

City of Easthampton

Ferry Street Development District

District Improvement Financing



September 17, 2025

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Introduction

The City of Easthampton (the “City”) designated the Ferry Street Development District (“DIF District”) in July of 2018 and now further designates the Ferry Street Invested Revenue District (“IRD”) and the accompanying Ferry Street Development Program and Invested Revenue District Development Program (the “Development Program”) for the DIF District, as enabled by Massachusetts General Laws Chapter 40Q.

This *Ferry Street District Improvement Financing* report (the “Report”) describes the process by which the DIF District and Development Program is established, together with the projects to be supported, the expected revenues and financing plans, and the ongoing management of the DIF District. With this Report and the legislative actions undertaken and included in Appendix B, the Ferry Street Development District is reaffirmed and the following are established:

- ✓ The Ferry Street Invested Revenue District, which identifies the area of the City from which revenues will be captured, and which is within the Development District; and
- ✓ The Ferry Street Development Program, which describes the capital plan including the type and cost of projects to be undertaken by the City, and the type and costs of projects expected to be undertaken by private entities as a result of the public investments made by the City in the DIF District; and
- ✓ The Ferry Street Invested Revenue District Development Program, which provides details of the financial plan including the expectations for the generation and collection of revenue from the parcels in the Invested Revenue District, the portion of the revenues to be captured and used for projects in the DIF District, and expectations for borrowing.

This *Introduction* first describes the uses of Development Districts and Development Programs, the statutory authority of municipalities to enter into them, and key provisions that must be satisfied. It then sets forth the steps taken to authorize the DIF District and the steps to authorize the accompanying Invested Revenue District and Development Program.

In *Part I: Ferry Street Development District*, this report describes the Ferry Street Development District boundaries, as well as the Invested Revenue District. It provides information about the parcels that are within the Development District and where improvements and activities will be implemented to generate economic growth and further strategic goals.

In *Part II: Ferry Street Development Program*, the report presents the Development Program which is created to implement the development goals within the DIF District. It presents a general description of the projects, the operation and maintenance plan, and the financial plan.

About District Improvement Financing

Through DIF, a town or a city can establish a funding stream for economic development activities that is linked to, and derived from, the results of economic development. DIF achieves this by setting up a process through which a municipality can identify and capture local revenues that result from new private investment in a specific area, such as an expanding business or a new multifamily housing project. The municipality can then direct this stream of revenue toward public improvement and economic development projects, which can range from critical infrastructure needs such as traffic mitigation, to essential supporting activities such as planning studies or workforce training.

Legislative Requirements

Massachusetts General Laws Chapter 40Q (the “DIF Statute”) authorizes towns and cities to use DIF. The DIF Statute sets forth activities that must be undertaken, such as identifying revenues to be captured, describing projects to be implemented, and designating parcels of property to be included within the DIF District. Municipalities enact local legislation through the ordinary processes of a City Council, Town Meeting, or Town Council. The DIF Statute does not provide specific language that must be incorporated into local legislation.

The DIF Statute does not set forth specific legislative review or public hearing requirements. A town or city will follow its established legislative rules. If the town or city wishes to amend an element of its DIF, it must follow the same legislative process it used to adopt the original legislation.

The DIF Statute does not require review and approval by the Economic Assistance Coordinating Council or other state agency, and no reports need to be prepared for or submitted to any state agencies once DIF has been implemented.

Identifying and Capturing Revenue

A DIF enables communities to identify and capture local revenues generated by the incremental increases in the value of real property that result from new private investment, such as building or renovation. The base valuation date, which is January 1st of the calendar year that the Development District was created, establishes a baseline revenue. Any increases in revenues above the baseline which are the result of new growth are considered the “Increment” and are eligible to be captured.

DIF governs how to capture and spend a designated portion of the eligible revenues once they are collected. In this Report, the portion of the revenues that is identified and captured through the establishment of DIF is referred to as the “DIF Revenues.”

The DIF Revenues are cumulative once DIF is established. Up to 100% of the Increment is eligible for capture through the use of DIF, and each town or city identifies how much of the revenue will be captured and how it will be used. Each City or Town also identifies the duration of a DIF, up to a maximum of 30 years.

Components of DIF

The DIF Statute requires that municipalities adopt four components which together enable the activities and benefits of DIF as an economic development tool:

Development District Invested Revenue District
Development Program Invested Revenue Development Program

A community may adopt all four components at once, or the Development District may be established first and the other components at later dates through the same legislative process.

The DIF Statute sets forth specific requirements for each component as described below.

Development District

A Development District, (DIF District) is the part of the City in which projects will be implemented. The community defines the boundaries and identifies the parcels within the DIF District.

A community may establish multiple DIF Districts, but the aggregate area of all DIF Districts may not exceed 25% of the area of the community. The Assessor must certify the area of each DIF District and confirm compliance with the 25% limit.

Projects that are to be funded with DIF Revenues must be implemented within the DIF District. Exceptions are certain components of water and sewer infrastructure that must be constructed outside of the DIF District because of the design of the system.

A DIF District does not need to be contiguous.

Commercial and residential properties, municipal properties, vacant or undeveloped land, and property owned by tax-exempt entities may all be included in a DIF District.

Invested Revenue District

An Invested Revenue District (IRD), identifies the portion of the DIF District from which DIF Revenues will be generated. It must be either coterminous with the DIF District, having the same boundaries and parcels, or a subset that is wholly within it. No parcels may be included in an IRD if they are not also within the DIF District.

Development Program

A Development Program describes the activities expected to be undertaken within the DIF District. It must describe all of the following *but* if one or more of the activities are not expected, such as displacing and relocating persons, then the Development Program should clearly state that the activity will not be undertaken.

1. A finding, or statement, that the designation of the DIF District is consistent with the requirements of Mass. Gen. Laws Ch. 40Q §2 and “will further the public purpose of encouraging increased residential, industrial, and commercial activity in the Commonwealth.”¹ In essence, this is a statement of the community’s goals.

¹ Mass. Gen. Laws Ch. 40Q §2 (a)

2. A Financial Plan² that describes the costs of the anticipated projects, expected sources of revenue, the amount of indebtedness to be incurred, and anticipated sources of capital;
 3. A list of the public facilities to be constructed and any other projects expected to be paid for in whole or in part with DIF Revenues. *If new projects are later identified, the Development Program must be amended. This includes public facilities and other eligible projects.*
 4. The use of private property;
 5. Plans for the relocation of persons displaced by the development activities;
 6. Plans, if any, for the development of housing, both affordable and market rate;
 7. The proposed regulations and facilities to improve transportation; and
 8. The proposed operation of the district after the improvements are completed;
- Optional: the Development Program may also designate an entity that will administer activities related to the DIF and describe the proposed operation of the DIF.*³
9. The duration of the Development Program. This may not exceed 30 years. The 30 year count may begin either at the date of the designation of the DIF District, or at a "Project Stabilization"⁴ date defined by the community in the Development Program.

Invested Revenue District Development Program

An Invested Revenue District Development Program (IRDDP) is required in order to calculate the DIF Revenues to pay for projects within the DIF District. In essence, it directs the capture and use of revenues collected from the IRD. It is required to include:

1. Estimates of the revenues to be derived from the IRD;
2. A projection of the revenues to be derived from the IRD if no Development Program were to be adopted and implemented (with presumably less new private investment than is expected to occur as a result of the Development Program);
3. Statement of whether any bonds issued as part of the DIF will be General Obligation or Special Obligation Bonds;
4. The percentage, dollar amount, or formula directing the amount of revenues that will be captured to pay for projects in the Development Program; and
5. A statement of the estimated impact of the IRDDP on all taxing jurisdictions in the DIF District.
6. The establishment of a Development Program Fund, which is comprised of two accounts: a Project Cost Account and, if debt is anticipated to be issued, a Development Program Sinking Fund Account.

The DIF Statute requires that DIF Revenues be deposited to the Development Program Fund and establishes the priority of claims upon those revenues.

² Ibid.

³ Mass. Gen. Laws Ch. 40Q §2 (c)(2) "create a department, designate an existing department, board officer, agency, municipal housing or redevelopment authority of the city or town or enter into a contractual agreement with a private entity to administer the activities authorized by this chapter"

⁴ The DIF Statute does not define "Project Stabilization" or dictate rules for selecting such a date.

Principal and interest on debt, and related costs such as maintaining reserve accounts, must be paid from the Development Program Sinking Fund Account. As long as debt is outstanding to which DIF Revenues are pledged, the Development Program Sinking Fund Account has the senior claim on DIF Revenues.⁵

Costs for constructing or implementing projects are paid from the Project Cost Account.

Balances may be transferred between the Development Program Sinking Fund Account and the Project Cost Account as long as the balances in the Development Program Sinking Fund Account are sufficient to meet its obligations to repay debt.

Excess funds not required by the Development Program Fund may be transferred to the City's General Fund.

⁵ A City may use DIF Revenues to repay a portion of debt service without formally pledging the DIF Revenues to the bonds. In this case the Development Program Sinking Fund Account may have parity with the Project Cost Account. A City should consult its bond counsel on this and other matters relating to debt issuance.

About the Ferry Street Development District

The purpose of DIF is to grow and strengthen the local economy that serves Easthampton residents, employees, and visitors by investing in infrastructure improvements that will leverage substantial private investment and replace blighted structures with new market-rate and affordable housing and mixed-use commercial development.

Through the use of a DIF District, Development Program, IRD and IRDDP, the City will capture incremental increases in revenues, and direct the incremental revenues toward public projects that are both important to the well-being of the community, and essential to close the financial gap that currently prevents additional private investment in the DIF District.

Details of the projects, with cost estimates, are presented in Part II, Projects to be Implemented.

Description of the Approval Process and Legislative Actions

The establishment of a DIF District and Development Program enables a community to capture future revenues that may be spent on projects designated in the Development Program. It does not authorize actual expenditures, and does not authorize the issuance of debt. Expenditures and debt issuance to implement the projects in the Development Program will be authorized separately through the same local approval processes that would be required if the projects were not part of a Development Program.

The City of Easthampton has:

- Adopted the Ferry Street Development District as of July 11, 2018, and certified that the total acreage in the Development District is less than the statutory limit of 10% of the City's total land area.
- Received a favorable recommendation from the City Council Finance Committee on the proposed IRD and IRDDP, which includes the establishment of the Development Program Fund, during its meeting on September 10, 2025.
- Adopted the IRD and IRDDP, including the establishment of the Development Program Fund at a meeting of the full City Council on September 17, 2025.
- Authorized the bonding or borrowing of up to \$3 million to cover expenses associated with the implementation of the Invested Revenue District Development Program, following a public hearing and vote of the full City Council on September 17, 2025.

Documentation of the legislative actions is included in Appendix B.

Part I: The Development District and Invested Revenue District

Description of the Development District and Invested Revenue District

The DIF Statute provides for the establishment of two districts:

A *Development District* which includes the parcels on or around which development projects, public or private, will be undertaken. A Development District may be established in advance of or at the same time as the Development Program. Note that the Ferry Street Development District was established in 2018, in advance of the Development Program.

An *Invested Revenue District (IRD)* which includes the parcels from which an Increment will be determined and DIF Revenues will be collected. The Ferry Street IRD is an area within the larger Ferry Street Development District, and represents the parcels on which private development will occur.

The Ferry Street Development District ("DIF District") and the Ferry Street Invested Revenue District ("IRD") encompass parcels as summarized in Table 1 below. A map of the DIF District is provided in Appendix C, and details of the individual parcels is provided in Appendix D.

Base Date for Assessment of Parcels

The Base Date for the Ferry Street Development District is January 1, 2018. The Original Assessed Value of the DIF District is the assessed value as of this Base Date.

Statement of Findings

The City found that the designation of the Ferry Street Development District would further the public purpose of encouraging increased residential, industrial and commercial activity in the commonwealth, and hereby now finds the Development Program and IRD will also further the public purpose of encouraging increased residential, industrial and commercial activity in the commonwealth.

Parcel Information

The table below summarizes the parcels that will be included in the DIF District and IRD, by current use type. See Appendix C for detailed information on the parcels within the DIF District.

Table 1: DIF District Parcels by Use Type (as of 2025)				
Use Type	Parcels in DIF District	Parcels in IRD	Acres in DIF District	Percent of Acreage in DIF District
Residential	0	0	0	0%
Commercial	0	0	0	0%
Industrial	0	0	0	0%
Vacant	2	2	4.09	33%
Mixed-Use	2	2	2.06	16%
Other	*6	0	6.35	51%
Totals	**10	4	12.5	100%

Area totals are approximate.

*Only a portion of each parcel is within the DIF District

**Includes partial parcels

The Ferry Street DIF and Other Special Districts

The establishment of the DIF District does not impose a special assessment or other increased tax on any parcel.

The establishment of the DIF District does not prevent the collection and distribution of fees, special assessments, or other monies from parcels in any other special districts. Owners of property in the DIF District will continue to be responsible for all obligations, actions, and payments associated with other special districts.

The DIF Statute establishes that the aggregate area of all development districts within a city or town may not exceed 25% of the total area of that city or town. The Ferry Street DIF District is the only DIF District in Easthampton and the City certified at the time of its creation that it is less than 25% of the total area of the City. As shown in the table below, the acreage is well below the state maximum.

Table 2: DIF Districts as a Percent of all Acreage in the City	
City of Easthampton, Total Acres	8,674
Ferry Street DIF District, Total Acres	12.5 (+/-)
All DIF Districts, Total Acres	12.5
Total Acres in all DIF Districts as a Percent of Total Acres in the City:	.14%

Part II: The Ferry Street Development Program and the Invested Revenue District Development Program

Duration of the Development Program

The term of the Ferry Street Development Program is 30 years from the project stabilization date. Project stabilization is July 1, 2020 and the Development Program will be in effect through June 30, 2050.

Projects to be Implemented

These projects, costs, and funding sources are estimates and final costs are likely to be different, either lower or higher than these estimates. Inclusion of these estimates does not represent an appropriation or legal commitment to spend these amounts on these projects and, as noted in the *Introduction* does not authorize either expenditures or debt.

Public Projects

The public facilities to be constructed include:

11 Ferry Street Improvements:

- Demolition of existing blighted structure.
- Site preparation work and construction of approximately 100 surface parking spaces.
- Construction of several new retaining wall systems to support parking, elevated bike path, and stairs between changes in site topography.
- Reconstruction of the canal bridge at the rear of the property to support emergency vehicle access.
- Improvements to water, sewer and electrical infrastructure that will serve new 90-unit housing development.
- Construction of a new approximately 900-foot-long multiuse path which will cross the site, creating a connection between a new cross walk on Ferry Street and the Manhan Rail Trail.

Ferry Street and Parsons Street Intersection Improvements:

- Removal, relocation, and reconstruction of an existing 260-foot stone retaining wall that is in disrepair and with no buffer to the narrow roadway which will enhance line of sight.
- Construct a new 5-foot-wide sidewalk along the new retaining wall to make a pedestrian connection between Emerald Place and Parson Street.
- Construction of a new raised crosswalk with RRFB's to connect the new sidewalk to the new bike path connection constructed on the Affordable Housing site.
- Realignment of the intersection of Parson Street and Ferry Street and construction of a new raised crosswalk.

Ferry Street Pedestrian and Bike Bridge over Lower Mill Pond

- Construction of a new pedestrian and bike crossing on the south side of Ferry Street where it crosses Lower Mill Pond.
- The new crossing will provide pedestrians and bicyclists access from Millside Park to the New City neighborhood without requiring them to cross Ferry Street.

Private Investments to be Leveraged

11 Ferry Street – New Construction Housing (Home City Development)

- 96 new apartments, including 90 income-restricted affordable units
- 116,000 square feet of new construction (5-story + ground level parking garage)
- Public Benefit:
 - Provides new affordable and mixed-income housing
 - Reclaims a blighted site for residential use
 - Supports walkability and regional housing production goals

7 Ferry Street – Historic Mill Residential Adaptive Reuse (Building 7)

- 77 market-rate residential units created through adaptive reuse of a former industrial mill
- 140,000 square feet of redeveloped historic space
- Public Benefit:
 - Preserves and repurposes a significant mill structure
 - Brings new life and density to a core redevelopment site
 - Complements surrounding housing mixed and mixed-use district objectives

9 Ferry Street – Turbine Building Reuse (Commercial)

- Adaptive reuse of the historic Turbine Building for ~4,000 SF of commercial/retail space
- Activation is contingent on receiving outside funds (not DIF) for hazardous building material (HBM) abatement
- Public Benefit:
 - Adds neighborhood-scale retail or service commercial space
 - Enhances rail trail interface and mill district vibrancy
 - Supports long-term mixed-use activation of the site

Table 3 lists the projects to be undertaken in the DIF District and the estimated costs.

Table 3: DIF District Projects	
Project	Estimated Costs
Public Improvements	
11 Ferry St Demolition	\$3.5 million
11 Ferry Street Public Area Improvements (parking, multi-use path)	\$4 million
11 Ferry Street Utility Improvements	\$500,000
Parsons Street and Ferry Street Intersection	\$1.7 million
Ferry Street Ped/Bike Bridge (Lower Mill Pond)	\$850,000
Estimated Total Cost of Public Improvements	\$10.55 million
Private Improvements	
11 Ferry St New Construction Housing	\$51 million
7 Ferry St Mixed-Use Development	\$41 million
9 Ferry St Mixed-Use Development	TBD
Estimated Total Cost of Private Improvements	>\$92 million

Plans for Relocation of Displaced Persons

The Ferry Street Development Program will not eliminate any residential units or displace any residents.

Plans for Housing

The Ferry Street Development Program includes improvements to support the development of new affordable and market-rate housing. Approximately 90 income-restricted units are planned, along with 83 additional market-rate units. All housing development will be private.

Proposed Regulations and Facilities to Improve Transportation

The Ferry Street Development Program includes the use of grant funds to improve pedestrian and bike access in and around the Ferry Street Development District, as well as grant funds to improve visibility at the intersection of Parsons Street and Ferry Street.

Financial Plan

This Financial Plan includes information required for both the Development Program and the IRDDP. This Financial Plan sets forth the expectations as of the time of the establishment of the Development Program.

The Development Program includes the construction of projects as described in Table 3.

To support these projects, the City of Easthampton will identify and collect the incremental revenues that will be deposited to the Development Program Fund as DIF Revenues. DIF Revenues may be used to repay debt obligations, if any, and to fund projects on a pay-as-you-go basis.

Capital Plan

Amount of Indebtedness to be Incurred

The City of Easthampton may issue debt in support of the projects in the Development Program and may choose to issue notes or other short-term financing in anticipation of a bond issuance. Issuance will not exceed \$3,000,000 and will be in the form of General Obligation Bonds. DIF Revenues will be used to pay all or some of the debt service on such bonds and notes

As noted in the *Introduction*, this DIF District and Development Plan does not authorize the issuance of debt. Any debt will be approved through established processes of the City of Easthampton.

Additional Sources of Capital

The City was awarded a \$4.4 million HousingWorks grant for public amenities on 11 Ferry Street and for improvements to the Parsons and Ferry Street intersection. Work is expected to commence on those projects in spring of 2026. The City additionally intends to apply for grant funding for the Ferry Street pedestrian and bike bridge project. The source of the grant funding remains to be determined, however a likely source is Community Development Block Grant funds. A private partner, Home City Development, Inc., will be providing additional funds to construct public facilities that are within or adjacent to their proposed housing development.

Cost Estimates for the Development Program and Sources of Anticipated Capital

Table 4: Cost Estimates and Anticipated Sources of Capital						
Project Name	Project Cost Estimate	Grant	G.O. Bond Proceeds	S.O. Bond Proceeds	DIF Revenues "Pay as You Go"	Private Partner
11 Ferry St Demolition	\$3.5 Mil	-	\$3 Million	-	-	\$500,000 (Home City Development, Inc.)
11 Ferry Street Public Area Improvements (parking, multi-use path)	\$4 Mil	\$2.2 Mil (Housing Works)	-	-	-	\$1.8 mil (Home City Development, Inc.)
11 Ferry Street Utility Improvements	\$500,000	\$500,000 (Housing Works)	-	-	-	-
Parsons Street and Ferry Street Intersection	\$1.7 mil	\$1.7 mil (Housing Works)	-	-	-	-
Ferry Street Ped/Bike Bridge (Lower Mill Pond)	\$850,000	\$850,000 (Grant tbd)	-	-	-	-
Totals	\$10.55 mil	\$5.25 mil	\$3 mil	-	-	\$2.3 mil

Statement of the Retention of DIF Revenues

The portion of the projected Incremental revenues to be designated as DIF Revenues and deposited to the Development Program Fund each year are set forth in the table below, "PILOT to be Retained as DIF Revenues."

Table 5: PILOT to be Retained as DIF Revenues		
Fiscal Year	Projected Incremental Revenue (PILOT minus Baseline Property Tax Payment)	Portion Retained as DIF Revenue
2021	\$11,480.79	100%
2022	\$11,798.87	100%
2023	\$48,448.92	100%
2024	\$49,799.46	100%
2025	\$51,179.60	100%
2026	\$52,589.94	100%
2027	\$144,502.05	100%
2028	\$147,139.39	100%
2029	\$164,355.63	100%
2030	\$205,853.22	100%
2031	\$211,573.03	100%
2032	\$217,418.12	100%
2033	\$223,495.24	100%
2034	\$229,705.76	100%
2035	\$236,052.30	100%
2036	\$242,537.57	100%
2037	\$249,274.96	100%
2038	\$256,159.92	100%
2039	\$263,309.36	100%
2040	\$270,499.91	100%
2041	\$278,081.89	100%
2042	\$285,711.22	100%
2043	\$293,627.91	100%
2044	\$301,840.65	100%
2045	\$310,109.02	100%
2046	\$318,684.09	100%
2047	\$327,575.10	100%
2048	\$336,661.14	100%
2049	\$345,946.04	100%
2050	\$355,568.08	100%
Total	\$6,440,979.19	100%

Each year the Assessor will certify the Increment by subtracting the baseline property tax payment from the PILOT revenue.

If it is estimated that DIF Revenues and other anticipated revenues will be insufficient, or if it is determined that DIF Revenues are and will continue to be in excess of what is needed to fund the Development Program

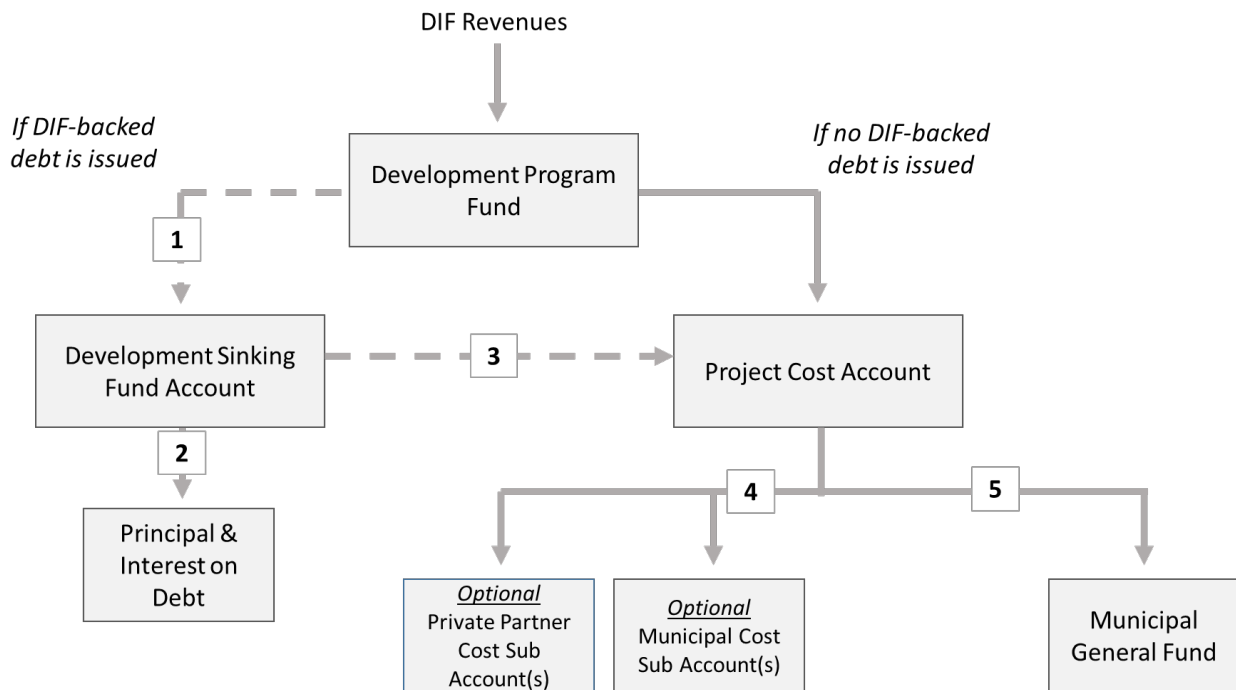
for its term, the City Auditor or Treasurer will notify the City and, as needed, make a recommendation. The amount of DIF Revenues to be captured may be amended through the City's regular legislative processes by amending the Invested Revenue Development Program.

PILOT and DIF Revenue Flow of Funds

Each fiscal year of the Development Program, the Incremental revenue will be determined and the full amount of the Increment will become DIF Revenue.

This Financial Plan includes the establishment of a Development Program Fund, a Development Sinking Fund Account, and a Project Cost Account, as required by the DIF Statute. The priority of the deposit of DIF Revenues into the accounts is established by the DIF Statute and is shown in the graphic below and described in the narrative that follows.

The City may return to the General Fund any DIF Revenues in excess of the amount estimated to be required to satisfy the obligations of the Development Program Fund and accounts.



Funds and Accounts Required by the DIF Statute

Development Program Fund

The Development Fund will include (1) a Project Cost Account that is pledged to and charged with the payment of project costs that are outlined in the Financial Plan; and (2) in instances of indebtedness issued by the City to finance or refinance Project Costs, and to which DIF Revenues have been pledged as a source of repayment, a Development Sinking Fund Account.

DIF Revenues shall be deposited first to the Development Program Fund and then to the:

Development Sinking Fund Account

For as long as any municipal indebtedness to which DIF Revenues are pledged is outstanding, to the Development Sinking Fund Account in amounts sufficient to make payments in the amount of the pledge, on any such debt issued by the City to finance or refinance Project Costs, including the following: (ii) payment of the costs of providing or reimbursing any provider of any guarantee, letter of credit, policy of bond insurance or other credit enhancement device used to secure payment of debt service on any such indebtedness; and (iii) funding any required reserve fund, and otherwise to the:

Project Cost Account

The Project Cost Account that is pledged to and charged with the payment of project costs as outlined in the Financial Plan.

Optional Accounts to Facilitate Management and Payment

The City may from time to time establish subaccounts within the Project Cost Account which may consist of (1) one or more Private Partner Cost Sub Accounts (the "Private Partner Cost Sub Accounts") pledged to and charged with payment of the costs of payments or reimbursement consistent with each approved public/private partnership agreement, if any, and (2) one or more Municipal Cost Sub Accounts (the "Municipal Cost Sub Accounts") pledged to and charged with the payment of the City's project costs. DIF Revenues deposited to the Project Cost Account will be transferred first to the Private Partner Cost Sub Accounts, if any, and then to the Municipal Cost Sub Accounts.

Private Partner Cost Sub Accounts

Should the City enter into any public/private partnership agreements in which DIF Revenues are made available through a contractual agreement with a private entity, in which that private entity undertakes the implementation of a project in this Development Program, a Private Partner Cost Sub Account will be established by that agreement. Amounts to be paid to the private entity under the agreement will be deposited into the Private Partner Cost Sub Account and payments to the private entity will be made from the Private Partner Cost Sub Account established by that agreement. The City's obligation to make a periodic payment under any agreement will only arise to the extent the City receives PILOT revenue (the DIF Revenues) from properties in the Invested Revenue District. In any agreement, the City shall not obligate itself to make payments without receiving DIF Revenues. Furthermore, according to the terms of any such contracts, the City is not obligated to make payments if the private partner does not fulfill its obligations under the contract.

Municipal Cost Sub Accounts

Deposits to any Municipal Cost Sub Accounts will be made after the City makes contractual payments pursuant to any public/private partnership agreements. Expenditures for public facilities, improvements, and programs (i.e., any expenditures of DIF Revenues for purposes other than public/private partnership agreements) will be made by payments from the Municipal Cost Sub Accounts.

General Fund

The City may return to the General Fund DIF Revenues in excess of the amount estimated to be required to satisfy the obligations of the Development Sinking Fund Account.

The City may make transfers between Development Program Fund accounts, provided that the transfers do not result in a balance in the Development Sinking Fund Account that is insufficient to cover the annual obligations of that account.

Impact on Taxing Jurisdictions

The establishment of the DIF District and IRD, and the implementation of the Development Program and the IRDDP, will not have an impact on the taxing jurisdictions within the DIF District and the IRD.

Estimated Revenues

The following Table represents the estimated revenues to be generated in the IRD based upon the PILOT scheduled within the M. G. L. c. 121A and Section 6A Agreements executed in 2021 by the City of Easthampton and the owners of the properties within the IRD. Note that 121A payments are based upon a statutorily defined formula, amounting to 1% of the valuation of the property plus 5% of the gross income of the project from all sources. These payments are made to the Department of Revenue and returned to the City. Separately, the payments under the 6A Agreement are made directly to the City and are a fixed amount as written in the agreement. The "Baseline Revenue" is the property tax revenue that would have been received if the DIF was never created and the 121A and 6A Agreements were not in place. The "Total Incremental Revenue" is that portion of the PILOT that exceeds the Baseline Revenue. The Baseline Revenue amount will vary based upon the actual municipal tax rate, with a corresponding variation in the Incremental Revenue.

Table 6: Projected PILOT Revenues

FY	Municipal Tax Rate Per Thousand	Baseline Assessed Value (No DIF)	Baseline Revenue (No DIF)	Projected 121A Payment	6A Payment	Total Incremental Revenue	Notes
2018	\$16.00	\$ 262,100.00	\$ 4,193.60	\$ -	\$ -	\$ -	DIF District Created
2019	\$15.46	\$ 266,031.50	\$ 4,112.85	\$ -	\$ -	\$ -	
2020	\$17.76	\$ 270,021.97	\$ 4,795.59	\$ -	\$ -	\$ -	
2021	\$18.46	\$ 274,072.30	\$ 5,059.37	\$ 9,787.00	\$ 6,753.16	\$ 11,480.79	Project Stabilization
2022	\$18.69	\$ 278,183.39	\$ 5,199.25	\$ 9,921.41	\$ 7,076.71	\$ 11,798.87	
2023	\$18.92	\$ 282,356.14	\$ 5,342.18	\$ 29,280.72	\$ 24,510.38	\$ 48,448.92	
2024	\$19.16	\$ 286,591.48	\$ 5,491.09	\$ 31,546.83	\$ 23,743.72	\$ 49,799.46	
2025	\$19.40	\$ 290,890.35	\$ 5,643.27	\$ 32,054.66	\$ 24,768.21	\$ 51,179.60	
2026	\$19.64	\$ 295,253.71	\$ 5,798.78	\$ 32,570.63	\$ 25,818.09	\$ 52,589.94	
2027	\$19.89	\$ 299,682.51	\$ 5,960.69	\$ 77,894.87	\$ 72,567.87	\$ 144,502.05	
2028	\$20.14	\$ 304,177.75	\$ 6,126.14	\$ 85,616.53	\$ 67,649.00	\$ 147,139.39	
2029	\$20.39	\$ 308,740.42	\$ 6,295.22	\$ 91,356.68	\$ 79,294.17	\$ 164,355.63	
2030	\$20.64	\$ 313,371.52	\$ 6,467.99	\$ 111,401.35	\$ 100,919.86	\$ 205,853.22	
2031	\$20.90	\$ 318,072.10	\$ 6,647.71	\$ 115,027.90	\$ 103,192.84	\$ 211,573.03	
2032	\$21.16	\$ 322,843.18	\$ 6,831.36	\$ 116,889.05	\$ 107,360.43	\$ 217,418.12	
2033	\$21.43	\$ 327,685.82	\$ 7,022.31	\$ 118,780.16	\$ 111,737.39	\$ 223,495.24	
2034	\$21.70	\$ 332,601.11	\$ 7,217.44	\$ 120,707.08	\$ 116,216.12	\$ 229,705.76	
2035	\$21.97	\$ 337,590.13	\$ 7,416.86	\$ 122,665.08	\$ 120,804.08	\$ 236,052.30	
2036	\$22.24	\$ 342,653.98	\$ 7,620.62	\$ 124,654.66	\$ 125,503.53	\$ 242,537.57	
2037	\$22.52	\$ 347,793.79	\$ 7,832.32	\$ 126,676.33	\$ 130,430.95	\$ 249,274.96	
2038	\$22.80	\$ 353,010.70	\$ 8,048.64	\$ 128,736.31	\$ 135,472.25	\$ 256,159.92	
2039	\$23.09	\$ 358,305.86	\$ 8,273.28	\$ 130,829.59	\$ 140,753.05	\$ 263,309.36	
2040	\$23.37	\$ 363,680.45	\$ 8,499.21	\$ 132,962.58	\$ 146,036.54	\$ 270,499.91	
2041	\$23.67	\$ 369,135.65	\$ 8,737.44	\$ 135,124.16	\$ 151,695.17	\$ 278,081.89	
2042	\$23.96	\$ 374,672.69	\$ 8,977.16	\$ 137,332.78	\$ 157,355.60	\$ 285,711.22	
2043	\$24.26	\$ 380,292.78	\$ 9,225.90	\$ 139,571.11	\$ 163,282.70	\$ 293,627.91	
2044	\$24.57	\$ 385,997.17	\$ 9,483.95	\$ 141,851.93	\$ 169,472.67	\$ 301,840.65	
2045	\$24.87	\$ 391,787.13	\$ 9,743.75	\$ 144,176.11	\$ 175,676.66	\$ 310,109.02	
2046	\$25.18	\$ 397,663.93	\$ 10,013.18	\$ 146,531.67	\$ 182,165.60	\$ 318,684.09	
2047	\$25.50	\$ 403,628.89	\$ 10,292.54	\$ 148,931.98	\$ 188,935.66	\$ 327,575.10	
2048	\$25.82	\$ 409,683.33	\$ 10,578.02	\$ 151,377.95	\$ 195,861.21	\$ 336,661.14	
2049	\$26.14	\$ 415,828.58	\$ 10,869.76	\$ 153,863.80	\$ 202,952.00	\$ 345,946.04	
2050	\$26.47	\$ 422,066.00	\$ 11,172.09	\$ 156,390.16	\$ 210,350.01	\$ 355,568.08	End Development Program
Totals				\$ 3,204,511.05	\$ 3,468,355.65	\$ 6,440,979.19	

Appendix A: Activities Authorized within a DIF District

According to the DIF Statute, a City may "acquire, construct, reconstruct, improve, preserve, alter, extend, operate, maintain or promote development intended to meet the objectives of the development program." In addition to the powers granted by any other law, for the purpose of carrying on a project as authorized by this chapter, a city or town may:"⁶

"(1) incur indebtedness as hereinafter provided and pledge tax increments and other project revenues for repayment thereof;

(2) create a department, designate an existing department, board officer, agency, municipal housing or redevelopment authority of the city or town or enter into a contractual agreement with a private entity to administer the activities authorized by this chapter;

(3) make and enter into all contracts and agreements necessary in order to carry out the development program;

(4) receive from the federal government or the commonwealth loans or grants for, or in aid of, a project and receive contributions from any other source to defray project costs;

(5) purchase or acquire by eminent domain pursuant to chapter 79 or chapter 80A, insofar as those laws may be applicable, and pursuant to all preliminary requirements prescribed by law, such property or interests therein within a district as the city or town may deem necessary in order to carry out the development program; provided, however, that any taking of property by eminent domain for any purpose for which the taking by the city or town could not be made in the absence of this chapter shall be authorized by a two-thirds vote as defined in section 1 of chapter 44;

(6) make relocation payments to persons, businesses or organizations that may be displaced as a result of carrying out the development program;

(7) clear and improve property acquired by it pursuant to the development program and construct public facilities thereon, or contract for the construction, development, redevelopment, rehabilitation, remodeling, alteration or repair of such property;

(8) cause parks, playgrounds or schools, water or sewer drainage facilities or any other public improvements that it is otherwise authorized to undertake, to be laid out, constructed or furnished in connection with the development program;

(9) lay out, construct, alter, relocate, change the grade of, make specific repairs upon or discontinue public ways and sidewalks in or adjacent to the development district;

(10) cause private ways, sidewalks, ways for vehicular travel and similar improvements to be constructed within the development district for the particular use of the development district or those dwelling or working therein;

⁶ Mass. Gen. Laws Ch. 40Q §2 (c)

(11) adopt ordinances or by-laws under section 5 of chapter 40A, or repeal or modify the ordinances or by-laws or establish exceptions to existing ordinances and by-laws, regulating the design, construction and use of buildings;

(12) sell, mortgage, lease as lessor, transfer or dispose of any property or interest therein acquired by it pursuant to the project plan for development, redevelopment or rehabilitation in accordance with the development program;

(13) invest project revenue as hereinafter provided; and

(14) do all things reasonably necessary or convenient to carry out the powers granted in this chapter."⁷

The City will engage in some or all of these activities to further its goals for the DIF District. These are described in the Development Program.

⁷ Mass. Gen. Laws Ch. 40Q §2 (c)

Appendix B: Record of Legislative Action

The following documents are a record of the legislative action taken by the City of Easthampton relative to the Ferry Street DIF.

- Order Authorizing Creation of the Ferry Street Development District
- Order to Establish IRD & IRDDP & Development Program Fund
- Order to authorize borrowing

ORDER AUTHORIZING THE CREATION OF THE FERRY STREET DEVELOPMENT DISTRICT

WHEREAS, the District Improvement Financing (DIF) program, as created by M.G.L. Chapter 40Q and implemented by 402 CMR 3.00 *et. seq.* ("Statute") authorizes and enables municipalities to finance public works and infrastructure projects in designated areas by among other things "capturing" the increase in property tax revenues derived from new housing, commercial or industrial activity in that area and applying such revenues towards the municipality's development program; and

WHEREAS, the City of Easthampton identifies this portion of Ferry Street as a top priority economic development and housing area for the City of Easthampton; and

WHEREAS, the City of Easthampton believes it is in the City's best interest to create a DIF for Ferry Street in the geographic area identified in Exhibit A attached hereto and incorporated herein ("Ferry Street Development District") pursuant to the Statute; *and*

WHEREAS, the area of all development districts within the City of Easthampton does not exceed 25% of the total area of the City; and

WHEREAS, the City of Easthampton finds that the designation of the Ferry Street Development District is consistent with the requirements of G. L. c. 40Q § 2 and will further the public purpose of encouraging increased residential, industrial and commercial activity in the City of Easthampton and in the Commonwealth; and

WHEREAS, the City of Easthampton believes it is reasonably probable that the City will achieve its goals in creating the "Ferry Street Development District"; and

WHEREAS, upon its creation and approval the "Ferry Street Development District", the City of Easthampton intends, among other things, to authorize the City to subsequently create a "Development Program" which would capture real property tax revenue created by new growth within the "Ferry Street Development District" and to use that revenue to finance public infrastructure improvements in the "Ferry Street Development District" and encourage private investment in the "Ferry Street Development District"; and

NOW THEREFORE, the City of Easthampton hereby resolves pursuant to Chapter 40Q of the Massachusetts General Laws as implemented by 402 CMR 3.00 *et. seq.* to:

1. To create the "Ferry Street Development District"; and
2. Designate the Planning Department for the City of Easthampton ("Planning Department") as the Administrator of the "Ferry Street Development District" ; and

3. Direct the Planning Department to take all acts or actions which are required, reasonable or necessary under the Statute to create the "Ferry Street Development District" including but not limited to the requirements of 402 CMR 3.04; and
4. Direct that all municipal departments aid the Planning Department in the creation of the "Ferry Street Development District"; including but not limited to the City of Easthampton Assessing Department establishing and certifying the original assessed value of taxable property within the boundaries of the "Ferry Street Development District" for the year in which the "District" is first approved ("Original Value") and, on an annual basis thereafter certifying the amount by which the assessed value of such properties has increased or decreased from the Original Value as required by the Statute.
5. Direct the Planning Department to take all steps which are reasonable and necessary to comply with the requirements of the statute for the creation and approval of the "Ferry Street Development District" ; and

It is resolved that this resolution be and is a formal, duly enacted order of the City Council of Easthampton, Massachusetts as approved by the Mayor, identifying and approving the formation and creation of the proposed development district and identifying the entities and/or individuals who may act on behalf of the municipality in implementing a development program within such district.

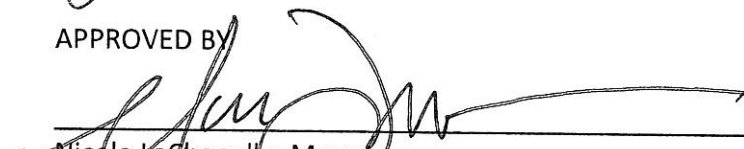
Dated this 11th day of July 2018

PER ORDER OF THE EASTHAMPTON CITY COUNCIL



Joseph P. McCoy, City Council President

APPROVED BY



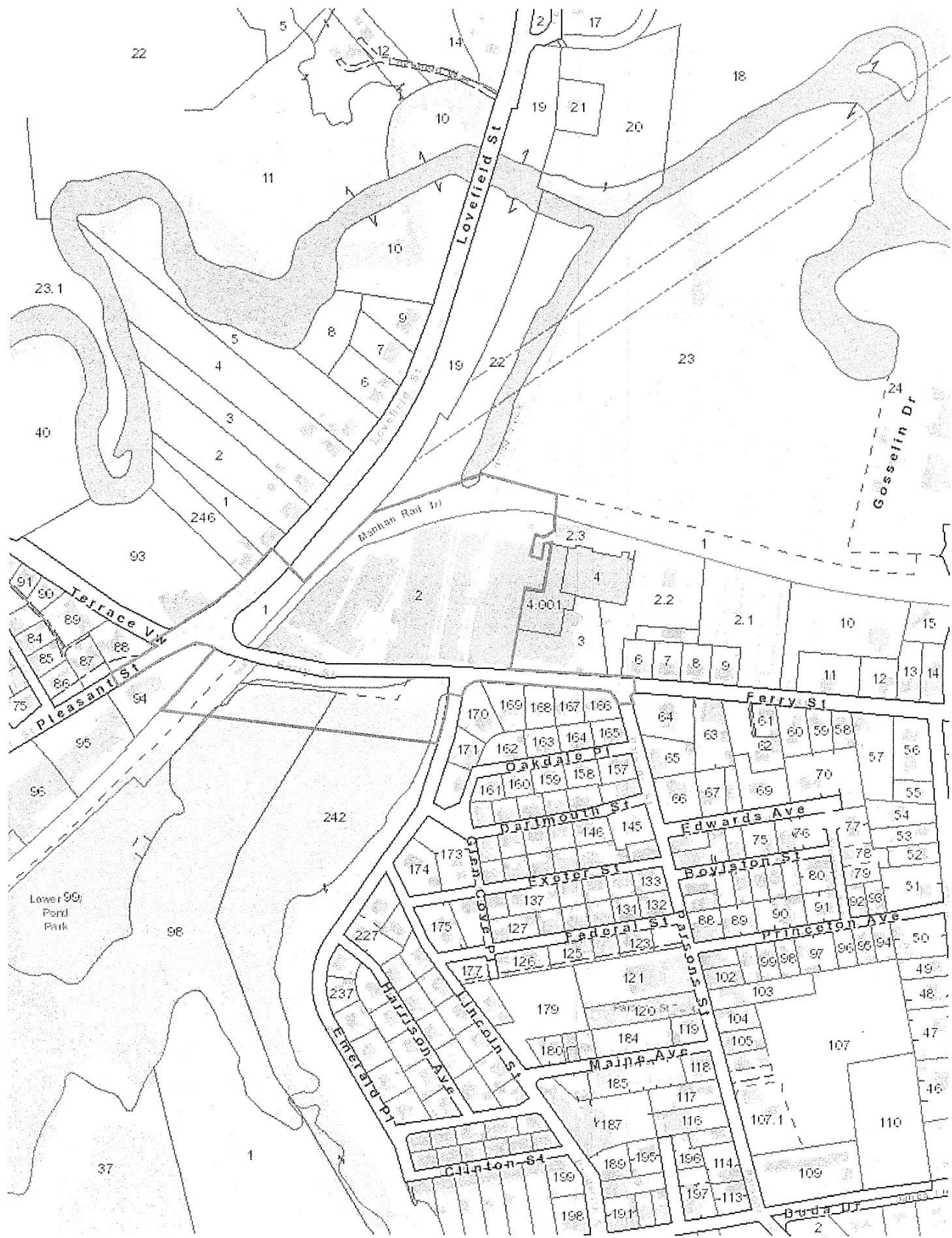
Nicole LaChapelle, Mayor

APPROVED AS TO FORM



John H. Fitz-Gibbon, City Solicitor

EXHIBIT A - JULY 11, 2018



ORDER ADOPTING THE FERRY STREET INVESTED REVENUE DISTRICT AND INVESTED REVENUE DISTRICT DEVELOPMENT PROGRAM

WHEREAS, the “Ferry Street Development District” was created by Order of the Easthampton City Council on July 11th, 2018 in accordance with M.G.L. Chapter 40Q; *and*

WHEREAS, the July 11th, 2018 City Council Order states the City’s intent to authorize the creation of a Development Program which would capture revenue in the Ferry Street Development District and use it to finance public infrastructure improvements in the District; *and*

WHEREAS, the City desires to create the statutorily required Invested Revenue District (IRD) and Invested Revenue District Development Program (IRDDP); *and*

WHEREAS, the IRD will be within the previously created Ferry Street Development District; *and*

WHEREAS, the IRDDP will create a plan for public infrastructure improvements in the DIF District; *and*

WHEREAS, the IRDDP will establish a Development Program Fund, which is comprised of a Project Cost Account and Development Program Sinking Fund; *and*

WHEREAS, in January 2021 the City Council approved an agreement under Section 6A of M.G.L. Chapter 121A which exempts the Ferry Street mills properties from local property taxes and instead establishes a schedule of Payments in Lieu of Taxes (PILOT) through 2050; *and*

WHEREAS, the DIF framework allows for IRD revenues to be captured and held in the Development Program Fund to be invested in public infrastructure improvements in the Ferry Street Development District; *and*

WHEREAS, the IRDDP will have a duration of 30 years, which aligns with the PILOT Schedule established under the 6A Agreement; *and*

WHEREAS, the investment of IRD revenues in the DIF District will allow for the clearance of blighted structures, the creation of public parking and amenities, and will leverage private investment including development of market-rate and affordable housing and commercial real estate; *and*

WHEREAS, the City intends to borrow up to \$3 million for the purpose of financing public infrastructure improvements in the IRD, as outlined in the IRDDP; *and*

WHEREAS, the revenues can be used to pay all or a portion of the debt service obligation associated with borrowing for public infrastructure improvements; *and*

WHEREAS, the City of Easthampton finds that the IRD and IRDDP are consistent with the requirements of M.G.L. c. 40Q and will further the public purpose of encouraging increased residential, industrial and commercial activity in the City of Easthampton and in the Commonwealth; *and*

NOW THEREFORE, the City of Easthampton hereby resolves pursuant to Chapter 40Q of the Massachusetts General Laws To:

1. Designate the Ferry Street Invested Revenue District, such Ferry Street Invested Revenue District being within with the previously created Ferry Street Development District; *and*

2. Adopt the Ferry Street Invested Revenue District Development Program, on file in the Planning Department;
3. Establish a Development Program project stabilization date of July 1, 2020 and an end date of June 30, 2050; and
4. Establish a Development Program Fund with a Project Cost Account and Development Sinking Fund, pursuant to said Chapter 40Q; and
5. Direct that the Planning Department under supervision of the Mayor is authorized to take all actions which are required, reasonable or necessary to administer and implement the Ferry Street Invested Revenue District and Ferry Street Invested Revenue District Development Program; and
6. Direct that all municipal departments aid the Planning Department in the administration and implementation of the Ferry Street Invested Revenue District and Ferry Street Invested Revenue District Development Program; including but not limited to the Assessor, Treasurer and Auditor Departments.
7. Direct that all relevant municipal departments report the ongoings of the Ferry Street Invested Revenue District and Ferry Street Invested Revenue District Development Program to the City Council upon request.

It is resolved that this resolution be and is a formal, duly enacted order of the City Council of Easthampton, Massachusetts as approved by the Mayor, identifying and approving the formation and creation of the proposed Ferry Street Invested Revenue District, Ferry Street Invested Revenue District Development Program and Development Program Fund, and identifying the entities and/or individuals who may act on behalf of the municipality in implementing the Ferry Street Invested Revenue District Development Program within the Ferry Street Development District.

Dated this 17th day of September, 2025

PER ORDER OF THE EASTHAMPTON CITY COUNCIL


James P. Kwiecinski, City Council President

APPROVED BY



Salem Derby, Interim Mayor

APPROVED AS TO FORM



Mark Tanner, City Solicitor

**BORROWING / BONDING AUTHORIZATION
FY 2026**

Date: 07/03/2025

Request is hereby made for the following:

1. Amount requested: **\$3,000,000**

Michael P. Owens
(Treasurer's Approval)

2. To be funded by: Borrowing or Bonding

3. To be borrowed or bonded for:

The demolition of the existing structures at 11 Ferry Street and the construction of infrastructure improvements, including public utility services, public parking, emergency vehicle access, and a multi-use path to connect Ferry Street to the northern section of the Manhan Rail Trail, as provided for in the Ferry Street District Improvement Financing Development Program.

ls

Mayor's Signature

City Council Action

Date of City Council meeting: July 9, 2025

Date referred to Committee: July 9, 2025

Public hearing date: Sept. 17, 2025 Date of Advertising: Sept. 6, 2025

Number present & voting: 7

Bonding/Borrowing Approved: \$ 3,000,000.00

Bonding/Borrowing Disapproved: \$_____

Jan J. Kucinski
 Tamara Smith
 [Signature]
 [Signature]
 [Signature]

Mayoral Approval

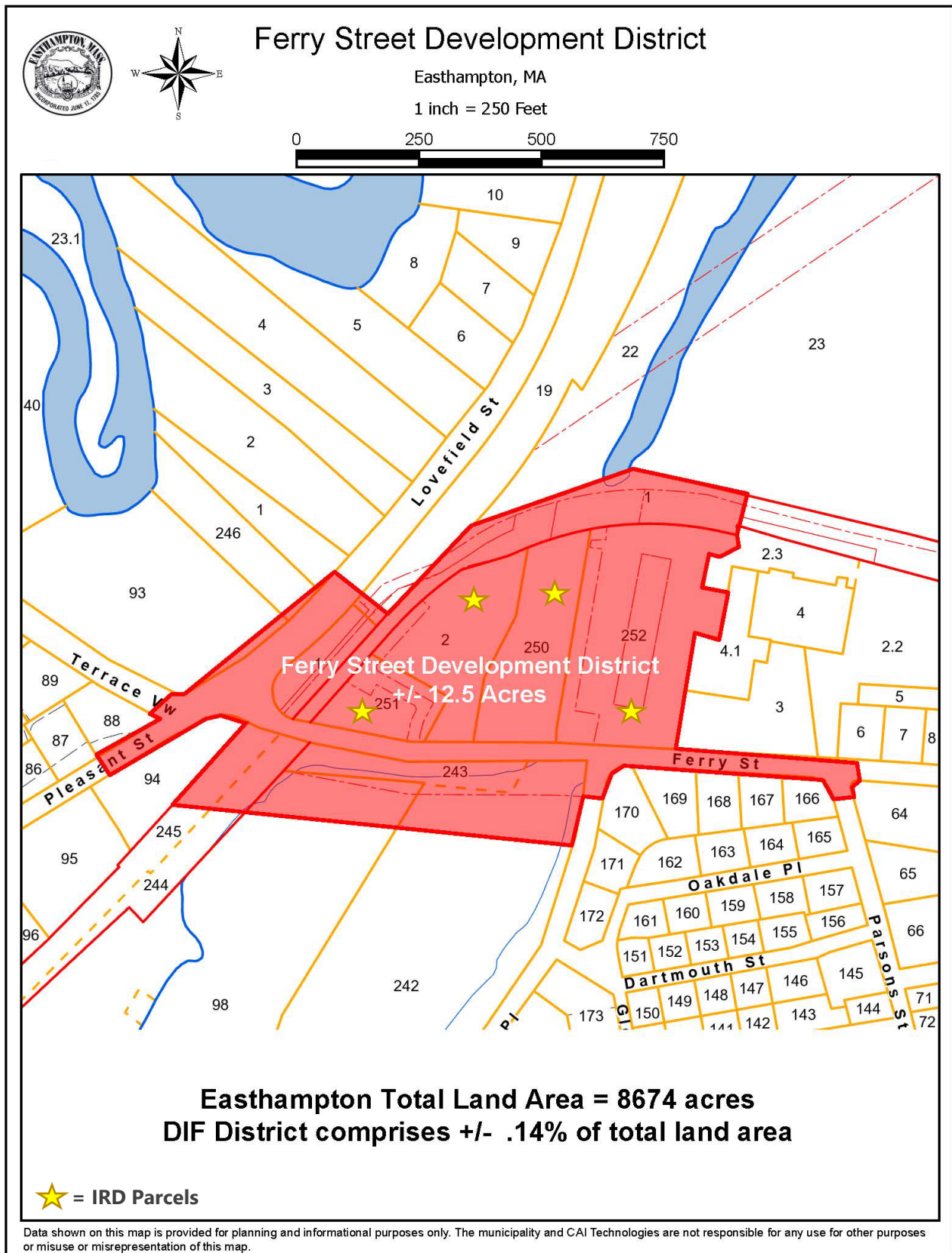
Pursuant to Section 3-7 of the Easthampton Home Rule Charter, I, Salem Derby, Interim Mayor of the City of Easthampton, hereby approve the foregoing City Council action.


Salem Derby, Interim Mayor

9/18/25

Date of Approval

Appendix C: Map of the DIF District



Appendix D: List of Parcels in the DIF District

The District is comprised of 10 parcels as of 2025, 6 of which are partial parcels (i.e. only a portion of the parcel is in the District). The 6 partial parcels are not in the IRD, and they include portions of the Manhan Rail Trail and a portion of Lower Mill Pond and the Ferry Street Boardwalk. A total of 4 total parcels are located within the IRD, all of which are indicated in the table below.

No parcels are intended to be acquired by the City. The City has existing easements over parcels 135-251, 135-2, 135-250, and 135-252.

Note that at the time the Ferry Street DIF District was created in 2018, parcels 135-2, 135-252, 135-250 and 135-251 were all one parcel (135-2).

DIF District and IRD Parcel Summary (as of 2025)							
Parcel Number	IRD	Property Address	Owner Name	Owner Address	Owner City	Owner State	Owner Zip
130-19	No	LOVEFIELD ST	EASTHAMPTON CITY OF	50 PAYSON AVE	EASTHAMPTON	MA	01027
131-1	No	ARTHUR ST	EASTHAMPTON CITY OF	50 PAYSON AVE	EASTHAMPTON	MA	01027
135-1	No	LOVEFIELD ST	EASTHAMPTON CITY OF	50 PAYSON AVE	EASTHAMPTON	MA	01027
135-2	Yes	5 FERRY ST	ONE INDUSTRIAL LOFTS, LLC	180 PLEASANT ST ST 6	EASTHAMPTON	MA	01027
135-242	No	LOWER MILL POND	ONE INDUSTRIAL LOFTS, LLC	180 PLEASANT ST ST 6	EASTHAMPTON	MA	01027
135-243	No	FERRY ST BOARDWALK	ONE INDUSTRIAL LOFTS, LLC	180 PLEASANT ST ST 6	EASTHAMPTON	MA	01027
135-252	Yes	9-11 FERRY ST	EASTHAMPTON CITY OF	50 PAYSON AVE	EASTHAMPTON	MA	01027
135-250	Yes	7 FERRY ST	ONE INDUSTRIAL LOFTS, LLC	180 PLEASANT ST STE 6	EASTHAMPTON	MA	01027
135-251	Yes	3 FERRY ST	ONE INDUSTRIAL LOFTS, LLC	180 PLEASANT ST STE 6	EASTHAMPTON	MA	01027
136-98	No	EVERETT ST RR	CITY OF EASTHAMPTON	50 PAYSON AVE	EASTHAMPTON	MA	01027