

Capital Mix Estimator: Use and Methodology

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The Capital Mix Estimator is a table into which the user enters project cost and potential funding information in order to explore how DIF can assist with public project development. Calculations are automatically made by the table and excess funding or funding gaps are identified. It is for estimation and understanding purposes only.

The Capital Mix Estimator is a workbook created in Microsoft Excel, which can be accessed on MassDevelopment's District Improvement Financing page at www.MassDevelopment.com.

Go To Capital Mix Estimator

This document presents the Methodology used to develop the Capital Mix Estimator and includes samples from the Microsoft Excel workbook.

Purpose of the Capital Mix Table

This "Uses and Sources" table enables the user to enter estimated project costs and estimated sources of funds in order to identify any funding surpluses or gaps for capital projects and other DIF-eligible projects such as planning and engineering studies, administrative costs, or workforce training. The format is intended to be similar to existing municipal estimation models for capital budgeting, but because DIF Development Programs may include "soft" costs, the Capital Mix Table can be used to analyze these as well.

Calculation Methods

DIF-eligible project costs are entered by the user, who can add or remove rows or re-label them to create a customized table. All uses are added to calculate a "Total Estimated Project Costs" amount.

The user then adds sources of funding, again adding, removing, or re-labeling rows. All fund sources are added to calculate a "Total Estimated Funding Sources" amount.

Total Estimated Project Costs are subtracted from Total Estimated Funding Sources and a surplus or gap is calculated.

This table may be used iteratively by a user wishing to match uses and sources by adjusting inputs, or it may be finished with a surplus or gap showing estimates based on current information.

Note on DIF Revenue Uses in this Table

DIF Revenues may be used for “Pay-as-You-Go”¹ projects, with project costs paid out of the Development Program Fund that is established under Mass. Gen. Laws 40Q §3(c). DIF Revenues may also be used to pay debt service on bonds issued by the municipality, including General Obligation bonds or debt issued through other programs.

In this Table, DIF Revenues that are used for “Pay-as-You-Go” projects are considered sources of capital and a row is designated to record them. DIF Revenues that are anticipated to be used toward repayment of debt service would not be included in that line, as the actual source of capital would be bond proceeds.

Examples of the tables are shown below:

¹ Pay-as-You-Go refers to using current revenues and funds to pay project costs, compared with issuing debt.

Single Year Capital Mix Table	
Project Name:	Sample DIF District
DIF-Eligible Project Costs	
	Total Estimated Cost
Planning & Design	\$ 350,000
Land Acquisition	\$ 1,000,000
Infrastructure Costs	\$ 15,000,000
User-defined costs	\$ 125,000
Training, Administration, Planning/Studies	\$ 150,000
Total Estimated Project Costs	\$ 16,625,000
Sources of Funding	
	Total Estimated Funds
Grants	\$ 1,500,000
Private Contribution	\$ 750,000
Bond Proceeds: I-Cubed	\$ 2,000,000
Bond Proceeds: State Revolving Fund	\$ 1,000,000
Bond Proceeds: General Obligation with DIF	\$ 5,000,000
Enterprise Fund Revenues (e.g. sewer)	\$ 500,000
User-defined funds	\$ 1,250,000
DIF Revenues (Pay-as-You-Go)	\$ -
Total Estimated Funding Sources	\$ 12,000,000
GAP: Project Costs Less Funding	\$ (4,625,000)

Instructions

DIF-Eligible Project Costs

- ✓ Enter your estimated costs for DIF projects.
- ✓ Some cost categories are listed. If you do not have these costs, enter zeros.
- ✓ If you have other cost categories not listed, you can enter names in the "User-defined costs" lines and then add your

costs. For example, you can enter "Streetscaping" or "Engineering Study."

- ✓ If you need more lines, add them using the "Insert row" function in Excel. Copy the formula from the row above and make edits to the text as necessary.
- ✓ "Infrastructure Costs" means all costs associated with a project that are not listed in other categories such as Planning & Design.

Sources of Funding

- ✓ Enter your anticipated sources of funding.
- ✓ Some funding sources are listed. If you do not anticipate these sources, enter zeros.
- ✓ If you have other funding sources not listed, you can enter names in the "User-defined funds" lines and then add your funds.
- ✓ If you need more lines, add them using the "Insert Row" function in Excel. Copy the formula from the row above and make edits to the text as necessary.
- ✓ "DIF Revenues for Pay-as-You-Go" is intended to show DIF Revenues that you expect to use directly to pay project costs. You can use the DIF Estimator [INSERT LINK] to estimate potential revenues, and enter the results here, or you can use your own estimates.
- ✓ If you intend to use DIF Revenues to repay all or part of any listed bond issues, do not enter those amounts in "DIF Revenues for Pay-as-You-Go." The source of funding will be your bond proceeds; entering amounts you intend for debt service will "double count" the revenues.

Multi-Year Capital Mix Table						
Project Name:	Sample DIF District					
		Cost by Fiscal Year (enter costs here)				
DIF-Eligible Project Costs	Total Estimated Cost	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Planning & Design	\$ 350,000	\$ 300,000	\$ 50,000	\$ -	\$ -	\$ -
Land Acquisition	\$ 1,000,000	\$ 1,000,000				
Infrastructure Costs	\$ 15,000,000	\$ 10,000,000	\$ 5,000,000			
User-defined costs	\$ 125,000		\$ 75,000			\$ 50,000
Training, Administration, Planning/Studies	\$ 150,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Total Estimated Project Costs	\$ 16,625,000	\$ 11,350,000	\$ 5,150,000	\$ 25,000	\$ 25,000	\$ 75,000
		Sources of Funding by Fiscal Year (enter sources here)				
Sources of Funding	Total Estimated Funds	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Grants	\$ 1,500,000	\$ 1,000,000	\$ 500,000	\$ -	\$ -	\$ -
Private Contribution	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ -	\$ -
Bond Proceeds: I-Cubed	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
Bond Proceeds: State Revolving Fund	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
Bond Proceeds: General Obligation with DIF	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -
User-defined funds	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -
DIF Revenues (Pay-as-You-Go)	\$ 1,250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Total Estimated Funding Sources	\$ 12,000,000	\$ 1,750,000	\$ 9,500,000	\$ 250,000	\$ 250,000	\$ 250,000
GAP: Project Costs Less Funding	\$ (4,625,000)	\$ (9,600,000)	\$ 4,350,000	\$ 225,000	\$ 225,000	\$ 175,000

Instructions

Note: You may change the Fiscal Years or adjust to Calendar Year if you wish.

DIF-Eligible Project Costs

- ✓ Enter your estimated costs for DIF projects. The "Totals" column will sum all years.
- ✓ Some cost categories are listed. If you do not have these costs, enter zeros.
- ✓ If you have other cost categories not listed, you can enter names in the "User-defined costs" lines and then add your costs. For example, you can enter "Streetscaping" or "Engineering Study."
- ✓ If you need more lines, add them using the "Insert row" function in Excel. Copy the formula from the row above and make edits to the text as necessary.
- ✓ "Infrastructure Costs" means all costs associated with a project that are not listed in other categories such as Planning & Design.

Sources of Funding

- ✓ Enter your anticipated sources of funding. The "Totals" column will sum all years.
- ✓ Some funding sources are listed. If you do not anticipate these sources, enter zeros.
- ✓ If you have other funding sources not listed, you can enter names in the "User-defined funds" lines and then add your funds.
- ✓ If you need more lines, add them using the "Insert row" function in Excel. Copy the formula from the row above and make edits to the text as necessary.
- ✓ "DIF Revenues for Pay-as-You-Go" is intended to show DIF Revenues that you expect to use directly to pay project costs. You can use the DIF Estimator [INSERT LINK] to estimate potential revenues, and enter the results here, or you can use your own estimates.
- ✓ If you intend to use DIF Revenues to repay all or part of any listed bond issues, do not enter those amounts in "DIF Revenues for Pay-as-You-Go." The source of funding will be your bond proceeds; entering amounts you intend for debt service will "double count" the revenues.

If you have annual gaps, you may re-estimate cost or funding schedules, or plan for gap financing.