

Town of Barnstable

District Improvement Financing

Public Meeting II

June 11, 2024



Agenda

- Introductions
- What is District Improvement Financing
- Project Update
- Results Review
- Discussion

What is DIF?



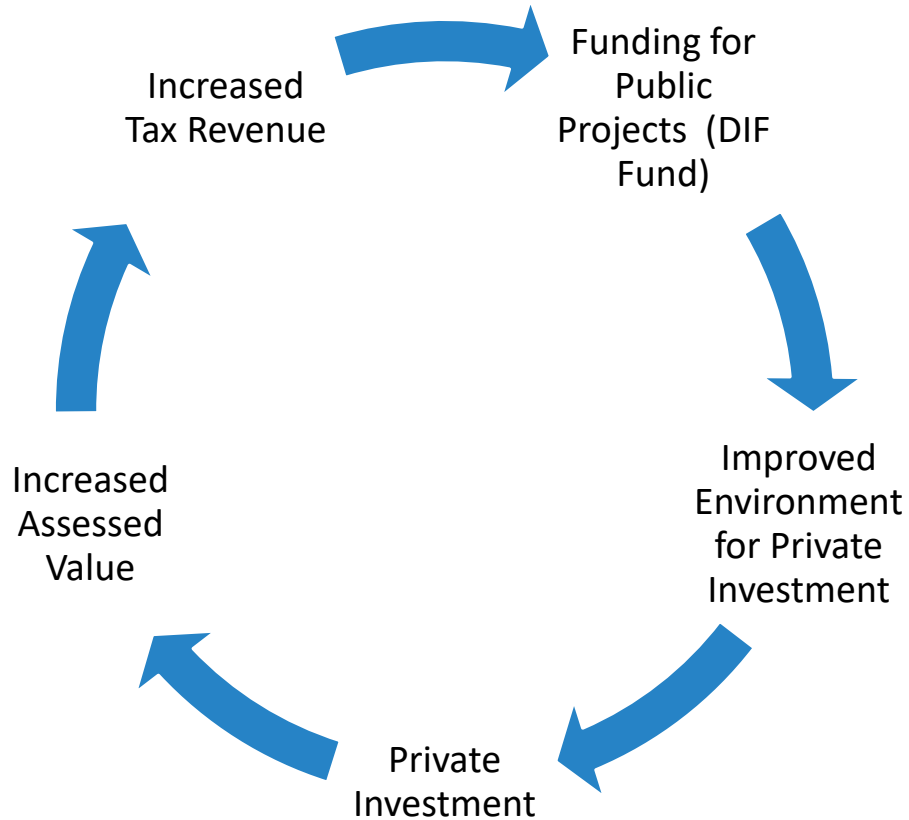
It is **not a new tax** or a special assessment on top of the existing property tax.



It is a tool that enables a community to **use tax revenue from new private investment to pay for public investments** that will catalyze further economic development.

What is DIF?

A funding stream for public projects.



Why Use DIF?

Public projects and private investment work together in the same district

Community's development goals and priorities are communicated

Long term planning is enhanced

Can be paired with grants, bonds, targeted financial assistance to desired private projects

Town of Barnstable DIF Analysis Results

DIF Analysis Process

1. Establish the **DIF District parcels**
2. Calculate **new assessed value** within the DIF District (from build out scenario)
3. Determine the **DIF revenue** to be generated and **model scenarios** to consider split of revenue to DIF Fund and General Fund
4. Define the **public expenses** to be partially funded through DIF
5. **Compare** the DIF Revenue to the Development Program expenses
6. **Decide** whether to pursue and implement the DIF
7. Follow standard **public adoption processes**

1. Establish the DIF District Parcels

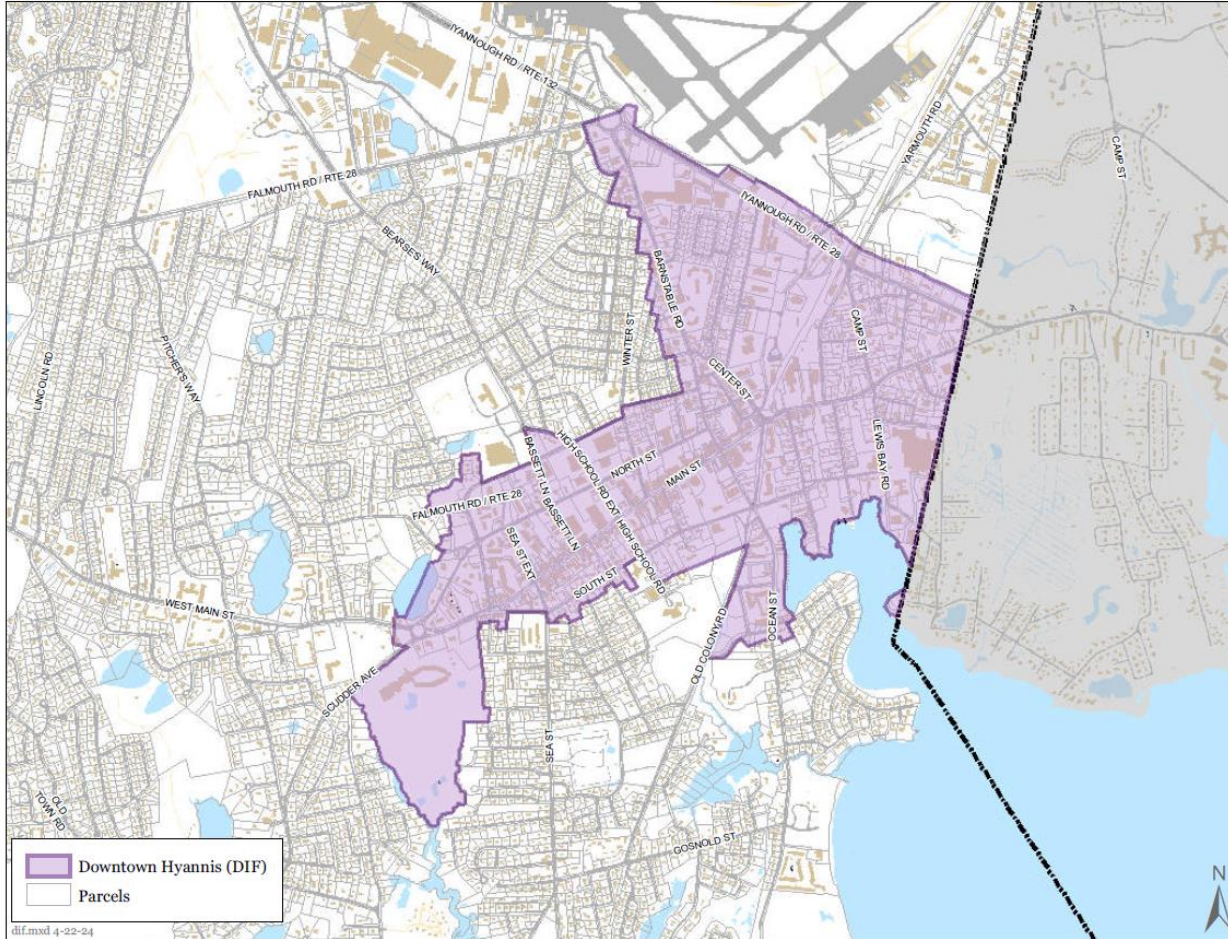


Table 1: Downtown Hyannis DIF District Parcels by Use Type

Use Type	Parcels in DIF District	Acres in DIF District	Share of Acreage in DIF District
Commercial	344	277.44	28.5%
Industrial	3	1.47	0.2%
Residential	310	94.26	9.7%
Mixed-Use	71	22.29	2.3%
Public Service/Tax Exempt	122	578.18	59.4%
Total	850	973.64	100%

2. Calculate the New Assessed Value Potential

Methodology:

- Assess the parcels in the district to **identify potential future development**
 - 19 known private projects (per Town)
 - 48 mid-term development (based on current level of improvement assessment and Town review)
 - 95 long-term development (based on current level of improvement assessment and Town review)

- Create a **low and high growth scenario**

Parcels by Development Potential Category

Category	Parcels	Acres	Share
Limited Future Development Potential			
Public Facility/Project	26	474.88	48.8%
Parking Lot - Current or Future	46	30.53	3.1%
Not Developable	17	5.29	0.5%
Currently Utilized to Potential	599	334.27	34.3%
Subtotal	688	844.97	86.8%
Future Development Likely			
Known Private Project	19	15.53	1.6%
Mid-Term Dev. Potential	48	71.94	7.4%
Long-Term Dev. Potential	95	41.20	4.2%
Subtotal	162	128.67	13.2%
Total	850	973.64	100%

2. Calculate the New Assessed Value Potential

Projected New Growth

	Low	High	Timeframe
Known Private Projects	\$ 93,536,372	\$ 93,536,372	2023–2027
Residential			
Mid-Term Dev. Potential	\$ 113,699,100	\$ 316,030,350	2028–2037
Long-Term Dev. Potential	\$ 49,827,450	\$ 165,702,450	2038–2047
Commercial			
Mid-Term Dev. Potential	\$ 28,770,514	\$ 60,107,578	2028–2037
Long-Term Dev. Potential	\$ 11,380,870	\$ 29,327,590	2038–2047
Total New Growth	\$ 297,214,306	\$ 664,704,340	Through 2047

3. Determine DIF Revenue

Town of Barnstable - 25 Year Proposed DIF Revenue Share

	Low Revenue Scenario		High Revenue Scenario	
Total Growth (Assessed Value)	\$	297,214,306	\$	664,704,340
Total Revenue (Property Tax)	\$	29,805,808	\$	58,359,064
Share to General Fund	\$	21,032,896	\$	41,873,706
Share to DIF Fund*	\$	8,772,912	\$	16,485,358

Source: Camoin Associates

* Assumes first 10 years 50% of revenue to DIF Fund and remaining years is 25% to DIF Fund.

4. Define the Public Expenses to be Funded

Table 3: Downtown Hyannis DIF District Public Projects

Project Name	Timing	Anticipated Costs
Annual DIF Area Improvements	ongoing	\$300,000

- \$300,000 annually for 23 years (no costs for first two years) = \$6,900,000 total cost

5. Compare DIF Revenue to Public Project Costs

Town of Barnstable - 25 Year Proposed DIF Revenue Share Comparison

	Low Revenue Scenario	High Revenue Scenario
Total Growth Assessed Value	\$ 297,214,306	\$ 664,704,340
Total Revenue (Property Tax)	\$ 29,805,808	\$ 58,359,064
Total Amount to DIF Fund	\$ 8,772,912	\$16,485,358
Total Project Cost	\$ 6,900,000	\$ 6,900,000
Excess (Gap) of DIF Fund to Project Cost	\$ 1,872,912	\$ 9,585,358

Source: Camoin Associates

Next Steps For Barnstable

- **Work locally to determine whether there is community support for a DIF**
- **If yes:**
 - Establish an Advisory Committee
 - Refine the Master Plan as needed
 - Follow the public process to adopt the DIF Master Plan
- **Once established:**
 - Assessor to determine the annual new growth
 - Advisory Committee to oversee transfer of correct portion to DIF Fund
 - Advisory Committee to oversee use of the DIF Funds for public projects
 - Annual reporting by Advisory Committee on the use of funds to Town Council

Questions & Discussion