

FIVE CORNERS DISTRICT IMPROVEMENT FINANCING PUBLIC INFORMATION SESSION MARCH 12, 2019

EASTMAN STREET

FOUNDRY STREET

BAY ROAD

DEPOT STREET

BAY ROAD



Five Corners DIF – March 12, 2019 Info Session Agenda

- 7:00 Welcome
Connor Read, Town Administrator
- 7:05 District Improvement Financing Overview
Stephanie Danielson, Planning & Economic Development Director
- 7:25 DIF Next Steps - Advancing to Town Meeting
Connor Read, Town Administrator
- 7:45 Questions
- 8:25 Wrap Up



Tonight's Objectives

Learn more about what a DIF is, why the Town is considering it, how it could be adopted, and what that could mean to residents and business owners in the DIF district and town.

Understand the background of the DIF process and the decade + planning efforts relating to economic development in the Five Corners area.

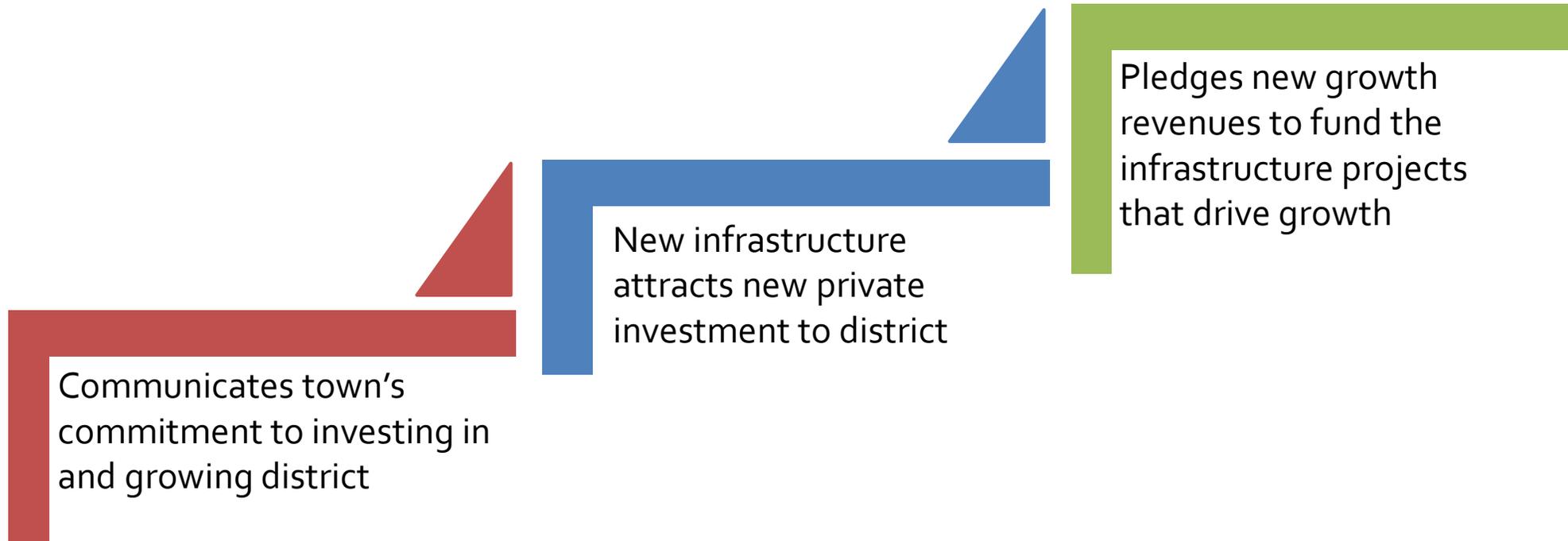
Understand the next steps for the DIF proposal and how it relates to Five Corners Phase II construction and financing timing.

Ask questions and share thoughts with each other.



What is District Improvement Financing (DIF)?

- ▶ Massachusetts General Laws Chapter 40Q
- ▶ Allows town to pledge new growth revenues to pay infrastructure improvements costs
 - ▶ Only new growth revenues
 - ▶ Only projects identified within program



A DIF Program is NOT...

- A new tax;
- Tax rate increase; or
- Special assessment; or
- A guaranteed revenue stream



Why is Easton proposing a DIF District Program?

1. Promote economic development within the district

- 1970 Town begins planning for sewer
- 2007 Community Visioning
- 2004 – 2014 Comprehensive Wastewater Management Plan identifies Five Corners as a sewer needs area
- 2010 **Town Meeting votes to adopt sewer districts including Five Corners**
- 2014 Mansfield earmarks regional sewer capacity for Five Corners Easton
- 2014 Envision Easton Master Plan completed
- 2015 **Town Meeting votes to appropriate \$1.3M for Five Corners design & permitting**
Town Meeting votes to appropriate \$8.3M for sewer capacity with Mansfield -
and- BOS execute Agreement with Mansfield
- 2016 **Town Meeting votes to appropriate \$2.2M for Five Corners Phase I Sewer**
- 2018 **Town Meeting votes to appropriate \$13.5M for Five Corners Phase II**
-and- **votes to fund DIF Feasibility Study**
- 2006 – 2018 Foundry Site redevelopment
- 2018 **Town Meeting votes to approve Foundry CNOD**
- 2018 DIF Community Visioning forum held



Why is Easton proposing a DIF District Program?

2. Immediate Benefit: Offset sewer construction costs

- DIF revenues provide *additional* revenue source to support Five Corners Sewer project coupled with:
 - Betterment assessments
 - General municipal borrowing
 - Mitigation funding
 - Grant funding



Why is Easton proposing a DIF District Program?

3. Possible Future Benefit: Additional infrastructure support

- Depending on level of realized growth, creates additional financing option for future infrastructure projects in Five Corners:
 - Roadway widening
 - Traffic management
 - Sidewalks
 - Bicycle lanes, Pathways and trails



What has the Town done to advance the DIF so far?

- ✓ May '18 Town Meeting vote to appropriate funding to assess feasibility
- ✓ July '18 Contracted with Camoin Associates
- ✓ Jul. – Oct. '18 Assess feasibility of establishing a DIF
 - Market analysis
 - Charette Community Visioning Session
 - Financial analysis and revenue forecasting
- ✓ November '18 Feasibility Report issued to Selectmen, DIF **recommended**
- ✓ Nov. '18 - Jan. '19 Develop DIF Financing Program (Master Plan)
- ✓ February '19 Present Master Plan to Board of Selectmen



How does the DIF get adopted and where are we in the process?

Hold additional public meetings

- March 12, 2019 (tonight)
- April 4, 2019
- Review by Finance Committee on Town Meeting warrant



Town Meeting Vote to Adopt or Reject DIF District and Program Monday, May 20, 2019

- 7:00 PM at Oliver Ames High School, Lothrop St, Easton, MA



Vote by Board of Selectmen - April 2019

- April 4 BOS Meeting & Community Info Session
- Accept DIF Master Plan and recommend warrant article to Town Meeting



What could DIF adoption mean for the Five Corners and the Town ?

- Adoption of the DIF, as proposed, could provide the Town with an important *additional* source of revenue to support the Five Corners Sewer Project as well as future projects in that area.
- The DIF program does NOT obligate the Town to undertake any future projects identified in the plan – those projects are identified in order to be *eligible* for DIF funds *should sufficient funding be realized and all standard local appropriations processes followed*.
- Future actual growth has important implications for the Five Corners and Town at large:
 - Any incremental growth in excess of bond payments obligated to the DIF account could either a) be applied towards other infrastructure projects; b) be deposited to the DIF account to hedge against lean-growth years in the future or; c) be transferred to the Town's general fund.
 - If incremental growth in a given year is insufficient to pay a bond payment, that payment must be funded by any excess DIF revenue available in the DIF account or as part of the Town's general debt service budget.



What could DIF adoption mean for the Five Corners Sewer Project?

- **DIF as it pertains to the Five Corners Sewer Project**:**
 - DIF revenue could finance portion of borrowing costs to offset/reduce the total dollar amount “to-be-bettered”
 - DIF Master Plan projects incremental revenue growth of approx. \$7.1M over 30 years, which could finance approximately \$4-5M of the total project cost currently ESTIMATED at \$24.27M*
 - This translates to an ESTIMATED reduction in the October 2018 preliminary estimated betterment of \$28-32,000 per SBU to approximately \$25,000 per SBU**.

***Total project estimate includes \$13.5M for Phase II construction – actual cost TBD following bid, contract award, and construction completion.**

****Betterment figures are still preliminary, and are subject to change based on construction bid prices and, ultimately, project total cost following construction completion in CY2020. Final betterments are not voted until after project completion, and the first betterment payment on a tax bill is estimated to occur in January 2021.**



DIF and Five Corners Sewer Estimated Timeline

Dates are estimated and subject to change.

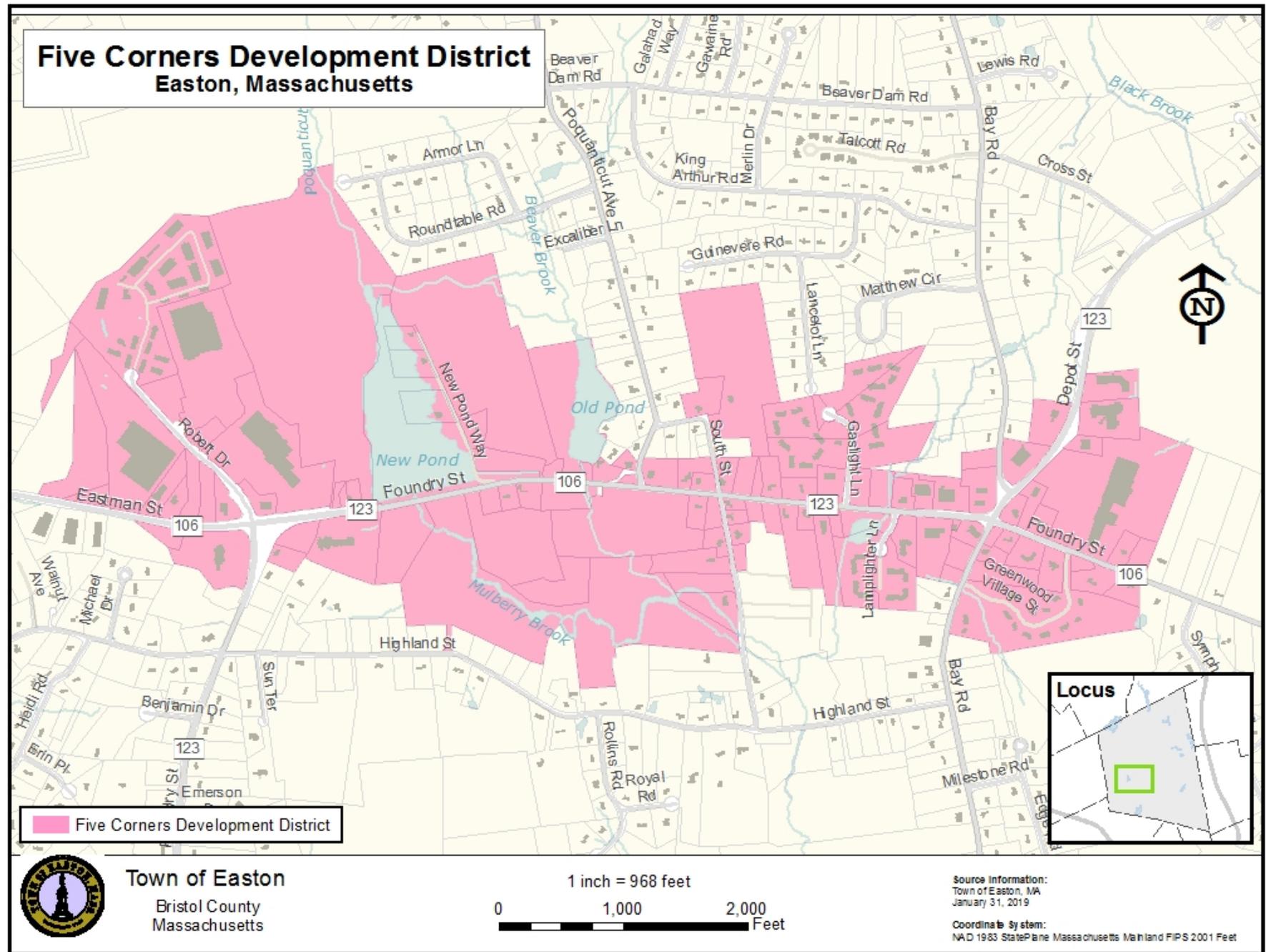
- Spring/Summer 2019 – Five Corners Sewer Phase II Bids issued and awarded, contract cost known and betterment estimates refined.
- April 4, 2019 – Board of Selectmen Meeting and second community info session
- April 2019 (TBD) - BOS vote to recommend DIF on ATM warrant
- **May 2019 – DIF adoption – betterment estimates refined further if adopted, betterment workshop with Sewer Commissioners/ Board of Selectmen (TBD)**
- Summer 2019 – Phase II construction begins, second round of grant funding application(s) in support of project submitted. Any grant award would further refine project costs / betterments
- Spring 2020 – Phase II construction resumes after winters shutdown, project completes by end of summer
- Summer 2020 – private connections to sewer begin
- **Late Summer/Fall 2020 – With all costs known, Final Betterments are voted by the Sewer Commissioners / Board of Selectmen (EARLY ESTIMATE)**
- January 2021 – first tax bill with betterment assessments (EARLY ESTIMATE)

Summary – Five Corners DIF

- Five Corners sewer and economic development planning has been underway for over a decade.
- DIF has been explored by Town for over a year, and feasibility study conducted in 2018 concluded that a DIF program is reasonable for this area.
- DIF is a revenue tool, not a guaranteed revenue source, and any borrowing the Town plans to finance with DIF must be funded regardless of actual growth, necessitating a conservative approach and increment plan.
- DIF identifies a portion of *future new growth* to invest in infrastructure projects, it does not take any existing funding out of the general fund.
- DIF is not a new tax or assessment.
- Represents an investment and “buy in” from Town to demonstrate a commitment to development in a targeted area.
- Improves Town’s standing for grant applications.
- Could reduce estimated betterments for the Five Corners Sewer project.
- Growth contingent, could provide additional revenue stream for other priority projects in Five Corners area.
- Requires local approval by a vote of Town Meeting - slated for May 20, 2019.
- Is not a permanent commitment – DIF program can be amended or altered by Town Meeting based on actualized growth in the future if need be.



Five Corners DIF District



Thank You

- Contact for more information:
 - **DIF Questions** – Stephanie Danielson, Director of Planning and Economic Development, 508-230-0630 or sdanielson@Easton.ma.us
 - **Sewer Construction Project Questions** – David Field, DPW Director – 508-230-0800 or dfield@easton.ma.us
 - **Betterment Questions** – Michael Blanchard, Assistant Town Administrator – 508-230-0513 or mblanchard@Easton.ma.us
 - **Board of Health Septic Loan Questions** – Tim Meyers, Health Inspector – 508-230-0620 or tmeyers@easton.ma.us

