Municipal Council shall hereby vote to:

- Establish the Amesbury Heights Invested Revenue District Development Program (IRDDP) articulating the sources of revenues from projected new growth anticipated through projects within the DIF District.

- Establish through the IRDDP the apportionment of revenues from the new growth associated with the DIF District toward funding the applicable improvements as outlined in the Development Program.
- Generally outline the management of funds from the above revenues to fund the above Development Program.

Understand that this action shall not provide authorization to borrow, raise, or appropriate funds for the above purposes, those actions are separate as set forth by City requirements. The Amesbury Heights Development Program articulate the public improvements necessary and the anticipated allocation of funds for the improvements with any amendments to the DIF will be provided at a later date once the above referenced plan is completed.

Councilor Joseph McMilleon moved to approve 2019-023 with changes recommended by Bill Scott and the Ordinance Committee. Councilor Donna McClure seconded. A roll call vote was taken, and it was unanimous.

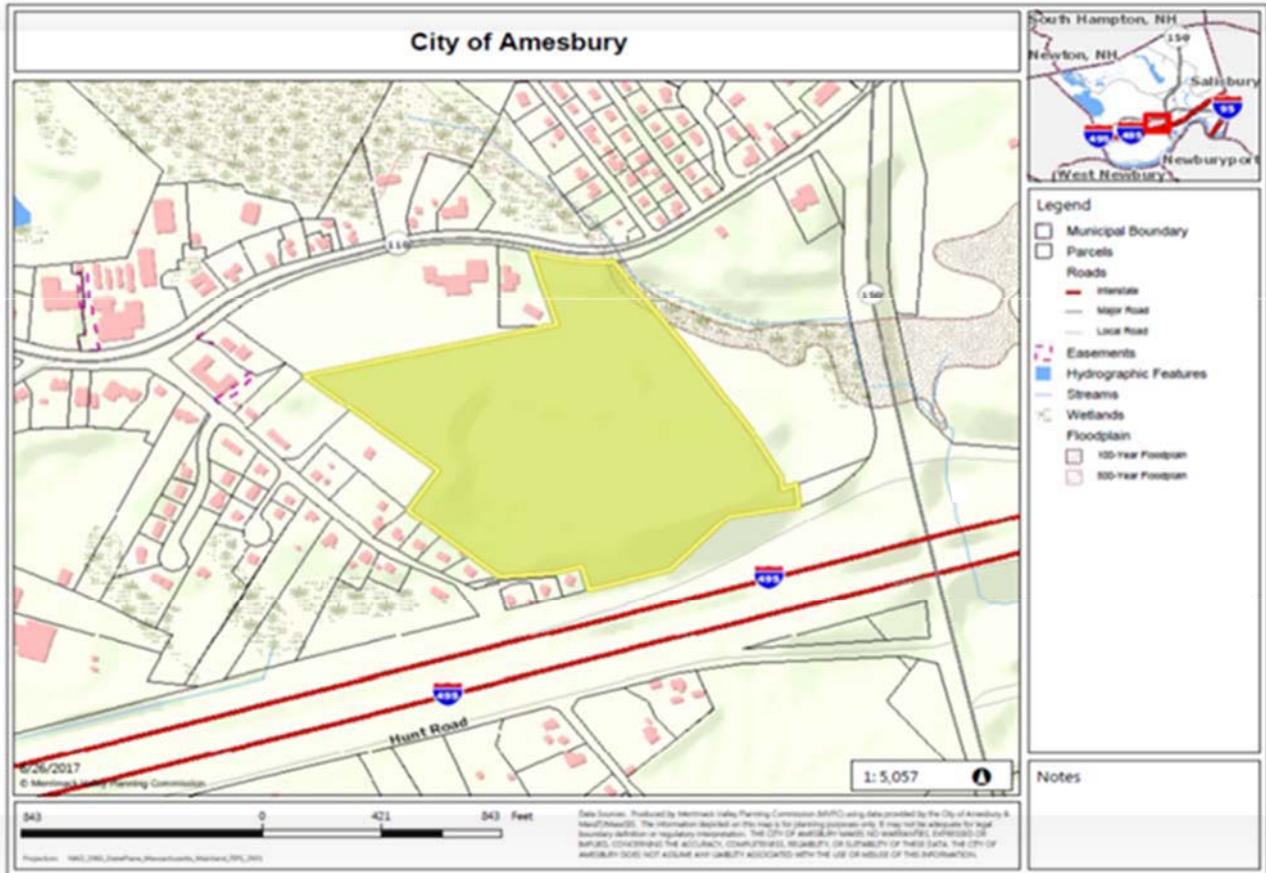
Witness my hand and seal for the City of Amesbury this 15th day of May, 2019

  
\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
Mayor

5/15/2019  
Date

# Appendix C: Map of the DIF District and Parcel List



## 36 HAVERHILL RD

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**Location** 36 HAVERHILL RD

**Mblu** 86 / / 25 / /

**Acct#** 95

**Owner** AMESBURY HEIGHTS LLC

**Assessment** \$28,726,600

**PID** 4932

**Building Count** 6

### Current Value

Assessment			
Valuation Year	Improvements	Land	Total
2019	\$21,526,600	\$7,200,000	\$

### Owner of Record

**Owner** AMESBURY HEIGHTS LLC

**Sale Price** \$3,600,000

**Co-Owner**

**Certificate**

**Address** 150 MOUNT VERNON STREET  
SUITE 500  
BOSTON, MA 02125

**Book & Page** 34452/ 105

**Sale Date** 10/19/2015

**Instrument** 1U

### Ownership History

Ownership History					
Owner	Sale Price	Certificate	Book & Page	Instrument	Size
AMESBURY HEIGHTS LLC	\$3,600,000		34452/ 105	1U	10,
BOSTON NORTH PROPERTIES LLC	\$1,800,000		26521/ 126	1G	01,
HILLSHIRE REALTY CORP	\$10		16130/ 295	1B	12,
HILLSHIRE ESTATES INC	\$0		06111/0075		11,

### Building Information

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# Appendix D: Assessor's Certification



**City of Amesbury  
Board of Assessors  
Assessor's Certification  
Amesbury Heights DIF District**

Pursuant to M.G.L. Chapter 40Q, §3b: (b) On or after the formation of an invested revenue district, the assessor of the city or town in which it is located shall, on request of the city or town, certify the original assessed value of the taxable property within the boundaries of the invested revenue district on the base date. The Base Date for the City of Amesbury DIF District is January 1, 2017. The Original Assessed Value of the DIF District is the assessed value as of January 1, 2017.

Under the requirements of M.G.L. Chapter 40Q, §2, Development districts (a) the municipality must certify that all development districts, both current and proposed, do not exceed 25% of the total area of the municipality. The City of Amesbury contains an area of 13.71 square miles, or 8,774.40 acres. There is one other existing development district, South Hunt Area Development District, of 505.53 acres. The Amesbury Heights District contains 26.43 acres for a total of 531.96 acres in all development districts.

Now therefore, I certify that the City's existing districts (DIF) do not exceed 25% of the City's total area, and that the Amesbury Heights DIF District with the Base Date of January 1, 2017 (fiscal year of 2018), has a base value and taxes as follows:

Commercial Value	\$ 0	Commercial Taxes	\$ 0.00
Industrial Value	\$ 0	Industrial Taxes	\$ 0.00
Residential Value	\$ 19,432,800	Residential Taxes	\$ 369,028.87
Mixed Use Value	\$ 0	Mixed Use Taxes	\$ 0.00
Exempt Value	\$ 0	Exempt taxes	\$ 0.00
Total Value	\$ 19,432,800	Total Taxes	\$ 369,028.87

Jason DiScipio  
Chief Assessor

3-28-19

Date

City of Amesbury  
62 Friend Street  
Amesbury, MA, 01913  
[www.amesburyma.gov](http://www.amesburyma.gov)

## Appendix E: Guidelines for Entering into Public/Private Partnerships

The City of Amesbury has developed its *Economic Incentives Strategy: an Approach to Leverage Positive Economic Growth*, established by the Mayor in March of 2014 and ratified by the City Council in order to:

- Provide a means to stimulate private capital investment in commercial and industrial properties resulting in a substantive increase in net taxable property value.
- Encourage qualifying existing businesses to expand within the City of Amesbury.
- Attract new businesses that are compatible with the City of Amesbury.
- Foster reconstruction and renovation of vacant or underutilized commercial properties.
- Provide private funds to leverage public improvements that are mutually beneficial and necessary for the City and business community.
- Diversify the tax base and reduce the burden on residential properties.
- Stimulate the creation of jobs paying above the area median income for Amesbury.
- Increase the expediency at which redevelopment occurs by changing the financial options to development in a manner that favorably alters the financial feasibility.

The full text of the strategy may be accessed on the City's website at <https://www.amesburyma.gov/home/news/amesbury-economic-incentives-strategy>

# Appendix F: Detailed Analysis of the Tax Increment to be Retained

**Estimated Tax Revenues and Tax Increment to be Captured for the DIF Development Program**

FY	End of FY	Taxes Increment from DIF-Indexed Private Investment		ESTIMATED Development Program Costs			Tax Increment Capture Calculations		General Fund			DIF as a Percent of Total Base and Increment
		A Increment from Base Value at Time of DIF District	B Tax Revenue from Base	B	C	F = D + E	G = F - A	% of Tax Increment Revenue Estimated to be Captured = G / C	General Fund Increment only	General Fund Base	General Fund Total	
1	6/30/2020	\$ 170,727	\$ 356,981	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	52%	\$ 150,727	\$ 356,981	\$ 507,708	4%
2	6/30/2021	\$ 170,727	\$ 356,981	\$ -	\$ 89,000	\$ 89,000	\$ 89,000	52%	\$ 150,727	\$ 356,981	\$ 507,708	18%
3	6/30/2022	\$ 170,727	\$ 356,981	\$ -	\$ 87,000	\$ 87,000	\$ 87,000	51%	\$ 150,727	\$ 356,981	\$ 507,708	17%
4	6/30/2023	\$ 170,727	\$ 356,981	\$ -	\$ 89,900	\$ 89,900	\$ 89,900	53%	\$ 150,727	\$ 356,981	\$ 507,708	18%
5	6/30/2024	\$ 170,727	\$ 356,981	\$ -	\$ 87,700	\$ 87,700	\$ 87,700	51%	\$ 150,727	\$ 356,981	\$ 507,708	17%
6	6/30/2025	\$ 170,727	\$ 356,981	\$ -	\$ 90,400	\$ 90,400	\$ 90,400	53%	\$ 150,727	\$ 356,981	\$ 507,708	18%
7	6/30/2026	\$ 170,727	\$ 356,981	\$ -	\$ 88,000	\$ 88,000	\$ 88,000	52%	\$ 150,727	\$ 356,981	\$ 507,708	17%
8	6/30/2027	\$ 170,727	\$ 356,981	\$ -	\$ 90,500	\$ 90,500	\$ 90,500	53%	\$ 150,727	\$ 356,981	\$ 507,708	18%
9	6/30/2028	\$ 170,727	\$ 356,981	\$ -	\$ 87,900	\$ 87,900	\$ 87,900	51%	\$ 150,727	\$ 356,981	\$ 507,708	17%
10	6/30/2029	\$ 170,727	\$ 356,981	\$ -	\$ 90,200	\$ 90,200	\$ 90,200	53%	\$ 150,727	\$ 356,981	\$ 507,708	18%
11	6/30/2030	\$ 170,727	\$ 356,981	\$ -	\$ 87,400	\$ 87,400	\$ 87,400	51%	\$ 150,727	\$ 356,981	\$ 507,708	17%
12	6/30/2031	\$ 170,727	\$ 356,981	\$ -	\$ 89,500	\$ 89,500	\$ 89,500	52%	\$ 150,727	\$ 356,981	\$ 507,708	18%
13	6/30/2032	\$ 170,727	\$ 356,981	\$ -	\$ 86,500	\$ 86,500	\$ 86,500	51%	\$ 150,727	\$ 356,981	\$ 507,708	17%
14	6/30/2033	\$ 170,727	\$ 356,981	\$ -	\$ 88,400	\$ 88,400	\$ 88,400	52%	\$ 150,727	\$ 356,981	\$ 507,708	17%
15	6/30/2034	\$ 170,727	\$ 356,981	\$ -	\$ 90,100	\$ 90,100	\$ 90,100	53%	\$ 150,727	\$ 356,981	\$ 507,708	18%
16	6/30/2035	\$ 170,727	\$ 356,981	\$ -	\$ 86,700	\$ 86,700	\$ 86,700	51%	\$ 150,727	\$ 356,981	\$ 507,708	17%
<b>Totals</b>		\$ 2,731,634	\$ 5,711,689	\$ -	\$ 1,349,200	\$ 1,349,200	\$ 1,349,200		\$ 2,411,634	\$ 5,711,689	\$ 8,123,322	
<b>5</b>		<b>28,726,600.00</b>	<b>59,432,800.00</b>	<b>0.00</b>	<b>9,293,800.00</b>	<b>9,293,800.00</b>	<b>9,293,800.00</b>					

**City of Amesbury, Massachusetts**  
**\$1,000,000 General Obligation Bonds; Dated September 15, 2019**  
**Athletic Fields - Level Debt**  
*Interest Estimated, Subject to Change*

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/15/2019	-	-	-	-	-
03/15/2020	-	-	20,000.00	20,000.00	-
06/30/2020	-	-	-	-	20,000.00
09/15/2020	50,000.00	4.000%	20,000.00	70,000.00	-
03/15/2021	-	-	19,000.00	19,000.00	-
06/30/2021	-	-	-	-	89,000.00
09/15/2021	50,000.00	4.000%	19,000.00	69,000.00	-
03/15/2022	-	-	18,000.00	18,000.00	-
06/30/2022	-	-	-	-	87,000.00
09/15/2022	55,000.00	4.000%	18,000.00	73,000.00	-
03/15/2023	-	-	16,900.00	16,900.00	-
06/30/2023	-	-	-	-	89,900.00
09/15/2023	55,000.00	4.000%	16,900.00	71,900.00	-
03/15/2024	-	-	15,800.00	15,800.00	-
06/30/2024	-	-	-	-	87,700.00
09/15/2024	60,000.00	4.000%	15,800.00	75,800.00	-
03/15/2025	-	-	14,600.00	14,600.00	-
06/30/2025	-	-	-	-	90,400.00
09/15/2025	60,000.00	4.000%	14,600.00	74,600.00	-
03/15/2026	-	-	13,400.00	13,400.00	-
06/30/2026	-	-	-	-	88,000.00
09/15/2026	65,000.00	4.000%	13,400.00	78,400.00	-
03/15/2027	-	-	12,100.00	12,100.00	-
06/30/2027	-	-	-	-	90,500.00
09/15/2027	65,000.00	4.000%	12,100.00	77,100.00	-
03/15/2028	-	-	10,800.00	10,800.00	-
06/30/2028	-	-	-	-	87,900.00
09/15/2028	70,000.00	4.000%	10,800.00	80,800.00	-
03/15/2029	-	-	9,400.00	9,400.00	-
06/30/2029	-	-	-	-	90,200.00
09/15/2029	70,000.00	4.000%	9,400.00	79,400.00	-
03/15/2030	-	-	8,000.00	8,000.00	-
06/30/2030	-	-	-	-	87,400.00
09/15/2030	75,000.00	4.000%	8,000.00	83,000.00	-
03/15/2031	-	-	6,500.00	6,500.00	-
06/30/2031	-	-	-	-	89,500.00
09/15/2031	75,000.00	4.000%	6,500.00	81,500.00	-
03/15/2032	-	-	5,000.00	5,000.00	-
06/30/2032	-	-	-	-	86,500.00
09/15/2032	80,000.00	4.000%	5,000.00	85,000.00	-
03/15/2033	-	-	3,400.00	3,400.00	-
06/30/2033	-	-	-	-	88,400.00
09/15/2033	85,000.00	4.000%	3,400.00	88,400.00	-
03/15/2034	-	-	1,700.00	1,700.00	-
06/30/2034	-	-	-	-	90,100.00
09/15/2034	85,000.00	4.000%	1,700.00	86,700.00	-
06/30/2035	-	-	-	-	86,700.00
<b>Total</b>	<b>\$1,000,000.00</b>	<b>-</b>	<b>\$349,200.00</b>	<b>\$1,349,200.00</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars.....	\$8,730.00
Average Life.....	8.730 Years
Average Coupon.....	4.0000000%
Net Interest Cost (NIC).....	4.0000000%
True Interest Cost (TIC).....	4.0000000%
Bond Yield for Arbitrage Purposes.....	4.0000000%
All Inclusive Cost (AIC).....	4.0000000%
<b>IRS Form 8038</b>	
Net Interest Cost.....	4.0000000%
Weighted Average Maturity.....	8.730 Years

**Hilltop Securities, Inc.**  
Public Finance

# Appendix G: Woodsom Farm Phase One, Level One Athletic Fields



**WOODSOM FARM SPORTS FACILITY**  
**PRELIMINARY ENGINEER'S OPINION OF PROBABLE CONSTRUCTION COST**  
*(BASED UPON CONCEPT DESIGN PLAN DATED JUNE 2019)*

*Phase 1 Level 1 Project: East Fields*

➤	Site Preparation, General Site Removals, General Sediment and Erosion Controls	<b>\$40,000</b>
➤	<b>East Site Grass Fields (5 fields - approximately 226,000 sf)</b> <ul style="list-style-type: none"> <li>○ Site Removals/Erosion Controls/Landscaping</li> <li>○ Earthwork (strip and stockpile/dispose topsoil, import free draining material, formation of subgrade)</li> <li>○ Sod and Fine Grading</li> <li>○ Site Utilities (collector pipes, manholes, yard drains, irrigation, etc.)</li> </ul>	<b>\$1,350,000</b>
➤	<b>Grass Baseball Fields (2 fields - approximately 95,000 sf)</b> <ul style="list-style-type: none"> <li>○ Site Removals/Erosion Controls</li> <li>○ Earthwork (strip and stockpile/dispose topsoil, rock blasting, import free draining material, formation of subgrade)</li> <li>○ Sod and Fine Grading, Skinned Infield</li> <li>○ Site Utilities (collector pipes, manholes, yard drains, irrigation, etc.)</li> <li>○ Site Furnishings (dugouts, backstop, fencing, gates, mound, bases)</li> </ul>	<b>\$1,120,000</b>
➤	<b>Baseball Lighting Wire and Conduit</b>	<b>\$15,000</b>
	<b>Subtotal</b>	<b>\$2,525,000</b>
	<b>General Conditions (5%)</b>	<b>\$126,000</b>
	<b>Engineering Fee/Permits/Construction Oversight (8%)</b>	<b>\$202,000</b>
	<b>Contingency (15%)</b>	<b>\$378,000</b>
	<b>PHASE 1 LEVEL 1 SUGGESTED PROJECT BUDGET</b>	<b>\$3,231,000</b>



**Area of Active Recreation**  
DRAFT Subject to Survey and Recording  
November 4, 2019