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CITY OF GARDNER
MASSACHUSETTS 01440-2630

OFFICE OF THE
CITY COUNCIL



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WARD 5 COUNCILLOR
Aleksander Dernalowicz, Esq.

August 31, 2023

CITY COUNCIL INFORMAL MEETING

Date: Tuesday, September 5, 2023
Time: 6:30 P.M.
Location: City Council Chambers, Room 219, City Hall

ANNOUNCEMENT - Any person may make a video or audio recording of an open session of a meeting, or may transmit the meeting through any medium, subject to reasonable requirements of the chair as to the number, placement and operation of equipment used so as not to interfere with the conduct of the meeting. Any person intending to make such recording shall notify the Chair forthwith. All documents referenced or used during the meeting must be submitted in duplicate to the City Clerk, pursuant to the Open Meeting and Public Records Law. All documents shall become part of the official record of the meeting.

- I. A Communication from Economic Development Coordinator Requesting an Informal Meeting Regarding District Improvement Financing (DIF).
- II. **11024** – A Communication from the Community Development & Planning Director Relative to an Update to the Open Space and Recreation Plan. *(In the City Council and Referred to Committee of the Whole 6/20/2023; More Time 7/3/2023, 8/7/2023)*

CITY COUNCIL OF GARDNER
Elizabeth J. Kazinskas
ELIZABETH J. KAZINSKAS
Council President

NOTICE: *The listing of Agenda items are those reasonably anticipated by the Chair which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.*

City of Gardner DIF City Presentation

City of Gardner, MA
September 5, 2023



AGENDA

- Update on Project Status
- What is District Increment Financing
- Gardner DIF Master Plan
- Questions & Discussion

PROJECT UPDATE

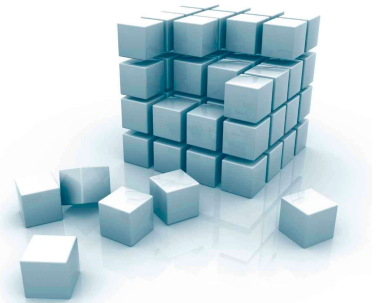
WHAT HAS BEEN DONE SO FAR

- Establishment of two districts
 - Downtown Development District
 - Mill Street Development District
- Camoin Associates hired to assist with DIF Documents, including:
 - Build Out Scenario – what projects are in the pipeline
 - DIF Revenue Modeling – how much revenue could be generated
 - DIF Expense Modeling – what public projects will be funded
 - DIF Master Plan – outline of where, what, why of DIF

WHAT IS DIF?

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 economic development
- Property tax increment can be used to help finance public development costs
- Portion of incremental revenues not dedicated for DIF can be transferred to General Fund and once DIF expires, all revenues go to general fund





It is ***not*** a new tax or a special assessment on top of the existing property tax.



It ***is*** a tool that enables a community to identify and capture tax revenue from new private investment that has been *catalyzed* by public investment.

KEY DIF TERMS

Development District

A specified area within the corporate limits of a city or town which is to be developed by the municipality under a Development Program. Also referred to as a **DIF District**.

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.

New Growth

Increases to the assessed value of a property, as a result of development or other changes.

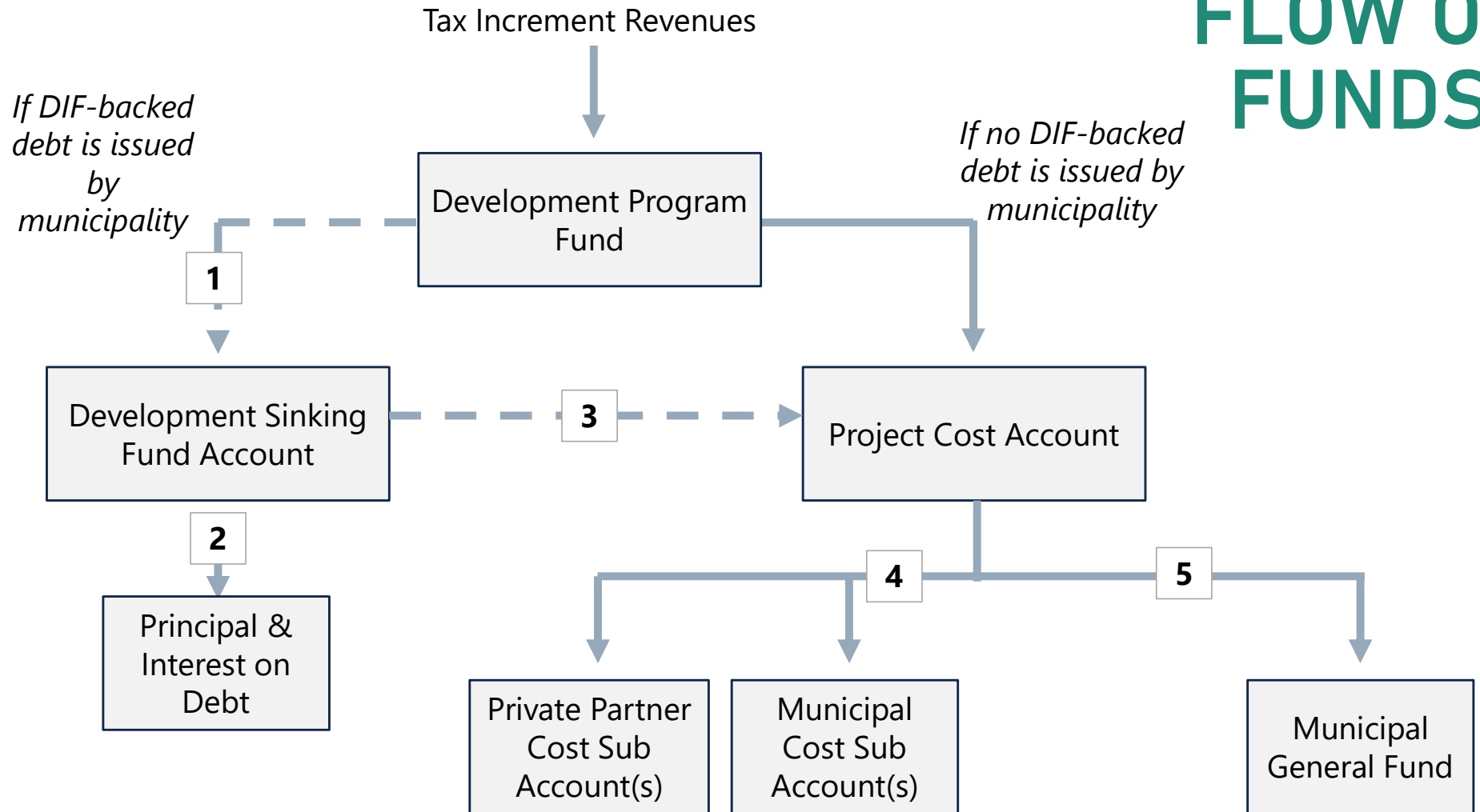
New Growth generates new tax revenue, and enables you to raise your tax levy limit.

Tax Increment Revenue

All annual increases in the municipality's limit on total taxes assessed that are attributable to parcels within the DIF District.

Tax Increment Revenue is additional revenue that is collected because of New Growth in the DIF District.

FLOW OF FUNDS



GARDNER DIF MASTER PLANS

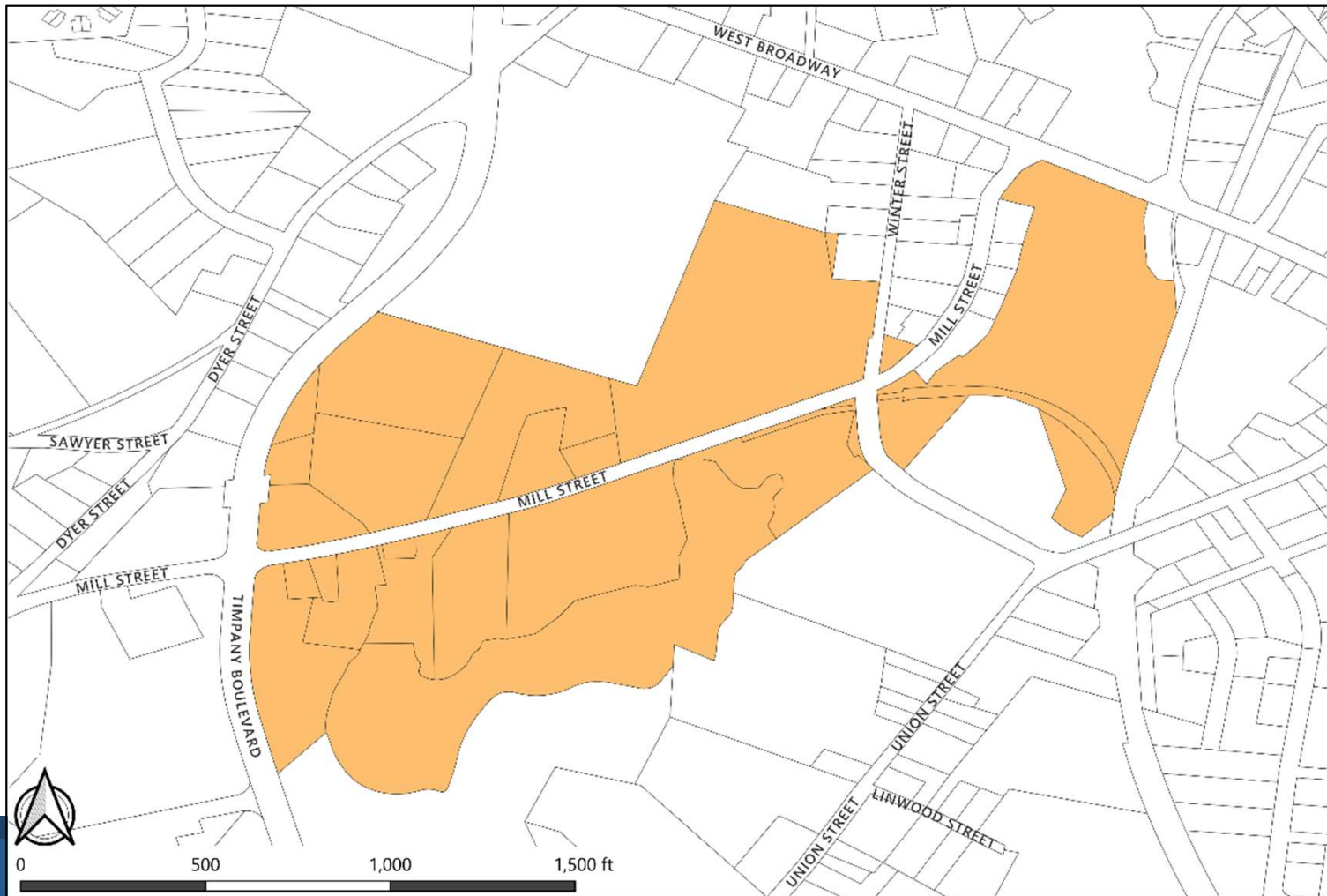
PARTS OF THE DIF MASTER PLAN

- Establish the DIF District parcels
- Determine the DIF revenue to be generated (from build out scenario)
- Define the DIF Development Program and expenses
- Compare the DIF Revenue to the Development Program expenses
- Establish processes and protocols for DIF management

DOWNTOWN DEVELOPMENT DISTRICT



MILL STREET DEVELOPMENT DISTRICT



GARDNER DIF DEVELOPMENT DISTRICTS

Use Category	# of	Acres	Total	Taxable
	Parcels		Assessed Value	Assessed Value
Commercial	153	46.66	\$68,067,400	\$68,067,400
Commercial/Residential	1	0.65	\$629,700	\$629,700
Industrial	15	46.58	\$24,269,700	\$24,269,700
Residential	66	15.84	\$18,946,700	\$18,946,700
Rural Residential	1	1.25	\$45,900	\$45,900
Tax Exempt, Any Use	31	31.09	\$17,122,700	
Totals	267	142.07	\$129,082,100	\$111,959,400

Use Category	# of	Acres	Total	Taxable
	Parcels		Assessed Value	Assessed Value
Commercial	10	13.55	\$837,300	\$837,300
Industrial	7	23.72	\$670,700	\$670,700
Tax Exempt, Any Use	7	19.61	\$590,100	\$190,600
Totals	24	56.88	\$2,098,100	\$1,698,600

City of Gardner Total Acres

14,145

Downtown DIF District Total
Acres

142.07

Mill Street DIF District Total
Acres

56.88

DIF District Share of City Total

1.41%

GARDNER DIF DEVELOPMENT DISTRICTS – KNOWN PROJECT BUILDOUT

Project	A New Taxable Land Value	B Demolition of Existing Taxable Improv.	C New Buildout (units or SF)	D Estimated AV per unit or SF	E New Taxable Improv. Value (C x D)	F New Growth (A + B + E)	Estimated Completion Date
Downtown District							
Rear Main Apartments	\$ 72,086	\$ -	56	\$ 100,000	\$ 5,600,000	\$ 5,672,086	2025
School Street Redevelopment	\$ 263,700	\$ -	25	\$ 100,000	\$ 2,500,000	\$ 2,763,700	2026
Parker Street Apartments	\$ 146,200	\$ -	28	\$ 100,000	\$ 2,800,000	\$ 2,946,200	2023
Price Chopper Expansion	\$ -	\$ -	60,000	\$ 100	\$ 6,000,000	\$ 6,000,000	2027
Dental Office	\$ 83,900	\$ (184,200)	5,000	\$ 100	\$ 500,000	\$ 399,700	2025
Old Gardner News Building	\$ -	\$ -	5 units 3,511 SF		\$ 851,100	\$ 851,100	2025
Bank of America Building	\$ -	\$ (380,088)	6,336	\$ 100	\$ 633,600	\$ 253,512	2024
Garbose Building	\$ -	\$ (235,795)	8 units 3,500 SF		\$ 1,150,000	\$ 914,205	2025
Flat Iron Building	\$ -	\$ (174,942)	10,036	\$ 100	\$ 1,003,600	\$ 828,658	2024
14–24 Parker Street	\$ -	\$ (152,918)	8	\$ 100,000	\$ 800,000	\$ 647,082	2024
Downtown District Total	\$ 565,886	\$ (1,127,943)			\$ 18,251,100	\$ 17,689,042	
Mill Street District							
Relocation of Superior Kitchens Warehouse	\$ 105,300	\$ (60,000)	10,000	\$ 50	\$ 500,000	\$ 545,300	2026
155 Mill Street	\$ 190,600	\$ (281,300)	110,000	\$ 50	\$ 5,500,000	\$ 5,409,300	2027
Mill Street District Total	\$ 295,900	\$ (341,300)			\$ 6,000,000	\$ 5,954,600	

GARDNER DIF BUILD OUT SCENARIO

Category	Downtown District		Mill Street District		Total, Both Districts	
	Parcels	Acres	Parcels	Acres	Parcels	Acres
Limited Future Development Potential						
Public Facility/Project	7	12.0	3	1.0	10	13.0
Parking Lot - Current or Future	13	8.4			13	8.4
Not Physically Developable			1	8.1	1	8.1
Residential Zoning	70	18.3			70	18.3
Currently Utilized to Potential	105	64.5	4	13.6	109	78.0
Future Development Likely						
Known Private Project	14	26.7	8	19.9	22	46.6
Mid-Term Dev. Potential	20	6.6	8	14.4	28	20.9
Long-Term Dev. Potential	38	5.7			38	5.7
Total	267	142.1	24	56.9	291	198.9

GARDNER DIF BUILD OUT SCENARIO

	Downtown		Mill Street		Timeframe
	Low	High	Low	High	
Known Private Projects	\$ 17,689,042	\$ 17,689,042	\$ 5,954,600	\$ 5,954,600	2023–2027
Mid-Term Dev. Potential	\$ 381,250	\$ 7,514,200	\$ 3,129,630	\$ 9,380,490	2028–2032
Long-Term Dev. Potential	\$ 5,705,572	\$ 11,965,144	\$ -	\$ -	2033–2037
Total New Growth	\$ 23,775,864	\$ 37,168,386	\$ 9,084,230	\$ 15,335,090	Through 2037

GARDNER DIF DEVELOPMENT PROGRAMS

Project Name	Anticipated Costs
Greenwood Memorial Pool	\$7,700,000
City Plaza and Parking Lot	\$6,000,000
North Central Pathway Extension	\$6,000,000
Visitors' Center	\$500,000
Maki Park	\$425,000
Park Street Park	\$338,000
Total	\$20,963,000

Source: City of Gardner

Downtown Assumptions

- 15 Year Municipal Bond
- 5% Interest
- 75% of DIF revenue to bond
- Other sources of revenue needed

Project Name	Anticipated Costs
Mill Street Bridge	\$2,000,000
155 Mill Street Sewer Relocation, Water, Gas, Utilities	\$1,500,000
Recreation Trail	\$1,000,000
Total	\$4,500,000

Source: City of Gardner

Mill Street Assumptions

- 30 Year Municipal Bond
- 5% Interest
- 75% of DIF revenue to pay bond
- Other sources of revenue needed

COMPARE TAX INCREMENT TO DMO EXPENSES

DOWNTOWN DISTRICT

FY Ending	FY Expense	New Growth Revenue to DIF	Low-Growth Scenario			High-Growth Scenario		
			DIF Revenues	Gap/Excess	To General Fund	DIF Revenues	Gap/Excess	To General Fund
6/30/2024	\$0	75%	\$0	\$0	\$0	\$0	\$0	\$0
6/30/2025	\$2,019,623	75%	\$35,642	(\$1,983,982)	\$11,881	\$35,642	(\$1,983,982)	\$11,881
6/30/2026	\$2,019,623	75%	\$57,771	(\$1,961,852)	\$19,257	\$57,771	(\$1,961,852)	\$19,257
6/30/2027	\$2,019,623	75%	\$152,580	(\$1,867,043)	\$50,860	\$152,580	(\$1,867,043)	\$50,860
6/30/2028	\$2,019,623	75%	\$186,014	(\$1,833,609)	\$62,005	\$186,014	(\$1,833,609)	\$62,005
6/30/2029	\$2,019,623	75%	\$258,599	(\$1,761,024)	\$86,200	\$258,599	(\$1,761,024)	\$86,200
6/30/2030	\$2,019,623	75%	\$259,522	(\$1,760,102)	\$86,507	\$276,780	(\$1,742,844)	\$92,260
6/30/2031	\$2,019,623	75%	\$260,444	(\$1,759,179)	\$86,815	\$294,960	(\$1,724,663)	\$98,320
6/30/2032	\$2,019,623	75%	\$261,366	(\$1,758,257)	\$87,122	\$313,141	(\$1,706,482)	\$104,380
6/30/2033	\$2,019,623	75%	\$262,289	(\$1,757,335)	\$87,430	\$331,322	(\$1,688,302)	\$110,441
6/30/2034	\$2,019,623	75%	\$263,211	(\$1,756,412)	\$87,737	\$349,502	(\$1,670,121)	\$116,501
6/30/2035	\$2,019,623	75%	\$277,016	(\$1,742,607)	\$92,339	\$378,452	(\$1,641,172)	\$126,151
6/30/2036	\$2,019,623	75%	\$290,821	(\$1,728,803)	\$96,940	\$407,401	(\$1,612,222)	\$135,800
6/30/2037	\$2,019,623	75%	\$304,625	(\$1,714,998)	\$101,542	\$436,351	(\$1,583,272)	\$145,450
6/30/2038	\$2,019,623	75%	\$318,430	(\$1,701,194)	\$106,143	\$465,301	(\$1,554,323)	\$155,100
6/30/2039	\$2,019,623	75%	\$332,234	(\$1,687,389)	\$110,745	\$494,250	(\$1,525,373)	\$164,750
6/30/2040	\$0	75%	\$332,234	\$332,234	\$110,745	\$494,250	\$494,250	\$164,750
6/30/2041	\$0	75%	\$332,234	\$332,234	\$110,745	\$494,250	\$494,250	\$164,750
6/30/2042	\$0	75%	\$332,234	\$332,234	\$110,745	\$494,250	\$494,250	\$164,750
6/30/2043	\$0	75%	\$332,234	\$332,234	\$110,745	\$494,250	\$494,250	\$164,750
6/30/2044	\$0	75%	\$332,234	\$332,234	\$110,745	\$494,250	\$494,250	\$164,750
6/30/2045	\$0	75%	\$332,234	\$332,234	\$110,745	\$494,250	\$494,250	\$164,750
6/30/2046	\$0	75%	\$332,234	\$332,234	\$110,745	\$494,250	\$494,250	\$164,750
6/30/2047	\$0	75%	\$332,234	\$332,234	\$110,745	\$494,250	\$494,250	\$164,750
6/30/2048	\$0	75%	\$332,234	\$332,234	\$110,745	\$494,250	\$494,250	\$164,750
6/30/2049	\$0	75%	\$332,234	\$332,234	\$110,745	\$494,250	\$494,250	\$164,750
6/30/2050	\$0	75%	\$332,234	\$332,234	\$110,745	\$494,250	\$494,250	\$164,750
6/30/2051	\$0	75%	\$332,234	\$332,234	\$110,745	\$494,250	\$494,250	\$164,750
6/30/2052	\$0	75%	\$332,234	\$332,234	\$110,745	\$494,250	\$494,250	\$164,750
6/30/2053	\$0	75%	\$332,234	\$332,234	\$110,745	\$494,250	\$494,250	\$164,750
6/30/2054	\$0	75%	\$332,234	\$332,234	\$110,745	\$494,250	\$494,250	\$164,750
Totals	\$30,294,351		\$8,504,080	(\$21,790,270)	\$2,834,693	\$11,851,823	(\$18,442,527)	\$3,950,608

COMPARE TAX INCREMENT TO DMO EXPENSES

MILL STREET DISTRICT

FY Ending	FY Expense	New Growth Revenue to DIF	Low-Growth Scenario			High-Growth Scenario		
			DIF Revenues	Gap/Excess	To General Fund	DIF Revenues	Gap/Excess	To General Fund
6/30/2024	\$0	75%	\$0	\$0	\$0	\$0	\$0	\$0
6/30/2025	\$302,051	75%	\$0	(\$302,051)	\$0	\$0	(\$302,051)	\$0
6/30/2026	\$302,051	75%	\$0	(\$302,051)	\$0	\$0	(\$302,051)	\$0
6/30/2027	\$302,051	75%	\$0	(\$302,051)	\$0	\$0	(\$302,051)	\$0
6/30/2028	\$302,051	75%	\$6,597	(\$295,455)	\$2,199	\$6,597	(\$295,455)	\$2,199
6/30/2029	\$302,051	75%	\$72,036	(\$230,016)	\$24,012	\$72,036	(\$230,016)	\$24,012
6/30/2030	\$302,051	75%	\$79,608	(\$222,443)	\$26,536	\$94,732	(\$207,320)	\$31,577
6/30/2031	\$302,051	75%	\$87,180	(\$214,871)	\$29,060	\$117,428	(\$184,623)	\$39,143
6/30/2032	\$302,051	75%	\$94,752	(\$207,299)	\$31,584	\$140,124	(\$161,927)	\$46,708
6/30/2033	\$302,051	75%	\$102,324	(\$199,727)	\$34,108	\$162,820	(\$139,231)	\$54,273
6/30/2034	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2035	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2036	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2037	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2038	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2039	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2040	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2041	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2042	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2043	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2044	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2045	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2046	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2047	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2048	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2049	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2050	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2051	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2052	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2053	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
6/30/2054	\$302,051	75%	\$109,896	(\$192,155)	\$36,632	\$185,516	(\$116,535)	\$61,839
Totals	\$9,061,542		\$2,750,323	(\$6,311,219)	\$916,774	\$4,489,578	(\$4,571,964)	\$1,496,526

DIF MANAGEMENT

DIF Advisory Committee

- Economic Development Coordinator,
- Director of Community Development and Planning,
- Gardner Assessor,
- Representative from the Department of Public Works,
- Gardner Treasurer or Auditor.

Responsibilities

- Administering capital projects
- Overseeing public/private partnerships
- Overseeing Tax Increment and DIF Revenues are correctly calculated

Timeline

- Starts from date of DIF Adoption
- 30 years from that date

QUESTIONS & DISCUSSION

Rachel Selsky, *Project Manager*
Camoin Associates

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