

Economic Development Citizens Advisory Committee (EDCAC)

Minutes for January 11, 2012

Held in Town Hall Conference Room

Present: Susan Lee, Linda Bonetti, Doug Dowell, Ed Fasci, Marc Casseres, Chris Woods

Absent: Greg Michael

Excused: Richard Tucker

7:08 pm Chair Susan Lee Called meeting to order

Guest(s):

Matthew R. Walsh, Assistant for Special Projects City of Concord NH

Timothy Thompson – Merrimack Community Development Director

Agenda Items:

Presentation by Matthew Walsh on the details, use and implementation of TIF districts and Community Revitalization Tax Incentives and examples of how Concord used TIF districts for significant economic development.

Tim provided introduction expanding on Matt's extensive experience

Matt introduced himself and provided his credentials and background.

Tax Increment Financing created in 1979, NH RSA 169-K

The take home message on TIF districts is – A town/city creates a TIF district – for any new development that occurs in the district, the new assessed value and tax revenue from that development is captured and retained by the district and used to capitalize improvements and for the operating and maintenance of the district. The goal is to bring new tax base and jobs to the town.

Matt discussed the individual slides of his presentation.

Target areas on town that need for public investment

Market the areas to interested parties, town official, property owners, developer

Points from Presentation

- Adopt statute – local option statute
 - Hold public hearing
 - Notify school district and county
 - Vote for adoption

Matt recommends that the statute be adopted when there is a plan in place, Tim concurred.

In Concord they re-adopt the statute each time.

- Create map of the district important to define the boundaries of the district. Make sure all area that need investment is within the district boundaries.

- Key to identify everything that will be involved in the projects up front. (Transportation, utilities, green space, public buildings)
- Create budget Capitol and operation be very specific in sources and uses and what the benefit is.
- Relocation plan if necessary – relocation plan of 1970
- Can be amended – district can be expanded
- Rules on maximum value within the district
- April 1st is the evaluation date – effect cash flow
- Necessary to write an annual report
- Can use grants for some of the funding
- Create advisory board
- TIF ends when debt paid off or goals are accomplished
- Key to have a development agreement written so town is protected.
- If at any time there is excess money in the district account can peel off money from the increment to go to the general fund or school district, pay off the debt early. Whatever the town needs.
- Only incentivize areas that wouldn't be developed without some type of deal.
- Watch out for competing incentive (i.e. TIF vs 79-E)

Are there pit falls? May be viewed as public welfare (counter-argument - once the district has ended the general fund gains an input of taxes also brings in jobs and other public benefit)

Risk if don't have a strong development agreement in place.

Provided examples from Concord showing a variety of projects accomplished using TIF districts.

13 commandments of TIF's (see attached presentation)

Provided overview of RSA 79-E Community Revitalization Tax Relief Incentive

- Local option so has to be adopted
- Create areas (districts)
- Approved by Town Council
- Freezes value of property at pre-improvement value for period of time up to 5 years.
- Can add 2 years If includes market rate housing
- Can add 4 years if project has affordable housing and doesn't use special assessment
- Can add 4> years for the renovation of a Historic building and additional 5? years if improved under strict Secretary of the Interior standards
- Incentivize by providing property owner with more money to invest in the property
- Demolition possible as long as building isn't historically, culturally or architecturally significant.
- No state or federal funds used for 50% or more of the construction costs includes tax credits
- Watch out for setting precedents. Have to play fair.

- Covenant runs with the property, defines what the property owner will do. If they goof up the benefit goes away.
- For particular properties without 79-E no improvement with 79-E get improved higher value property with higher tax revenue in 5 years.
- Don't lose the base value so not giving up any revenue.
- Relief on the total tax.
- If Town Council approves they can make it conditional on project approval of Planning Board.

Creation of Economic Development seed money is a benefit for moving forward. Need to be able to invest the resources

Approval of minutes November 9, 2011. Motion to accept with changes Doug, seconded by Chris
Approved 6-0-0

Closing Comments:

The next meeting is scheduled for February 8, 2012 in the Town Hall Conference Room

Linda made a Motion to close the meeting, which was seconded by Doug and was carried 6-0-0. Susan then closed the meeting at 8:31 pm.

These minutes are respectfully submitted to the Committee by,
Susan Lee
Chairman – Economic Development Citizens Advisory Committee

These minutes were approved on 8/8/2012 by a vote of 5-0-1, on a motion made by Ed Fasci and seconded by Doug Dowell.