

Tax Increment Financing for Downtown TOD

Board of Selectmen
January 3, 2017

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AGENDA

- “ Review Downtown Vision
 - “ Actions taken
- “ Overview of Key Opportunities
 - “ 266 Waverly Street
 - “ 75 Concord Street
- “ Asks for TIF Assistance and Rationale
- “ Urban Center Housing TIF (UCH-TIF) program – New Plan & Zone
- “ Timeline
- “ Decisions & Motions Asked:
 - Support Both TOD projects in principle and agree to develop TIF agreements
 - 266 Waverly Street – approve \$60,000 Construction Year building permit fee cap

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REALIZING THE DOWNTOWN VISION

TODAY: CONCORD AT HOWARD STREETS



FUTURE: CONCORD & HOWARD STREETS



"We want to make Downtown Framingham a vibrant, urban, diverse, multi-cultural center that can really be a hub of economic activity in the MetroWest region."

- Summary Vision Statement for Downtown



Transit-Oriented Development (TOD): A Proven & Successful Model

Waltham – The Merc

- “ 269 apartments (27 affordable)
- “ 27,595 SF retail
- “ 300 car garage + 92 surface parking spaces



Natick – Modera Natick Center

- “ 150 units near MBTA Station
- “ 6.4-acre site
- “ Parking deck + surface parking



Waltham – Cronin's Landing

- “ 281 residential units
- “ 25,500 SF retail
- “ Completed in 1998



Marlborough – Village District Zoning

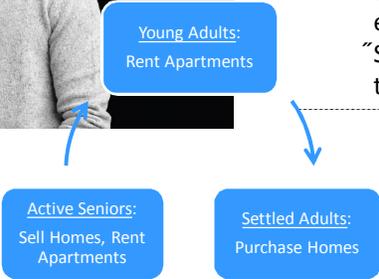
- Introduces major changes for new developments, including:
- “ redefining allowable uses
 - “ relaxing parking requirements
 - “ revising design standards

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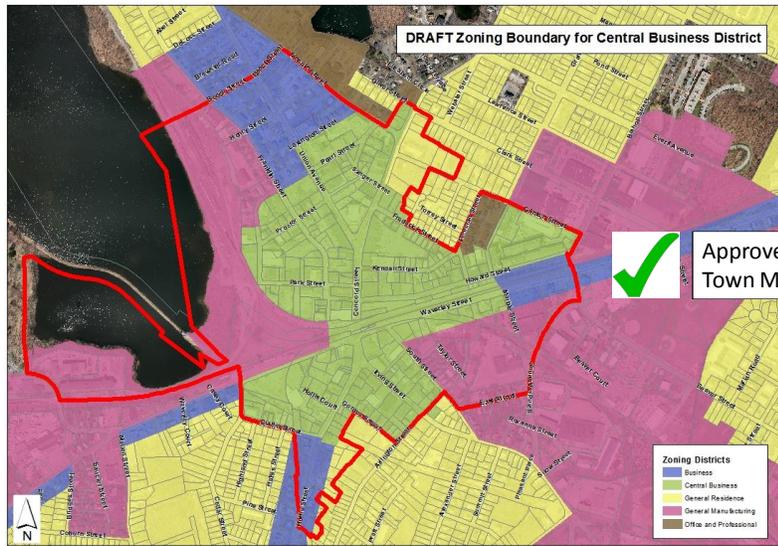
Housing Relevant to Framingham's Future



- ” Downsizing Baby Boomers
- ” Millennials
 - ” Aged 18 – 36, 77 million, or 24% of US population
 - ” 62% prefer urban, mixed-use communities
 - ” 66% are renters
 - ” Declining auto ownership
 - ” Boston: #3 market for wealthy millennials earning > \$100K/yr
 - ” Seeks simplicity, authenticity, walkability & transit choice



EXPANDED CENTRAL BUSINESS (CB) DISTRICT ZONE



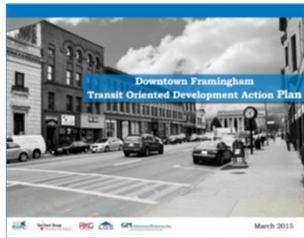
0 240 480 960 Feet
 Disclaimer: The information on this map is produced by the Town's Geographical Information System (GIS). The Town of Framingham cannot guarantee the accuracy of the displayed layers. Field investigation is required for exact boundaries.
 Date: 9/23/2015
 Framingham Planning Board
 Memorial Building - Room 8-21 • 150 Concord Street
 Framingham, MA 01702-6379
 (508) 532-5450 • planning.board@framinghamma.gov



KEY FINDINGS – CB MARKET RESEARCH

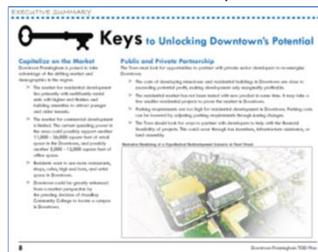
Downtown is poised to take advantage of market & demographic shifts

- “ Residential market – multifamily w/ higher end finishes
- “ Commercial market – limited options
- “ Residents want more amenities



Town must look for opportunities to partner with private developer

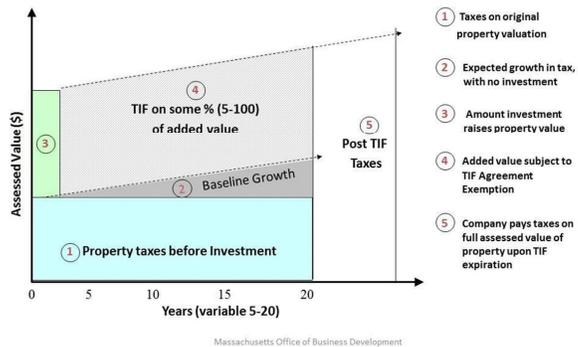
- “ Today, development marginally profitable, due to costs
- “ Untested residential market w/o comps
- “ Options include tax incentives, infrastructure assistance, or land assembly



TIF AGREEMENTS INCENTIVISE NEW INVESTMENT

- “ TIF agreements encourage investment by reducing costs and risk
- “ Property owner continues to pay property tax on pre-investment value
- “ During TIF term, Town & developer share investment-driven, incremental property tax revenues
- “ At end of TIF term, Town accrues all incremental property tax revenues
- “ Town has recent, successful experience: TJX Companies & Jack's Abby Brewing

Tax Increment Financing (TIF) Agreement Mechanics



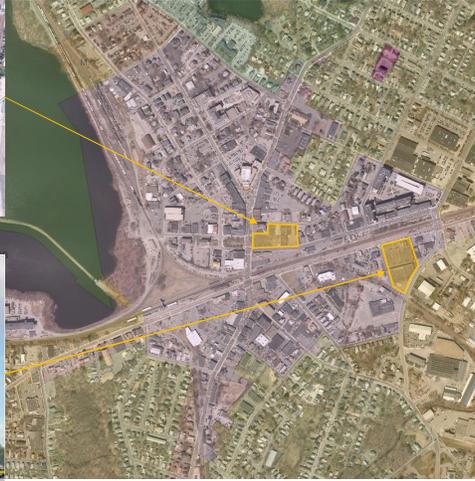
TWO TOD OPPORTUNITIES



75 Concord Street – Alta Framingham
Wood Partners



266 Waverly Street – Modera Framingham
Mill Creek Residential Trust



75 CONCORD STREET

Investment	Est. \$60MM
Type	Mixed Use, w/ ~2.6K SF Retail
Units & Mix	197
Studio	0%
1BR	70%
2BR	30%
3 BR	0%
Affordable	20
Stage	Due Diligence, PB in late JAN 2017
Challenges	First Mover in Untested Market Geotechnical Mitigation Parcel Aggregation
Other	Presented to Tech Review Team on 12/22/16
Status	Agreed in principle to \$6.3MM TIF, w/ 20-year term



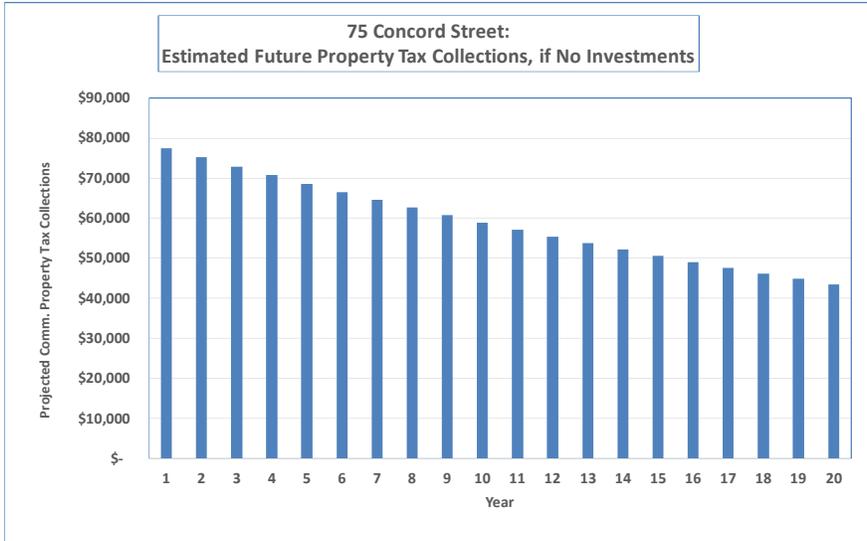
75 CONCORD STREET CONCEPT



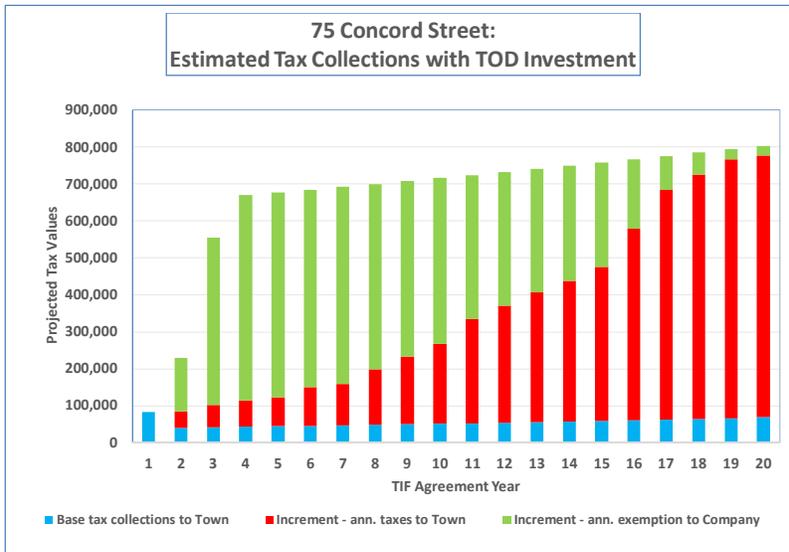
75 CONCORD STREET CONCEPT



75 CONCORD: Tax Collections with No Investment



75 CONCORD: Tax Collections with UCH-TIF Driven Investment



266 WAVERLY STREET

Investment	\$73MM
Type	Multifamily
Units & Mix	270
Studio	11%
1BR	35%
2BR	44%
3 BR	9%
Affordable	27
Stage	Permitted
Challenges	First Mover, Major Investment South of Waverly Street, Greater Distance to Transit, Entering Untested Market
Other	Easement to widen Marble Street, near Blandin Ave.
Status	Agreed in principle to \$2.8MM, TIF w/ 7-year term



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266 WAVERLY STREET

MILL CREEK
RESIDENTIAL

Articulated Facades



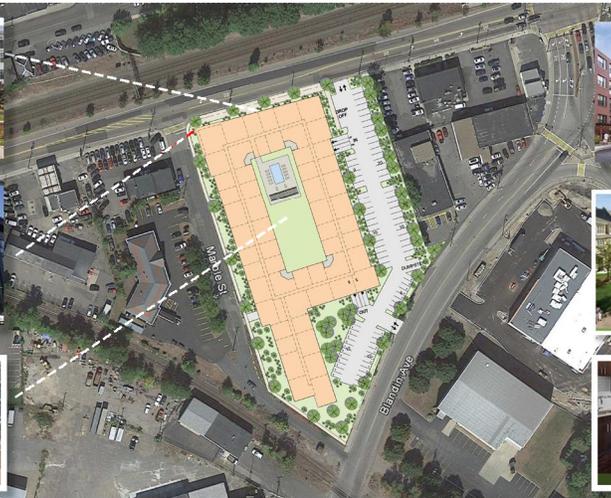
Boardfront along Blandin



Pool with a View



ICON
ARCHITECTURE



Thin street wall lift



Luxury Landscaped interior courtyard



Gracious, large units



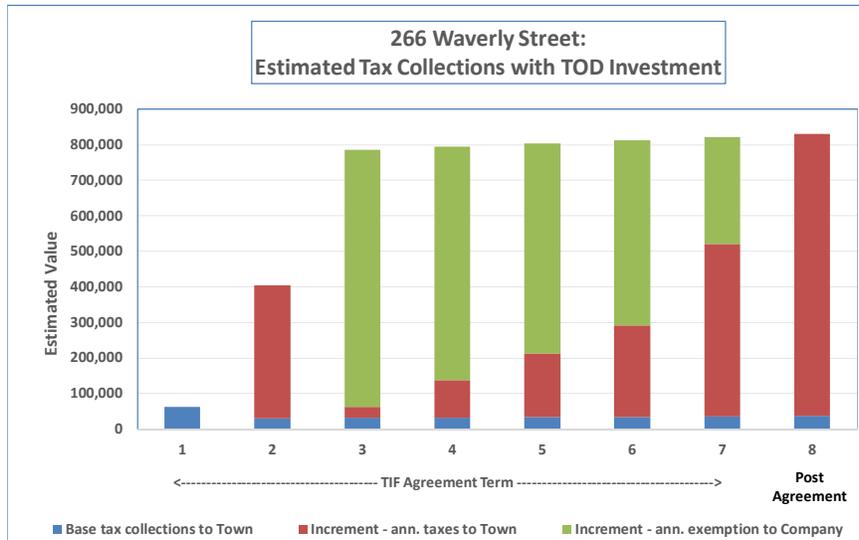
Conceptual Site Plan

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266 WAVERLY: Limited Tax Collections Outlook



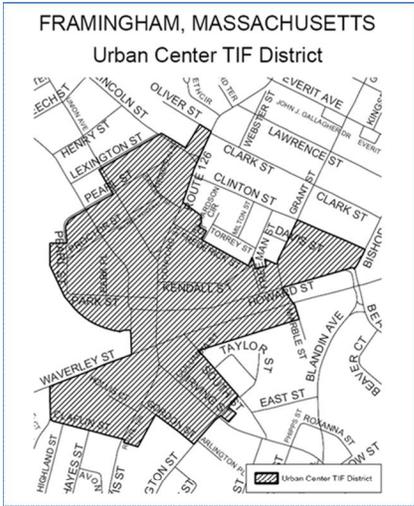
266 WAVERLY: Tax Collections with UCH-TIF Driven Investment



NEXT STEPS:
New UCH-TIF Plan & Zone

- “ State created Urban Center Housing TIF (UCH-TIF) allowing communities to encourage mixed-use projects
- “ Town created UCH-TIF Plan & Zone in 2005, through a process:
 - “ Public Hearing
 - “ BoS & Town Meeting votes
 - “ DHCD approval

FRAMINGHAM, MASSACHUSETTS
Urban Center TIF District



Current UCH-TIF Zone



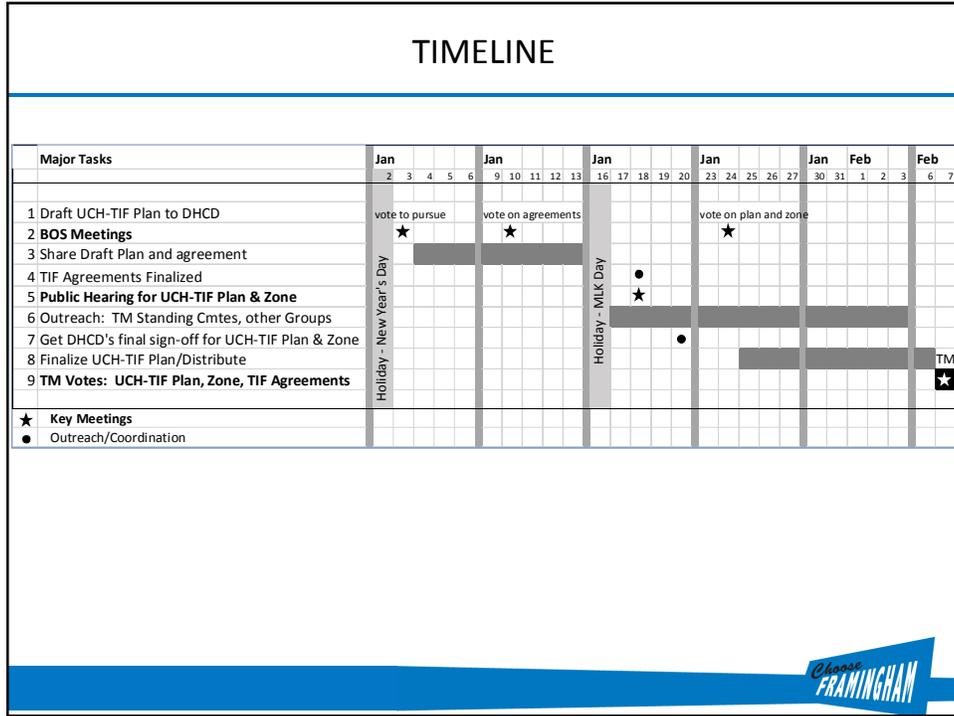
NEXT STEPS:
New UCH-TIF Plan & Zone

- “ New UCH-TIF program rules provide more flexibility to communities
- “ CED recommends creating new UCH-TIF Plan & Zone, to match our expanded CB District, for two reasons:
 - “ Allows Town to provide TIF agreements to 75 Concord & 266 Waverly Street developers – not possible now
 - “ Provides Town option to support TOD projects located throughout the expanded CB District
- “ Recommended sequence to expanding the UCH-TIF Zone follows several steps:
 - “ Public hearing – 1/18/17
 - “ BoS vote – 1/24/17
 - “ Special Town Meeting – TBD, week of 2/7/17?
 - “ Final DHCD approval

FRAMINGHAM, MASSACHUSETTS
Urban Center TIF District







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