



City of Holyoke

Aaron Vega, Director

July 25, 2022

Holyoke City Council
536 Dwight Street
Holyoke, MA 01040

RECEIVED
JUL 25 2022
Holyoke City Clerk's
Holyoke, MA

Subject: Economic Development Incentive & Housing Development Incentive Report

Dear Councilors:

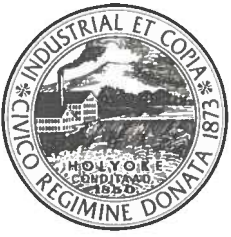
Attached please find a spreadsheet listing the Tax Increment Financing / Special Tax Assessment and Tax Increment Exemption projects for the period ending June 30, 2022. The term Tax Increment Financing (TIF) and Special Tax Assessment (STA) are used for commercial projects under the state's Economic Development Incentive Program (EDIP). The term Tax Increment Exemption (TIE) is used for residential projects under the state's Housing Development Incentive Program (HDIP).

Incentive programs are meaningful tools to attract new businesses and to encourage existing companies to expand. The programs are a three-way partnership between the state, a municipality, and the participating job-creating business or market rate residential developer. Holyoke, in partnership with the Commonwealth, can provide 1) TIF's and STA's (for commercial development), 2) TIE's and state tax credits (for market rate residential development), 3) personal property tax exemptions, and 4) investment tax credits to businesses locating to or expanding in the city. The programs provide the financial tools and incentives necessary to stimulate development in tandem with other local support programs, which strengthen the City's ability to expand its industry base, new market rate housing, generate new tax revenue, retain existing businesses, and create permanent, full-time jobs for Holyoke residents.

The necessity to utilize these programs must be documented by an applicant in an application approved by the Mayor, City Council and the State. After an application to one of these programs is approved by the City and State the projects are known as a Certified Project for commercial / industrial projects or Certified Housing Development Project for residential projects. Listed below are some of the key criteria considered in an application to these programs.

- Creation of permanent, full-time jobs for Holyoke residents
- Create market-rate residential housing units in Center City Holyoke
- Increase the City's commercial, industrial and residential property values and tax revenue
- Eliminate blight and/or redevelop an underutilized property
- Directly or indirectly spur additional, unsubsidized private development
- Benefit the long-term economic development goals of the City of Holyoke

Since the inception of these programs, the City of Holyoke has been a very active and supportive participant. Currently there are 2 active TIF / STA projects for commercial only developments and 3 active TIF / TIE projects for commercial and residential mixed-use developments. These are listed



Mayor Joshua Garcia

Office of Planning & Economic Development

City of Holyoke

Aaron Vega, Director

below.

- Marcotte Ford - TIF for construction of new facility at 1025 Main Street
- Aegis Energy (Jackson Canal, LLC) - STA for expansion and construction at 55 and 59 Jackson Street
- The Cubit (Nestingly 181, LLC) – mixed-use development of the Cubit and adjacent property at 164 Race Street
- Hotel Jess - mixed-use development at 335 Dwight Street
- Canal Row - mixed-use development at 150 Race Street and adjacent parcels

The Hotel Jess and Canal Row projects are in process pending financing and funding of HDIP by State. As with all projects, these projects do not receive incentives until projects are complete.

The attached spreadsheet provides additional detail on the projects including employment, investment, taxes paid, taxes exempt, and changes in assessed valuation.

Thank you for your support of these programs and projects. We also want to acknowledge and thank the Assessors Office for their role in implementing the projects. OPED will continue to utilize these programs as appropriate to stimulate economic development, catalyze private investment, expand the local tax base, create and retain jobs for Holyoke residents, support new housing production, and benefit the long-term economic goals of the City. We look forward to more projects in the future as well as answering any questions that Councilors may have.

Sincerely,

Aaron M. Vega

Cc: Mayor Garcia

Debbie Brunelle, Chief Assessor

RECEIVED

JUL 2 2014

Holyoke City Clerk's
Holyoke, MA