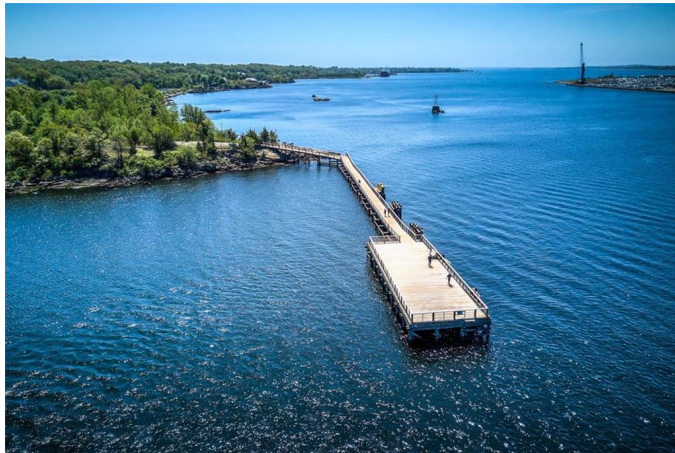




Kettle Point: a Model of Excellence in Plan Implementation



*A Win for the City of East
Providence
Annual TIF Update
September 2022*

Kettle Point Development Community Benefits



Provides for public
access to new
recreational amenities

Urban Coastal
Greenway public
walkway
Boardwalk & Fishing
Pier in upper
Narragansett Bay



Provides a new option of residential
living space to the city's aging housing
inventory



Attracts new residents to support local
economy & civic groups



Improves housing values of
surrounding neighborhoods

Tax Increment Financing



Base value is set at pre-development assessed value



Development increases the assessed value (captured value)



Higher assessed value results in additional property tax revenues

These new revenues are the tax increment or captured revenues



City commits to reinvest a portion of the increase in property tax revenues to encourage desired development



City can leverage new revenues to issue TIF bonds to finance public improvements within the area

Structuring of debt service for TIF bonds to align with cash flow of incremental tax revenues is critical

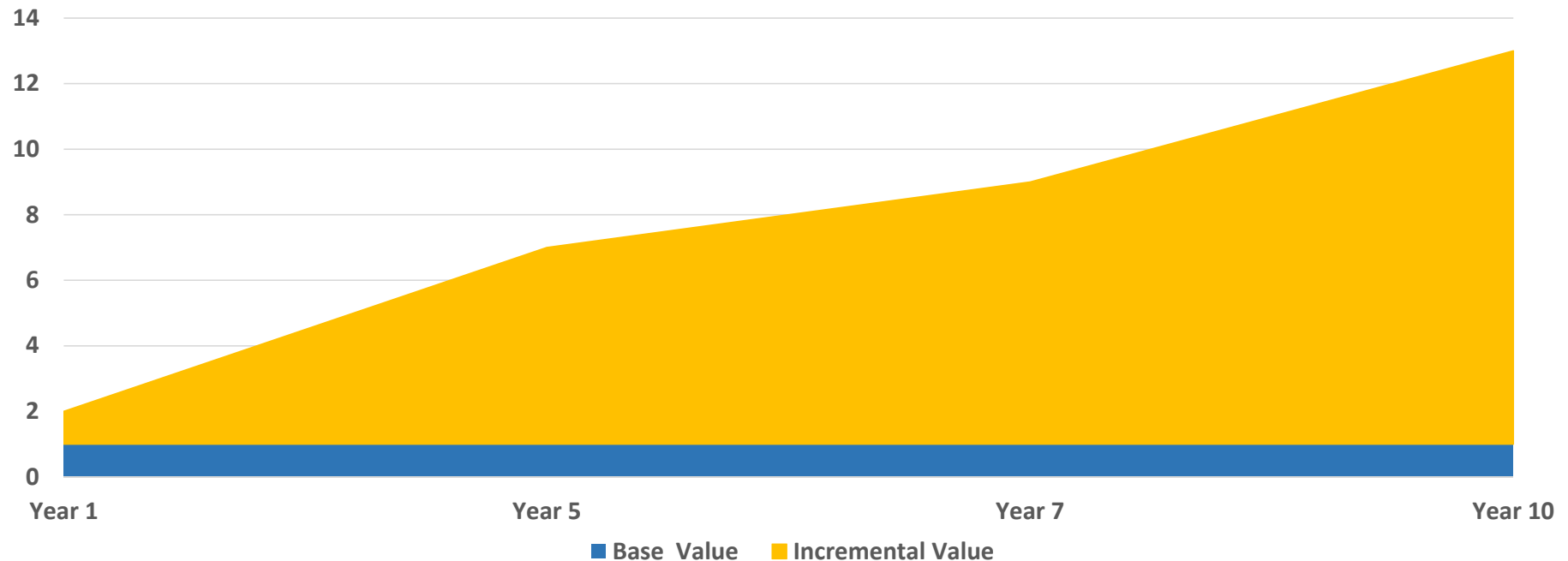


Bonds are non-recourse obligations and include a special assessment on property as a back stop. Bonds also rely on debt service reserve fund

How East Providence TIFS Work

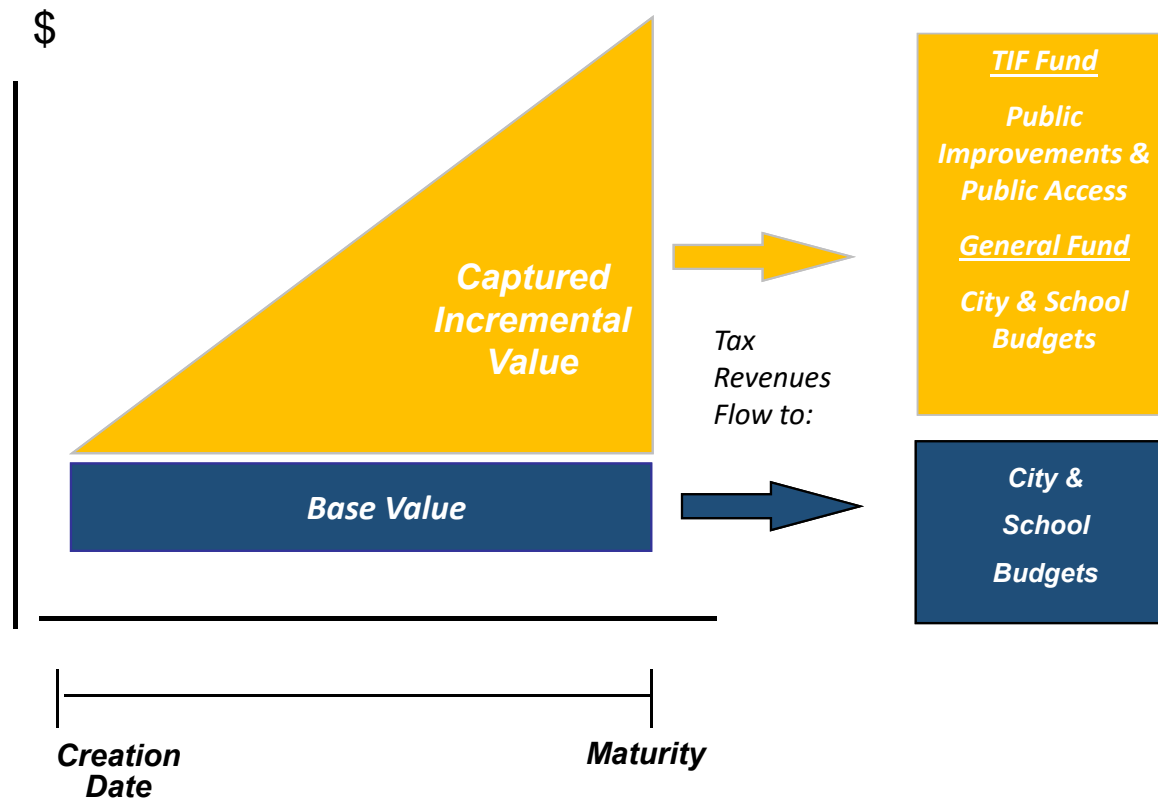
As improvements to property are made both the assessed values & tax revenues increase

No taxes are deferred or abated but rather are channeled to fund public improvements that support private investment



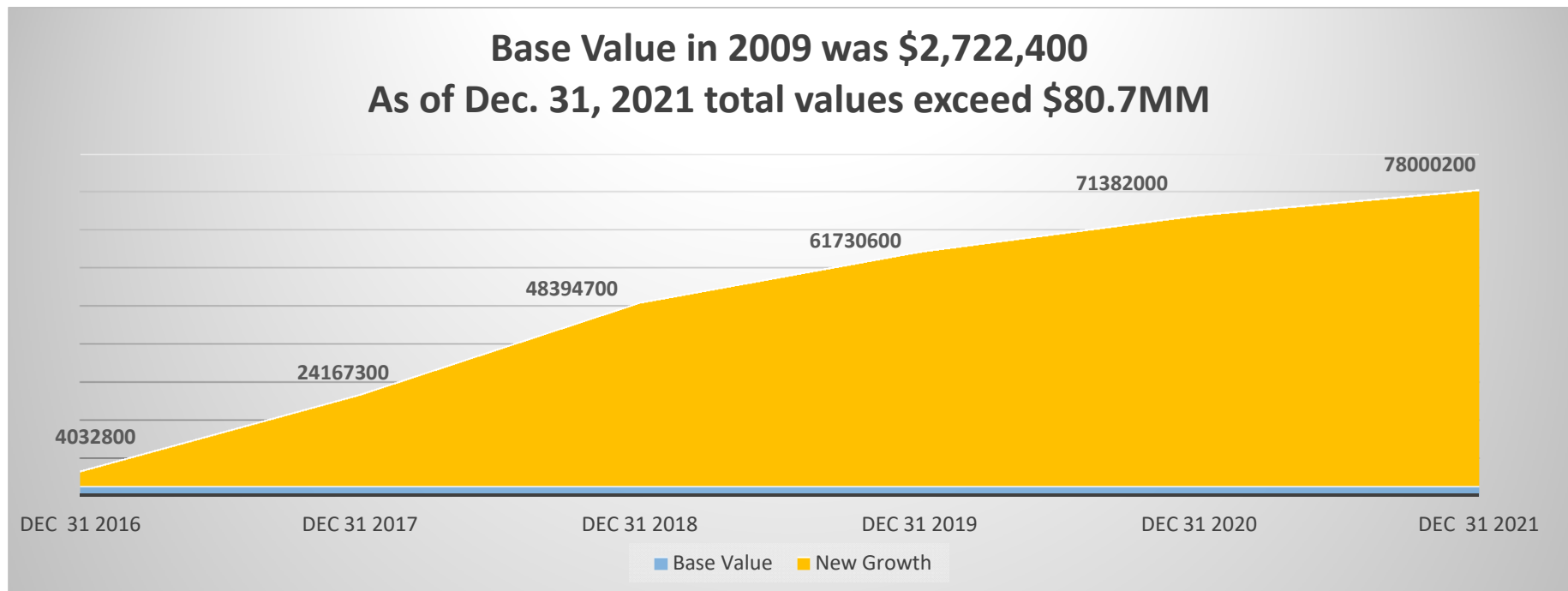
TIF District Property Tax Revenues

(Does not include Tangible or MV taxes)



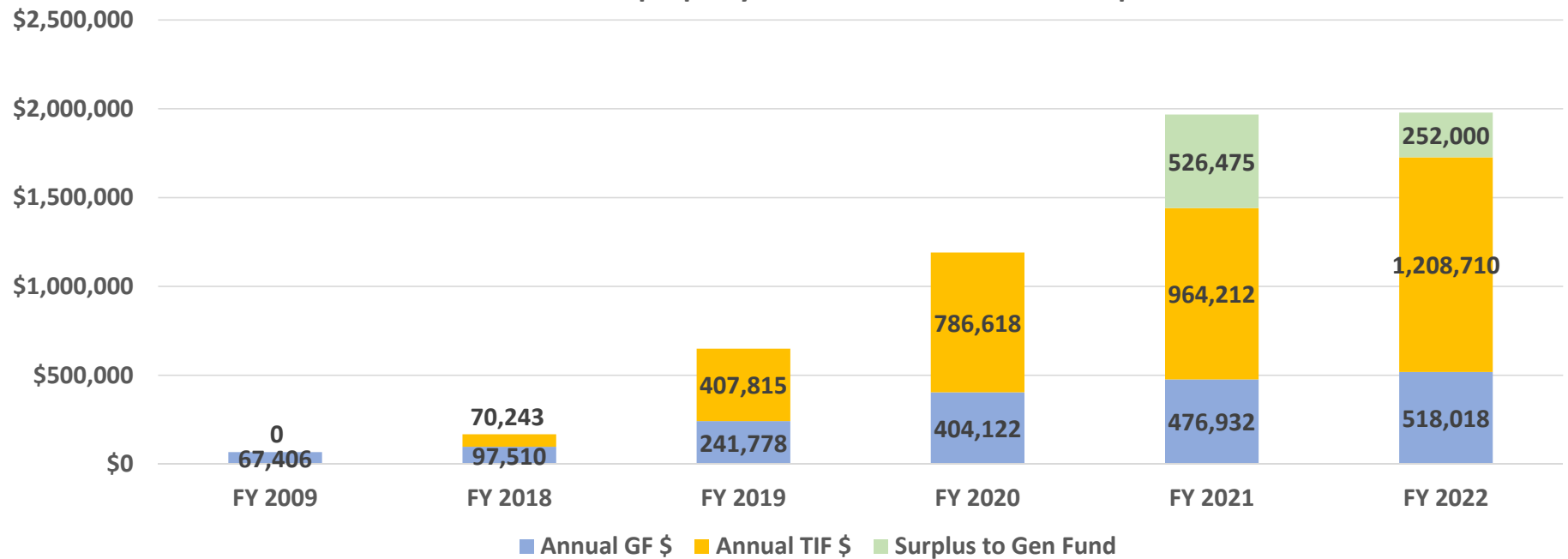
Kettle Point Case Study

Kettle Point TIF District Trend of Assessed Property Values



Kettle Point TIF District Total Tax Revenues

In 2009 the property generated \$67,406 in annual property taxes. As of FY 22 over \$1,726,728 in total annual property taxes stem from the development



*Does not include tangible tax revenues
FY 21 tangible taxes to city = \$84K*

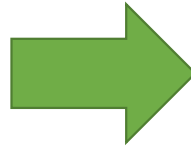
TIF Revenues FYE October 31, 2022

Available Funds:	
Reserve Fund investment income as of 6/30/2022	\$696.13
Pledged Tax Increment Account balance as of 8/3/22	\$279,222.70
Available Interest Account of the Bond Fund at August 3, 2022	\$3.71
Available Principal Account of the Bond Fund at August 3, 2022	\$606.12
First Installment FY22 Pledged Property Tax Revenues to be transferred	\$926,161.78
Total Available Funds	\$1,206,690.44
Transfers Required Pursuant to Section 5.03(a) of the Indenture :	
1. Administrative Expense Fund: Administrative Expenses coming due	(\$33,082.00)
2. Interest Account: Amount to fund interest payments due through May 15, 2023	(\$810,750.00)
3. Principal Account: Amount to fund principal due on May 15, 2023	(\$110,000.00)
4. Debt Service Reserve Fund: Amount to fund Reserve Requirement	\$0.00
5. Issuer's General Fund: Surplus after transfer required under 1-4 (October 31, 2022)	(\$252,858.44)

TIF Revenues FYE October 31, 2021

Available Funds:	
Reserve Fund investment income as of 10/28/2021	\$46,869.77
Pledged Tax Increment Account balance as of 10/28/21	\$1,408,445.90
Total Available Funds	\$1,455,315.67
Transfers Required Pursuant to Section 5.03(a) of the Indenture :	
1. Administrative Expense Fund: Administrative Expenses coming due	(\$30,091.00)
2. Interest Account: Amount to fund interest payments due through May 15, 2022	(\$818,750.00)
3. Principal Account: Amount to fund principal due on May 15, 2022	(\$80,000.00)
4. Debt Service Reserve Fund: Amount to fund Reserve Requirement	\$0.00
5. Issuer's General Fund: Surplus after transfer required under 1-4 (October 31, 2021)	(\$526,474.67)

2021 Project of the Year Video of Kettle Point's Remediation



Built in Safeguards Protect City Finances



Non-recourse, limited tax obligations with a special assessment as a backstop and require debt service reserve fund



Require a Development Agreement with a minimum private investment amount enough to cover debt service payments



Aim for a high multiplier of private investment relative to public investment



Establish development milestones outlined to trigger a TIF bond issuance

Bonds are sized based only a portion of the incremental revenues



Annual Reporting & Monitoring of TIF revenues and payments