

TOWN OF DEDHAM, MA

PROVIDENCE HIGHWAY DISTRICT IMPROVEMENT FINANCING PLAN



FINANCE COMMITTEE PRESENTATION

March 26, 2019

- I. Finance Committee Role
- II. DIF Overview
- III. DIF District Potential
- IV. Q&A



Finance Committee Role

Tonight:

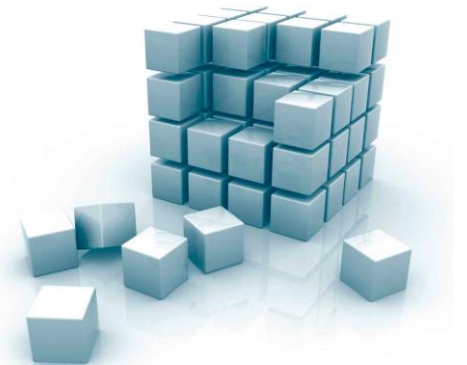
- Learn about DIF
- Review DIF Plan
- Make recommendation to Town Meeting to establish the District

After study period:

- Review draft spending and financial plan
- Make a recommendation to Town Meeting to adopt a full plan

WHAT IS DISTRICT IMPROVEMENT FINANCING (DIF)?

- Financing method to catalyze economic development
- Allows some or all of future property tax revenues from development to be dedicated to support infrastructure, projects, and programs related to economic development
- Property tax increment can be used to help finance public development costs – *community decides how much*
- Portion of incremental revenues not dedicated for DIF can be transferred to General Fund and once DIF expires, all revenues go to General Fund



DIF IS NOT...



...a new tax or a special assessment on top of the existing property tax

DIF IS NOT...



...a spending or borrowing authorization. Actual spending and borrowing are approved through usual local processes

KEY STEPS

Planning

- **Purpose**
- **Target area: site, district**
- Public and private potential and needs, i.e. infrastructure, site development, support programs

Approval:

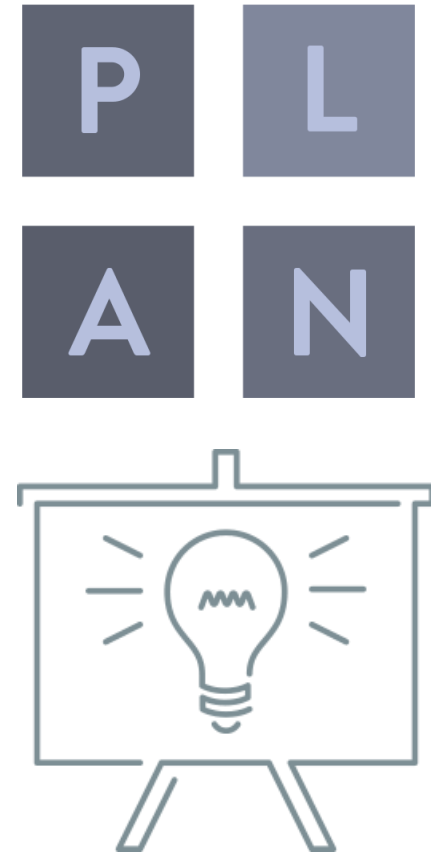
- Creation of a draft document
- Communications, engagement
- **Local review and approval**

Implementation and monitoring:

- Internal tracking and reporting of changes in assessed values
- Calculation of incremental revenue
- Reporting to Town Manager, Selectmen

COMPONENTS - DIF DISTRICT & DEVELOPMENT PROGRAM

- Boundaries and Parcels in the District
- Improvement Project Descriptions and Costs
- Timeframe of DIF District and Development Program
- Operation and Management Plan
- Financial Plan:
 - Estimated Increase in Assessed Values (Increment)
 - Anticipated Revenue from Increment
 - Amount of anticipated revenues to be “Captured”
 - Spending and Capital Plan – bonds, pay-as-you-go, other sources such as grants



WHO TO INCLUDE IN PROCESS

- **Municipal Officials:** councilors, advisory committees
- **Local Economic Development and Planning**
- **Assessing and Finance Staff**
- **Developers:** business and property owners
- **Public:** outreach, information sessions



DIF REPORT COMPONENTS



Development District and IRD

- District boundary and description
- Assessed value and use of parcels
- Identification of parcels that will generate Tax Increment (may be all or a subset)



Development Program and IRDDP

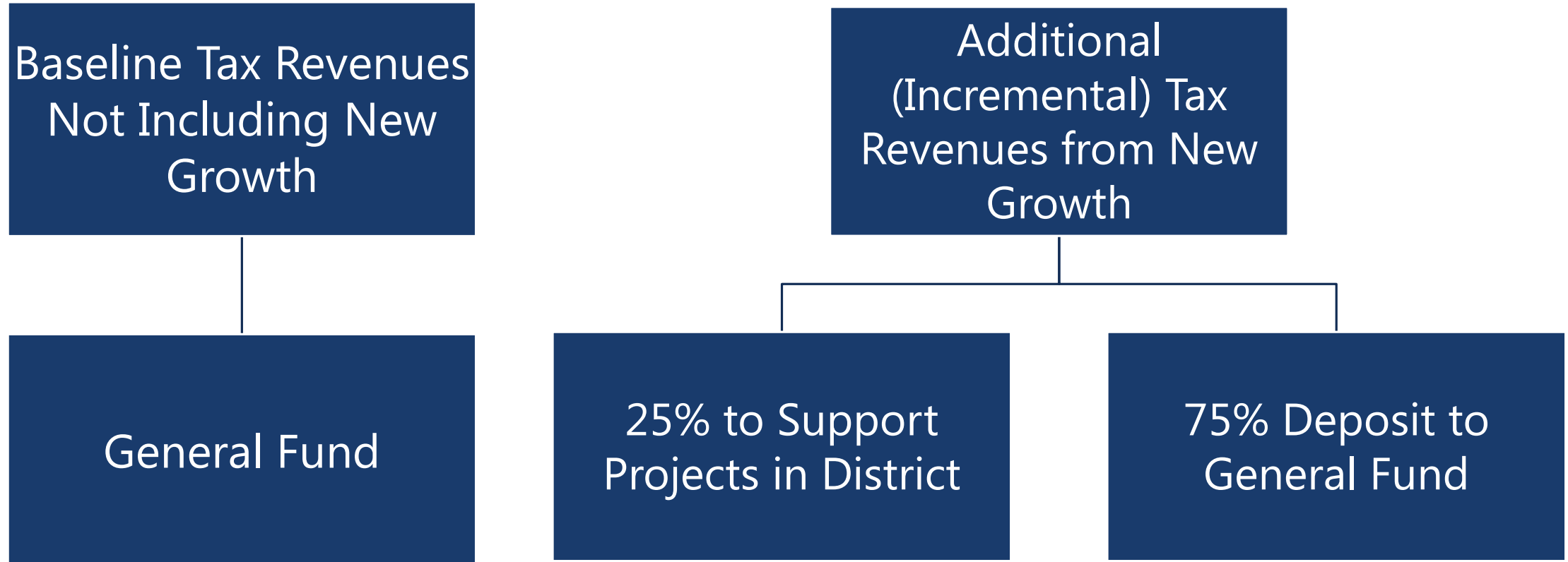
- Statement of means and objectives (goals)
- Project narrative, list, and costs
- Financial Plan with revenue estimates
- Operation and Management Plan



Community Context and Adoption

- About the community and why/how DIF will implement your goals
- Description of legislative action to adopt and supporting documents
- Assessor's certification of parcel values

SAMPLE DIF REVENUE ALLOCATION



DEDHAM DIF

Identify

Providence Highway
area as area for study

Adopt

DIF District to
establish baseline
from which revenue
may be collected

Engage

Community for
exploration of
improvements to
benefit residents,
businesses

Adopt

Development
Program, to capture
revenues and fund
projects selected

CURRENT DIF REPORT FOR DEDHAM



Development District and IRD

- **APPROVE**

- ⑩ District boundary and description
- ⑩ Assessed value and use of parcels
- ⑩ Identification of parcels that will generate Tax Increment Revenue



Development Program and IRDDP

- **DRAFT**

- ⑩ Statement of means and objectives (goals)
- ⑩ Project goals
- ⑩ Financial Plan with revenue estimates
- ⑩ Operation and Management Plan



Community Context and Adoption

- **DRAFT**

- ⑩ About the community and why/how DIF will implement your goals
- ⑩ Description of legislative action to adopt and supporting documents
- ⑩ Assessor's certification of parcel values

POTENTIAL DIF FINANCIAL PLAN

New Private Investment and Incremental Tax Revenues

- Estimated \$76 million increase in assessed value
- Estimated \$64 million of new tax revenue over 30 years assuming no rate increase
- Estimated \$2.2 million per year by fiscal year ending 6/30/2025

Capital and Spending Plan

- Pay for planning, studies, workshops to generate ideas and envision improvements
- Contribute to percent-to-completion for MassDot
- Demonstrate matching funds for grants as needed
- Pay infrastructure costs directly or issue G.O. Bonds repaid in part with DIF Revenues
- General Fund receives remaining new revenues for municipal purposes

NEXT STEPS

Planning

- Purpose
- Target area: site, district
- **Public and private potential and needs, i.e. infrastructure, site development, support programs**

Approval:

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- **Communications, engagement**
- **Local review and approval**

Implementation and monitoring:

- Internal tracking and reporting of changes in assessed values
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