

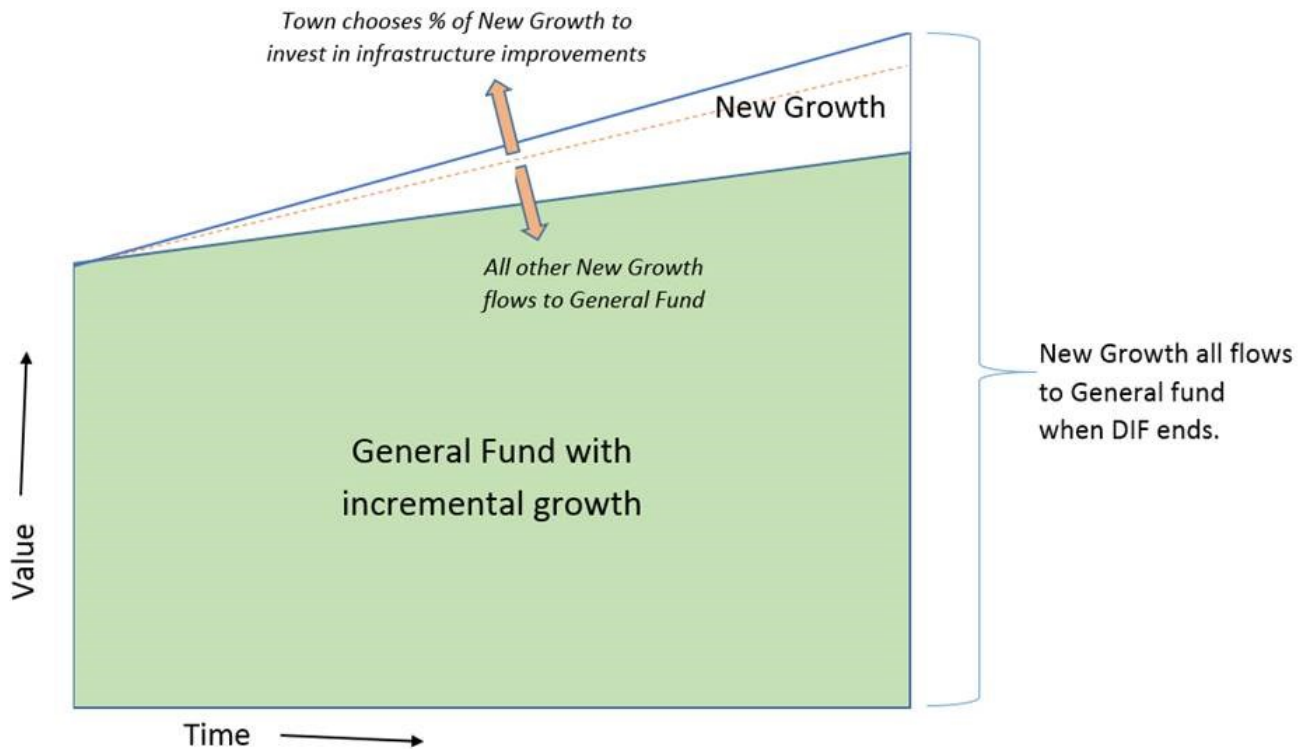
INFORMATION REGARDING ARTICLE 27

Why consider District Improvement Finance (DIF)?

The Providence Highway is a long scar that runs the length of Dedham. It divides the town in half and creates barriers that separate residents from other neighborhoods and natural areas, including two watersheds. Long stretches of the roadway are unattractive, and the area suffers from large expanses of asphalt, overhead utility lines, guard rails, and chain link fence. At the same time, properties along the corridor are a strong contributor to Dedham's tax base.

What is DIF? District Improvement Finance (DIF) is a financing method that would enable the Town to leverage future growth in the highway corridor into infrastructure improvements that would benefit everyone. DIF would allow the Town to convert a small portion of the highway's economic strength to heal the scar it has created on the landscape. DIF is not a new tax or special assessment. It doesn't raise or lower anyone's taxes. It is not a spending or borrowing authorization. Spending or borrowing of DIF funds would be controlled by Town Meeting.

How does DIF work? A municipality can create a district where it wants to invest in infrastructure. An increment of "new growth" in the district—meaning only property tax revenue generated by future development within the district—would be allocated to pay for infrastructure improvements within the district for a set period of time. All other property tax in the district, including most of the new growth and all of the existing tax revenue, would flow to the General Fund. (See diagram below.)



What does DIF accomplish? By creating a DIF, a municipality signals that infrastructure improvements in the district are a community priority. This creates an incentive for private investment within the district. DIF funds are generated after private sector projects create new value in the commercial corridor.

What other cities and towns have DIF districts or are considering implementation?

Municipalities include Agawam, Amesbury, Athol, Brockton, Easton, Longmeadow and East Longmeadow, Nantucket, Quincy, Somerville, Springfield, Taunton, and Worcester. Some are considerably larger or smaller than Dedham. In terms of population, Agawam (28,849) and Easton (27,109) are similar in size to Dedham (25,364).

What is “infrastructure”?

Infrastructure typically means physical structures located on, over, or under public land. These include streets, sidewalks, street lighting, bike paths, bus stops, bridges, culverts, retaining walls, sewer and storm water systems, flood controls, utility poles and overhead lines, trees, landscaping, and other physical elements. Most infrastructure is owned by municipal, state, or federal entities.

Who normally pays for infrastructure improvements?

Generally speaking, the owner of the infrastructure pays for its design, construction, and maintenance. In Dedham, Town infrastructure is paid for largely by residential and commercial taxpayers. Each year, State Aid provides funds to help Massachusetts municipalities pay for road construction and upkeep. State and Federal grant programs also can help fund infrastructure projects. DIF would augment but not replace these traditional funding sources. DIF funds could be paired with—and potentially attract—State and Federal grants, especially for grants requiring matching funds.

What is Town Meeting voting on in May? Warrant Article 27 proposes the Town create a district around the Providence Highway corridor. This would be the first step and would initiate a public discussion of DIF. It does not commit the Town to any infrastructure spending plan and would have no impact on local taxpayers. If—and only if—voters choose to create a district, Town staff from multiple departments would launch a series of public engagement meetings—working with Boards and Committees—to identify the infrastructure improvements along the Providence Highway that the community feels are most important and to list those projects in order of priority.

What happens if Town Meeting votes ‘yes’? If Town Meeting approves the creation of the district, the second step would be to document the community’s vision in the form of a formal infrastructure improvement plan. That plan would be submitted to a future Town Meeting for a vote. The plan would:

- specify long-term infrastructure improvements,
- their prioritization,
- how district funding would be used to address the community's vision, and
- any potential financial implications to residential and commercial taxpayers.

If Town Meeting votes against the infrastructure improvement plan, the district could be dissolved. Dedham can continue to pursue infrastructure improvements in the highway corridor using Town funds, traditional financing methods, and interactions with State and federal agencies and programs.