

April 1, 2021

Joseph Lopes, President
New Bedford City Council
133 William Street
New Bedford, MA 02740

**RE: New Bedford Tax Increment Financing Program
Proposed TIF Agreement**

Council President Lopes,

The Tax Increment Financing Board has approved the proposed TIF application at their 3.17.21 meeting. This project represents approximately \$4.4 million of new investment in the City and will be responsible for the creation of at least 45 new jobs.

The following proposed project is now ready for submission to City Council:

- ServedWell New Bedford LLC, – 10 year agreement

On behalf of the TIF Board and the project applicant, we are requesting that this item be placed on the City Council agenda for referral to the Finance Committee.

Attached are copies of the project overview, hypothetical calculation, and City Council Resolution for the above-mentioned project for the City Council's review. Should any City Councilor request to visit the sites we would be pleased to arrange the details with the company representatives.

Thank you and please do not hesitate to call with any questions.

Sincerely,



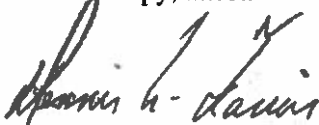
Derek Santos
Executive Director

Cc: New Bedford City Council
Mayor Mitchell's Office

IN CITY COUNCIL, April 08, 2021

Referred to the Committee on Finance – Yeas 9, Nays 0 - (Councillor Coelho not present for vote.)
Dennis W. Farias, City Clerk

a true copy, attest:



City Clerk



CITY OF NEW BEDFORD TAX INCREMENT FINANCING BOARD

1213 Purchase Street
New Bedford, MA 02740

Tel. (508)991-3122
Fax (508)991-7372

Jonathan F. Mitchell, Mayor

TIF/STA PROJECT OVERVIEW

Project:
TIF - proposed 10 -year agreement

ServedWell New Bedford LLC
1480 E. Rodney French Blvd.
New Bedford, MA 02745

Contact Information:
Stephen Silverstein, Manager
Steve@theblackwhale.com

Bob Feingold, Attorney
bfeingold@rbflaw.com

Company Background

ServedWell New Bedford LLC is the operating company formed by New Bedford businessman and restaurateur, Stephen Silverstein, for the purpose of redeveloping and operating a destination restaurant and entertainment center on the New Bedford waterfront using the abandoned Edge restaurant facility and premises (formerly known as Davy's Locker.)

Current Employment

None.

Proposed Project

This project includes the acquisition and renovation 1480 E. Rodney French Blvd. (The Edge) and adjacent site at 1495 E. Rodney French Blvd.

The properties were acquired by Cisco New Bedford, LLC of which Mr. Silverstein is also a member, and Cisco New Bedford LLC will make the investment for the redevelopment of the properties which will be managed and then triple net leased to ServedWell New Bedford LLC.

The proposed redevelopment includes:

(1480 E. Rodney French Blvd.)

- Converting and upgrading the existing restaurant to a Cisco Kitchen + Bar Restaurant
- Improving the structure by: residing, installing new windows and doors, installing new heating and HVAC systems, rehabbing the outdoor patio/deck area, and adding a new sidewalk with granite berms.
- Removing and replacing the existing restaurant parking lot to improve drainage and pedestrian access.
- Expanding the existing ground-level deck for improved seasonal use.
- Establishing a new parking lot on the north side of the restaurant.

(1495 E. Rodney French Blvd.)

- Creating a sand event area for outside live music, food, and beverage service.
- The addition of portable kiosks for food and beverage service (Seasonal: May - October).
- Improving the waterfront access with an extensive boardwalk connecting E. Rodney French on the southwest corner of the site to the City owned pedestrian area located to the north of the project.
- Replacing dock piling and decking, installing moorings, and eventually installing floating docks for boat access.
- Installing an enhanced storm water treatment and on-site recharge system for improved water quality and run off control
- Providing improved curb cuts, ADA parking, public walkways, and extensive landscaping.

As there will be no permanent building structures added to 1495 E. Rodney French Blvd., this proposed TIF is for improvements made to 1480 E. Rodney French Blvd.

Proposed Investment

The proposal requires an investment of approximately \$4.4MM. The acquisition price was \$2.2MM, renovations and redevelopment are budgeted at \$2MM - \$2.2MM.

The 1480 E. Rodney French Blvd. property has a current total assessed value of \$740,700 (FY20).

Based upon the renovations proposed, the increase in value to 1480 E. Rodney French Blvd., is projected to be \$370,350.

Employment Projections

The project proposes the creation of 45 new jobs full-time equivalent jobs over the next 5 years. Also, the company expects to employ an additional 100 part-time seasonal workers.

Job Creation will consist of managers, chefs, cooks, kitchen staff, bartenders, and servers.

EDIP Participation

- Local real estate tax incentive beneficiary (hypothetical calculation is attached)
- Proposed Abandoned building tax credit
- Proposed EDIP State Income Tax Credits

Hypothetical TIF 1480 E. Rodney French Blvd.

Current Assessed Value												
		Current Tax				Tax without TIF		Proposed TIF Structure				
Fiscal Year	Year	Base Value	Building Assessment Increase	Total Assessment	Current Tax Rate	Tax Base on Value	Tax on New Investment	Total Tax Paid w/o TIF	Tax % Paid on New Investment	Tax Paid on New Investment	Tax Benefit	Total Tax Paid
2020	Base	\$ 740,700	\$ -	\$ 1,111,050	33.59	\$ 24,880	\$ -	\$ 24,880		\$ -	\$ -	\$ 24,880
2021	1	\$ 740,700	\$ 370,350	\$ 1,111,050	33.59	\$ 24,880	\$ 12,440	\$ 37,320	5%	\$ 622	\$ 11,818	\$ 25,502
2022	2	\$ 740,700	\$ 370,350	\$ 1,111,050	33.59	\$ 24,880	\$ 12,440	\$ 37,320	15%	\$ 1,866	\$ 10,574	\$ 26,746
2023	3	\$ 740,700	\$ 370,350	\$ 1,111,050	33.59	\$ 24,880	\$ 12,440	\$ 37,320	25%	\$ 3,110	\$ 9,330	\$ 27,990
2024	4	\$ 740,700	\$ 370,350	\$ 1,111,050	33.59	\$ 24,880	\$ 12,440	\$ 37,320	35%	\$ 4,354	\$ 8,086	\$ 29,234
2025	5	\$ 740,700	\$ 370,350	\$ 1,111,050	33.59	\$ 24,880	\$ 12,440	\$ 37,320	45%	\$ 5,598	\$ 6,842	\$ 30,478
2026	6	\$ 740,700	\$ 370,350	\$ 1,111,050	33.59	\$ 24,880	\$ 12,440	\$ 37,320	55%	\$ 6,842	\$ 5,598	\$ 31,722
2027	7	\$ 740,700	\$ 370,350	\$ 1,111,050	33.59	\$ 24,880	\$ 12,440	\$ 37,320	65%	\$ 8,086	\$ 4,354	\$ 32,966
2028	8	\$ 740,700	\$ 370,350	\$ 1,111,050	33.59	\$ 24,880	\$ 12,440	\$ 37,320	75%	\$ 9,330	\$ 3,110	\$ 34,210
2029	9	\$ 740,700	\$ 370,350	\$ 1,111,050	33.59	\$ 24,880	\$ 12,440	\$ 37,320	85%	\$ 10,574	\$ 1,866	\$ 35,454
2030	10	\$ 740,700	\$ 370,350	\$ 1,111,050	33.59	\$ 24,880	\$ 12,440	\$ 37,320	95%	\$ 11,818	\$ 622	\$ 36,698

Totals \$ 273,681 \$ 124,401 \$ 398,082

\$ 62,200 \$ 62,200 \$ 335,881.53