



Regional Housing Services Office

Serving Acton, Bedford, Concord, Lexington, Lincoln, Sudbury, Wayland, and Weston

Office Address: 37 Knox Trail, Acton, MA 01720
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TIF Process Notes

- TIFs are awarded through the Mass Office of Business Development (MOBD)
- The MOBD Regional Director is available to discuss your project and to help with the required state and municipal processes. Concord's regional director is Peter Milano
- Tax incentives are offered through their Economic Development Incentive Program (EDIP)
- The EDIP is overseen by the Economic Assistance Coordinating Council, comprised of 15 voting members that include public officials and appointees by the governor.
- The EDIP offers EDIP investment tax credits and Local Incentive Only Projects, which are Tax Increment Financing (TIF) Agreement or Special Tax Assessment (STA)
- Tax Incremental Financing is governed by MGL 40, Section 59
- The development must create new jobs. (Junction Village is estimated to create 30-40 jobs)
- Town Meeting is required to approve the TIF, and the municipal Authoritative Body
- Once approved, the Local Incentive Application is submitted with:
 - Signed TIF agreement
 - Municipal Vote by Authoritative Body approving the incentive
 - Municipal Vote by Authoritative Body approving the submission of the application
 - Local Incentive Valuation schedule
- EDIP awards are done a few times annually. Remaining 2019 dates are:
 - Submit by 5/20/20, award 6/18/20
 - Submit by 8/19/20, award 9/17/20
- There are also annual reporting requirements for the company and the municipality

More information can be found:

<https://www.mass.gov/service-details/economic-development-incentive-program-edip>

There are 10-20 awards are made annually, and post on-line. Some Past Awards include:

Ware Senior Living, LLC (Ware) Optimus Senior Living will offer independent living, assisted living, and memory care accommodations. The facility plans to employ 30 full time employees and make a private investment of \$15 million. The town of Ware approved a 5 year STA valued at approximately \$707,000.

RiverMills Assisted Living, LLC, (Chicopee) RiverMills is an assisted living facility with dementia care. The facility plans to employ 65 full time employees and make a private investment of \$24.2 million. The City of Chicopee approved a 10-year TIF valued at approximately \$1,010,712.

Citizens Bank N.A. The company plans to consolidate current facilities in Canton, Dedham and Westwood into a new location in Westwood at University Station. The company plans to hire 50 new employees, relocate 550 full-time employees and make an investment of \$20 million. The town of Westwood has approved a 14.5 year Tax Financing Agreement with a value of approximately \$2.6 million.

MGL CHAPTER 40, Section 59: Tax increment financing plan

Section 59. Notwithstanding any general or special law to the contrary, any city or town by vote of its town meeting, town council, or city council with the approval of the mayor where required by law, on its own behalf or in conjunction with one or more cities or towns, and pursuant to regulations issued by the economic assistance coordinating council established under section 3B of chapter 23A, may adopt and execute a tax increment financing agreement hereinafter referred to as a TIF agreement, and do any and all things necessary thereto; provided, however, that the TIF agreement:

(i) includes a description of the parcels to be included in the agreement; provided, however, that the parcels are wholly within an economic target area as defined in section 3G of chapter 23A or an area designated by the economic assistance coordinating council as a TIF-eligible area pursuant to subsection (b) of section 3E of said chapter 23A; provided, further, that in the case of a TIF area that includes parcels located in one or more city or towns, the areas included in the TIF agreement shall be contiguous areas of such cities or towns;

(ii) describes in detail all construction and construction-related activity, public and private, contemplated for such TIF agreement as of the date of adoption of the TIF agreement; provided, however, that in the case of public construction as aforesaid, the TIF agreement shall include a detailed projection of the costs thereof and a betterment schedule for the defrayal of such costs; provided, further, that the TIF agreement shall provide that no costs of such public constructions shall be recovered through betterments or special assessments imposed on any party which has not executed an agreement in accordance with the provisions of clause (v); and provided, further, that in the case of private construction as aforesaid, the TIF agreement shall include the types of industrial and commercial developments which are projected to occur within such TIF area, with documentary evidence of the level of commitment therefore, including but not limited to architectural plans and specifications as required by said regulations;

(iii) authorizes tax increment exemptions from property taxes, under clause 51 of section 5 of chapter 59, for a specified term not to exceed 20 years, for any parcel of real property which is included in a TIF agreement; provided, however, that the TIF agreement shall specify the level of the exemptions expressed as exemption percentages, not to exceed 100 per cent to be used in calculating the exemptions for the parcel, and for personal property situated on that parcel, as provided under said clause 51 of said section 5 of said chapter 59; provided, further, that the exemption for each parcel of real property shall be calculated using an adjustment factor for each fiscal year of the specified term equal to the product of the inflation factors for each fiscal year since the parcel first became eligible for an exemption under this clause; provided, further that the inflation factor for each fiscal year shall be a ratio;

(a) the numerator of which shall be the total assessed value of all parcels of commercial and industrial real estate that are assessed at full and fair cash value for the current fiscal year minus the new growth adjustment for the current fiscal year attributable to the

commercial and industrial real estate as determined by the commissioner of revenue under subsection (f) of section 21C of chapter 59; and

(b) the denominator of which shall be the total assessed value for the preceding fiscal year of all the parcels included in the numerator; provided, however, that the ratio shall not be less than 1;

(iv) establishes a maximum percentage of the costs of any public construction, referenced in clause (ii) and initiated subsequent to the adoption of the TIF agreement, that can be recovered through betterments or special assessments against any parcel of real property eligible for tax increment exemptions from property taxes pursuant to clause (iii) during the period of such parcel's eligibility for exemption from annual property taxes pursuant to clause 51 of section 5 of chapter 59, notwithstanding the provisions of chapter 80 or any other general or special law authorizing the imposition of betterments or special assessments;

(v) includes: (a) all material representations of the parties which served as the basis for the descriptions contained in the TIF agreement in accordance with the provisions of clause (ii); (b) a detailed recitation of the tax increment exemptions and the maximum percentage of the cost of public improvements that can be recovered through betterments or special assessments regarding such parcel of real property pursuant to clauses (iii) and (iv); (c) a detailed recitation of all other benefits and responsibilities inuring to and assumed by the parties to such agreement; and (d) a provision that such agreement shall be binding upon subsequent owners of such parcel of real property;

(vi) delegates to one board, agency or officer of the city or town the authority to execute the agreement in accordance with the provisions of clause (v);

(vii) is certified as an approved TIF agreement by the economic assistance coordinating council pursuant to section 3E of chapter 23A and regulations adopted by said council; provided, however, that the economic assistance coordinating council shall certify in its vote that the TIF agreement is consistent with the requirements of this section and section 3E of chapter 23A, and will further the public purpose of encouraging increased industrial and commercial activity in the commonwealth;

(viii) requires of an owner of a parcel pursuant to clause (v) to submit to the city or town clerk and the economic assistance coordinating council a report detailing the status of the construction laid out in the agreement; the current value of the property; and the number of jobs created to date as a result of the agreement; provided, however, that a report shall be filed every two years for the term of the tax increment exemption allowed under clause 51 of section 5 of chapter 59; and provided further, that a final report shall be filed in the final year of the exemption.

The board, agency or officer of the city or town authorized pursuant to clause (vi) to execute agreements shall forward to the board of assessors a copy of each approved TIF agreement, together with a list of the parcels included therein.

April 22, 2016

Town of Concord
Select Board
22 Monument Square
Concord, MA 01742

Re: Junction Village Funding Advisory Committee Final Report

Select Board:

The Junction Village Funding Advisory Committee (JV FAC) has met monthly since November of 2015 to “explore and evaluate means and opportunities to provide up to \$3,000,000 in funding, from public and private sources” to support a “local financial commitment to the Junction Village assisted living project.”

Many members of the Committee brought important inputs from their expertise. After months of discussions with the developer, the offices of State Representative Cory Atkins and Senator Michael Barrett, and the development finance agencies representing the Commonwealth of Massachusetts, the JV FAC has concluded that the Town of Concord can successfully and best fund “a local financial commitment” as follows:

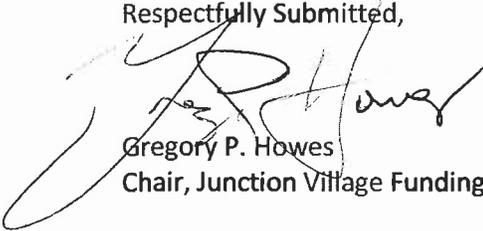
Actions by the Town of Concord:

1. Propose that the Select Board move that the voters allocate \$1,000,000 from “Free Cash.”
2. Propose to the Community Preservation Committee that they move that the voters approve a total of \$1,000,000 in CPA funds over the next two years.
3. The Concord Housing Foundation will seek to raise \$200,000 for the project.
4. Request that the regional HOME Consortium, of which Concord is a member, grant another \$200,000.

Other Possible Sources of Financial Assistance:

1. In conjunction with the developer, the Town of Concord can apply for Transit Oriented Development Bonds.
2. In conjunction with the developer, the Town consider applying for MassWorks funds to pay for the project and open space infrastructure.
3. Securitize cash flows from the development’s property tax revenue.
4. The Town consider creating a District Improvement Financing (DIF) / Tax Increment Financing (TIF) for this site.

Respectfully Submitted,



Gregory P. Howes
Chair, Junction Village Funding Advisory Committee