

Kettle Point Annual Assessment Report, 2024

2021 Environmental Business
Council Award



Before

25 Petroleum Storage Tanks 1930 -1985

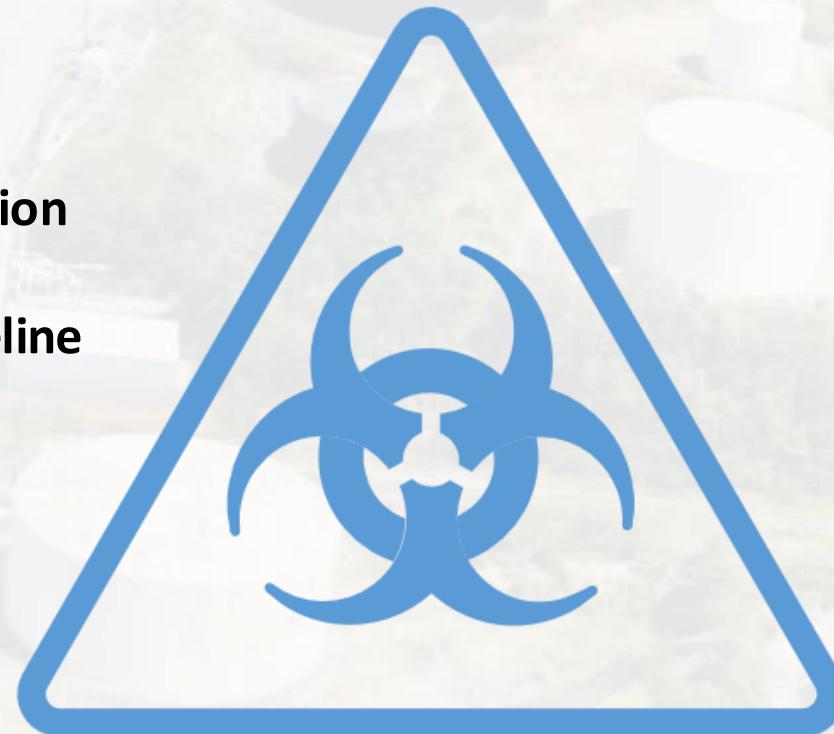
Contaminated Soil unsuitable to support vegetation

Fenced off with no public access to area or shoreline

Environmental hazard to community

Property value was \$2,200,000

STATUS: Dormant





Kettle Point Served as
Petroleum Tank Farm
1930 - 1985

Kettle Point Post Tank Removal

Tanks removed but property deemed Brownfield due to soil & groundwater contaminants



After

- ✓ Public Access & public parking to environmentally safe area
- ✓ New walking trails with access to East Bay Bike Path
- ✓ New City Park featuring 600 foot boardwalk & pier
- ✓ 62 new townhomes and 228 apartments
- ✓ New medical office building with 225 employees
- ✓ Property values over \$98,000,000

STATUS: ACTIVE

Before



After

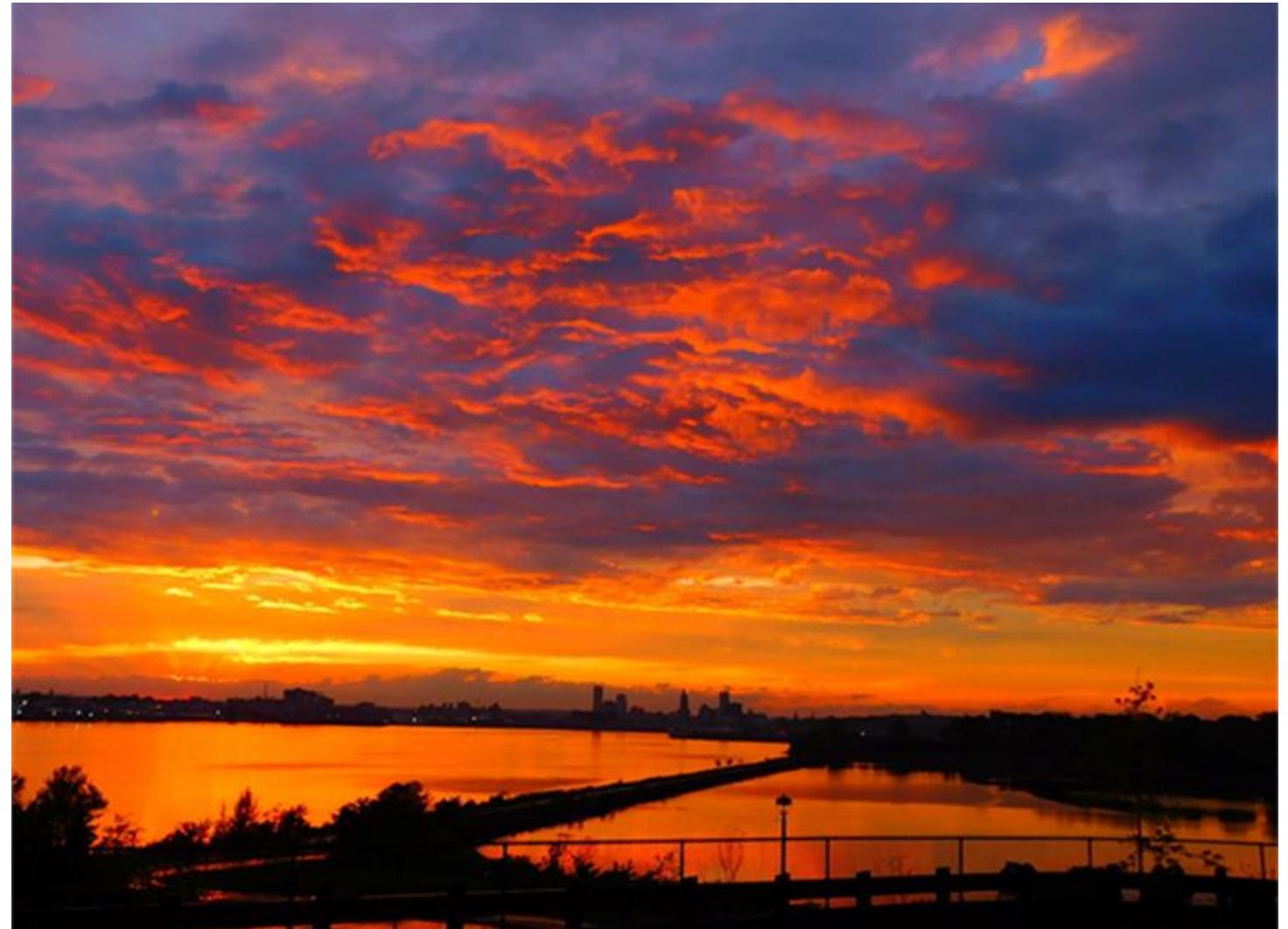




Kettle Point Now

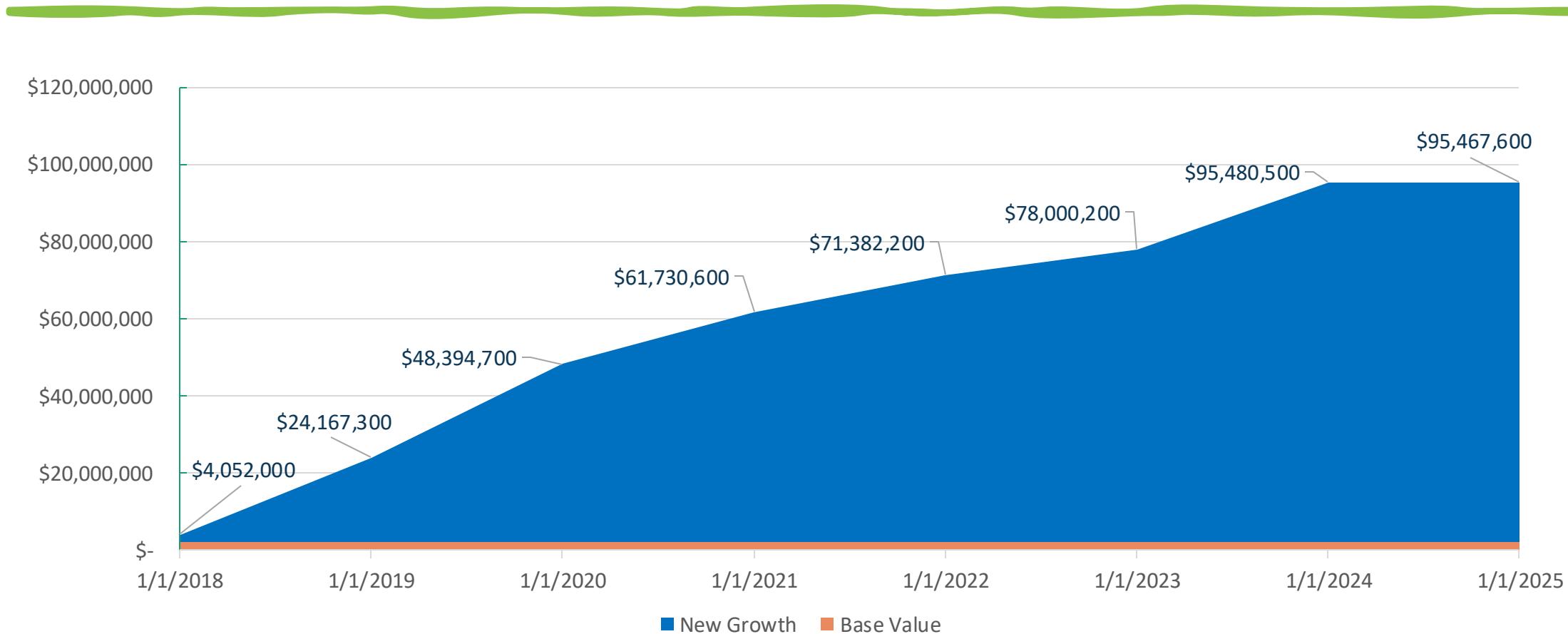
Now

- Photo taken from Kettle Point Bike Path Parking area, 2019
- Site was made open to public in 2018
- Sunset appears nightly

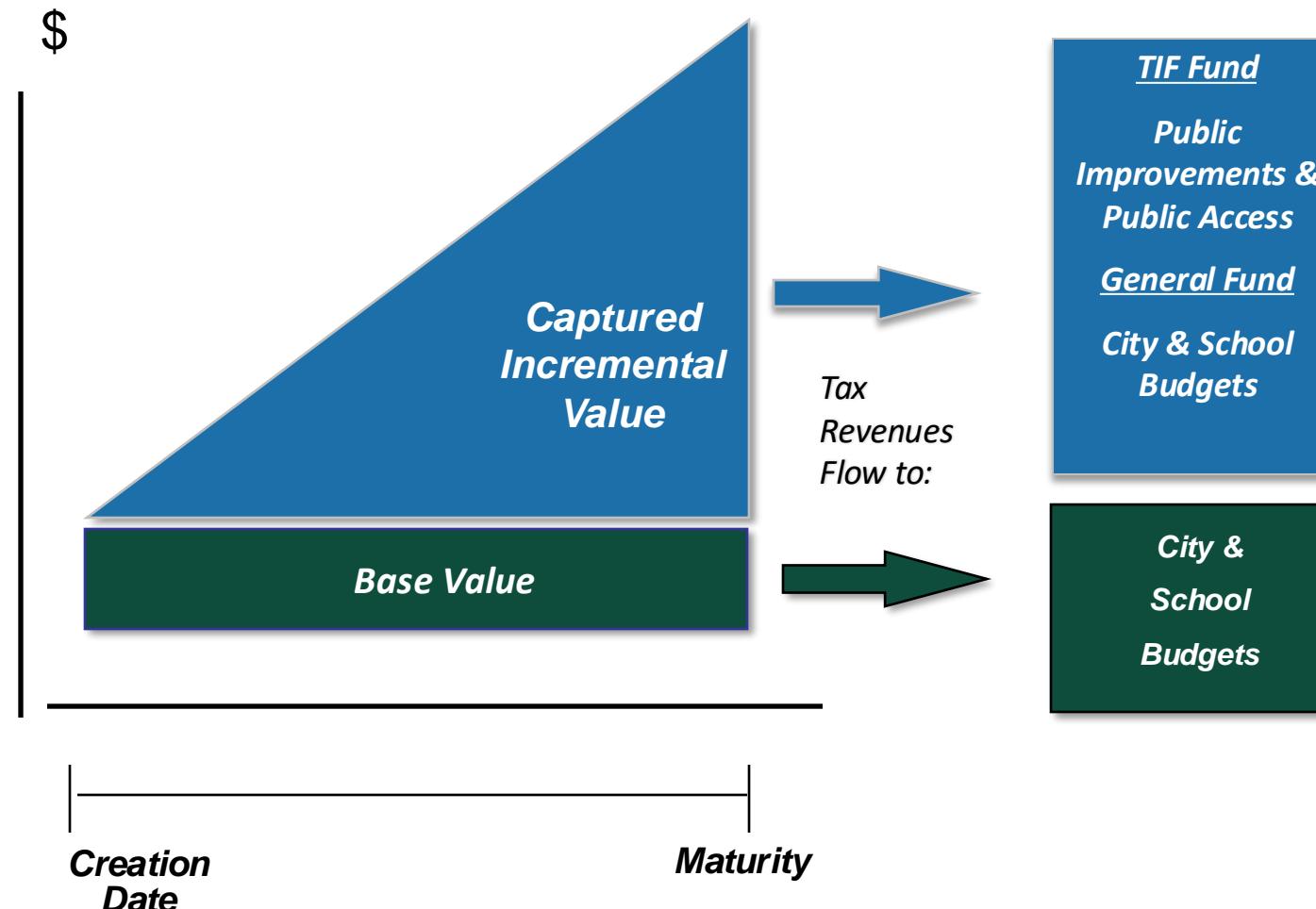


Kettle Point Case Study

Kettle Point New Growth in Assessed Value



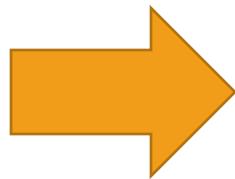
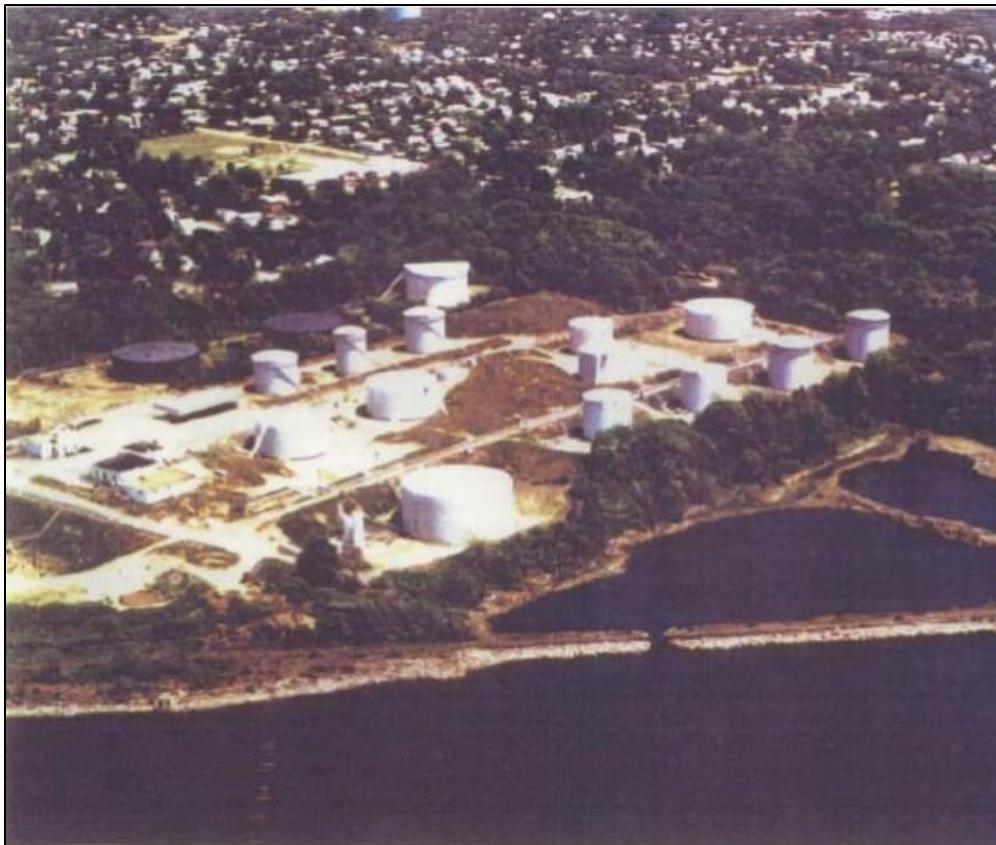
TIF District Property Tax Revenues



Kettle Point TIF Revenues Remain Strong

- Dec 31, 2023, Assessed Values, (AV) in the TIF District = **\$98,190,000**
 - (Increase from only \$2,272,400 in base year of 2009 & generated \$67,000 in taxes)
- This represents an increase in the incremental AV of **\$95,467,600**
- When applying a 98.5% collection rate this AV generates **\$1,774,639** in annual available property taxes
 - The pledged revenues to the TIF fund are \$1,242,247, (70%), and the general fund receives \$532,392, (30%).
 - TIF revenues exceed the FY 24 debt service obligation of \$956,250
- Surplus revenue to be transferred to city's general fund for FYE 10/31/24 is **\$251,410** which is in **addition** to the **\$532,392** (30%) general fund share already noted.

Kettle Point Transformation



Kettle Point Development Community Benefits



Provides for public access to new recreational amenities Urban Coastal Greenway public walkway & pier



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 by eliminating pollution hazard



No adverse impact to city utilities or public safety services

Tax Increment Financing

How East Providence TIFS Work



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

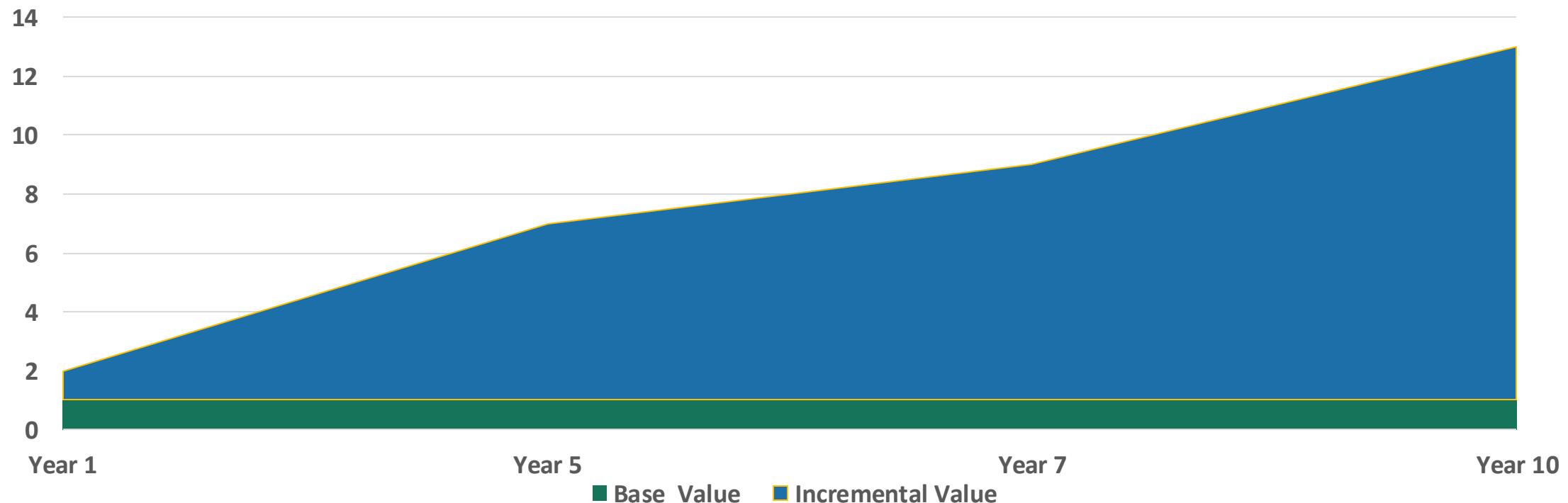
Structuring of debt service for TIF bonds to align with cash flow of incremental tax revenues is critical



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

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



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