

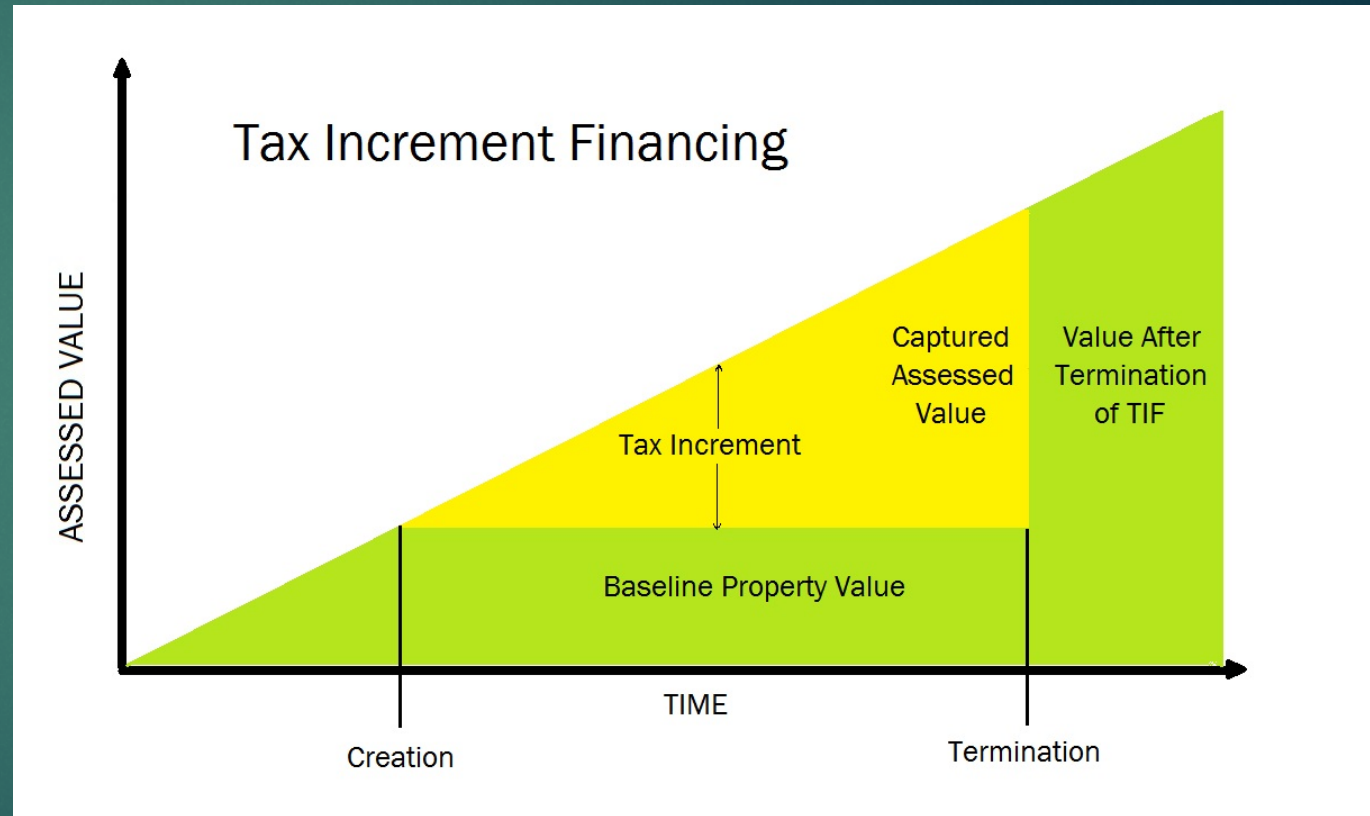
Bow Business Corridor Tax Increment Finance District

BOARD OF SELECTMEN PUBLIC HEARING

FEBRUARY 13, 2018

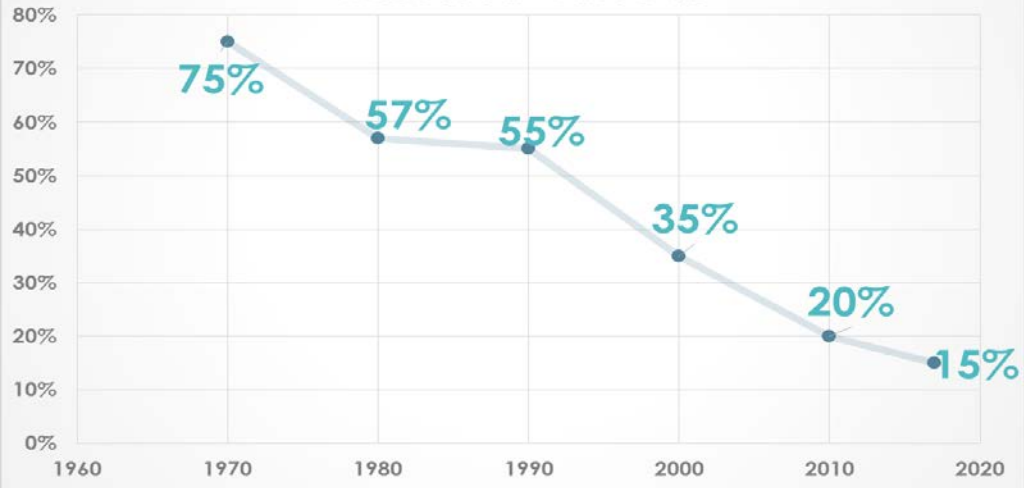
What is a Tax Increment Finance (TIF) District?

- ▶ A TIF district is a way to fund infrastructure needed for new development without placing a burden on the existing tax base or current taxpayers.
- ▶ Towns may set aside revenue generated from the increase in property values within a district for specific purposes.



Why?

Ratio of Electric Utility Value/Total Town
Assessed Value %



- Diversify tax base;
- Incentive for new business development;
- Accelerate economic development.



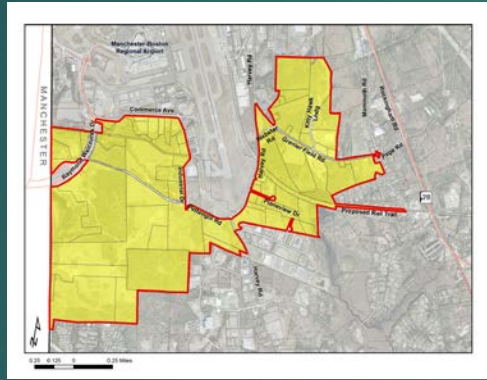
Who is in Charge?

You are!

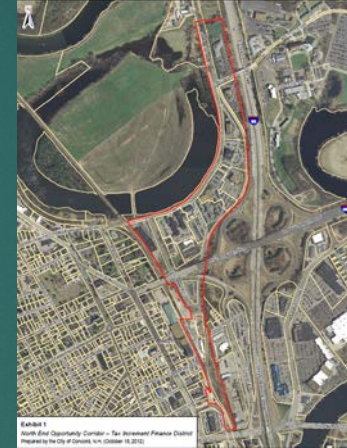
- ▶ Town Meeting approval required for adoption and amendments;
- ▶ 2/3 majority Town Meeting approval required for projects to be bonded;
- ▶ Board of Selectmen would serve as district administrator;
- ▶ Committee would be established to advise Selectmen.

New Hampshire Examples

Londonderry



Concord



Keene



Bedford



New Hampshire Examples

Londonderry

- Airport Area TIF established in 2013 to fund water, sewer, and construction of Pettengill Road;
- Has added \$177 million in assessed value;
- Improvements funded by the TIF were paid off in 18 months;
- New businesses include Pratt Whitney/UPS, Fedex, Milton CAT, and FW Webb.

Keene

- Black Brook TIF established in 1995 to fund improvements for a new corporate park;
- Millions of dollars of assessed value added to tax base and over \$20 million in additional tax revenue collected by 2000;
- New businesses include Janos Technologies, C&S Wholesale Grocers, Smiths/Portex, and Precitech.

Concord

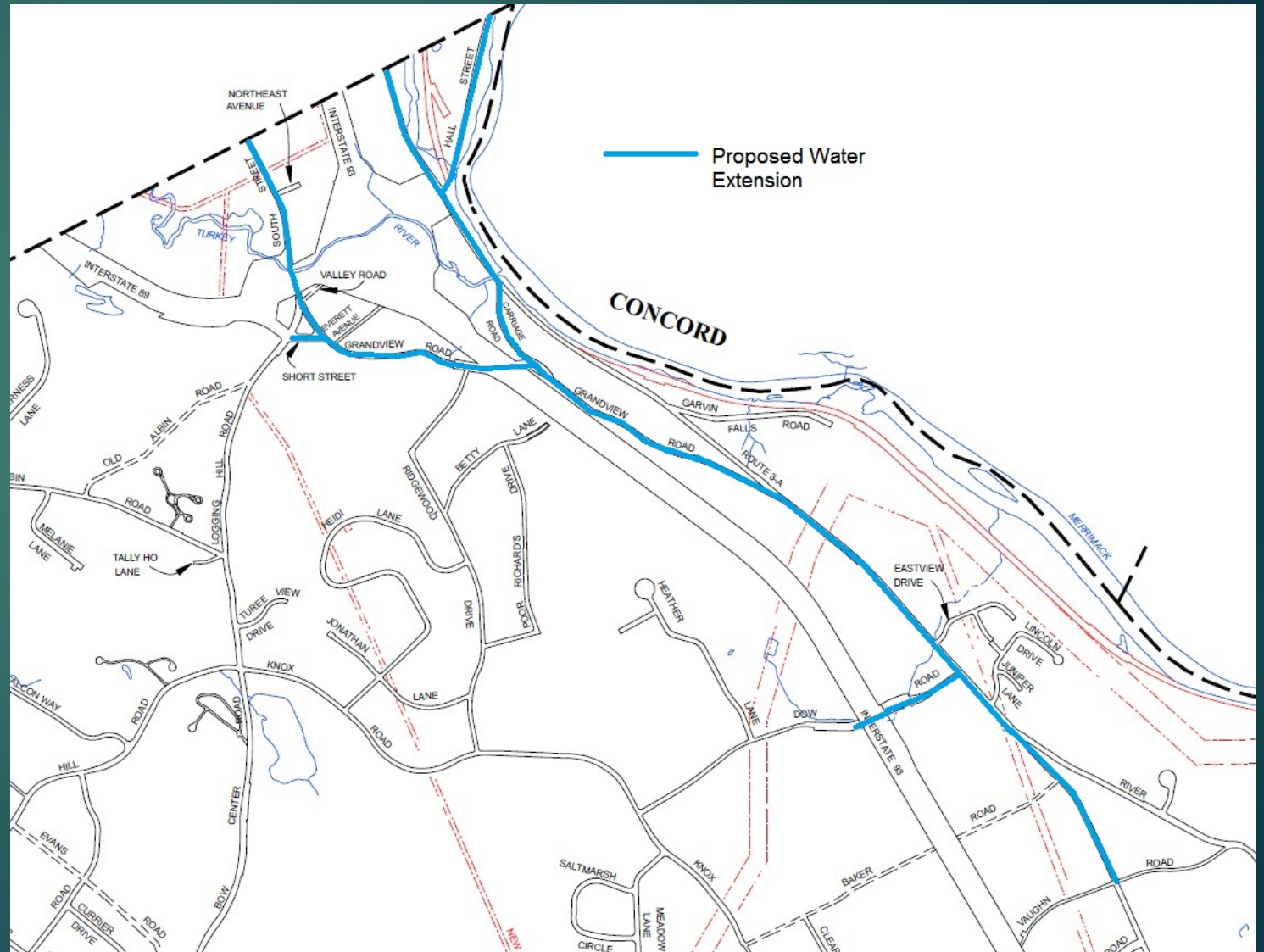
- North End Opportunity Corridor TIF established in 1997;
- Over \$50 million in value added;
- New businesses include Grappone Center, Courtyard Marriott Hotel, Northeast Delta Dental, and Concord Hospital Urgent Care.

Bedford

- South River Road TIF established in 2011 to fund road improvements;
- Former Macy's and Wayfarer Inn sites will accommodate multiple businesses once redevelopment is complete.
- Millions of dollars of assessed value have already been added to the tax base;

Proposed Improvements - WATER

- ▶ Bow Municipal Water System would be extended 15,500 linear feet.
- ▶ Estimated cost for improvement is \$4.3 million.



Proposed Improvements - HIGHWAY



- ▶ Construction of new highway ramps and town road;
- ▶ Estimated cost for construction is \$2 million.

Objectives

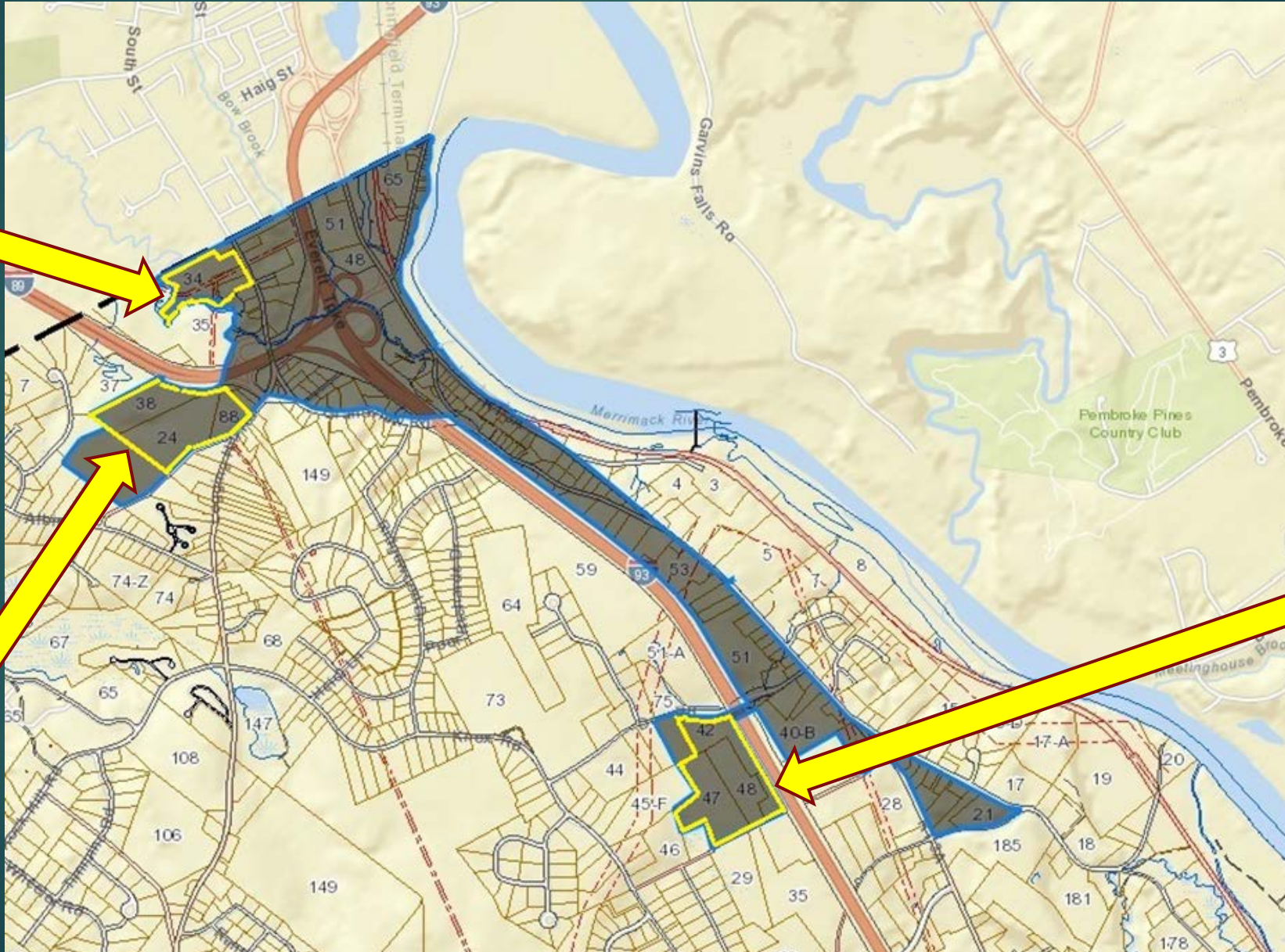
- ▶ Bring public water to Bow Junction to support existing businesses and spur redevelopment and infill development;
- ▶ Meet the need for public water in Bow Mills and allow for new businesses and encourage expansion of existing ones;
- ▶ Improve safety and access to the federal highway system and accommodate economic development near Exit 1;
- ▶ Encourage accelerated economic development along the Route 3A corridor; and to
- ▶ Improve the operation of the municipal water system by adding to the customer base and putting it on a path to self-sufficiency.

Finance Plan



- ▶ Tax increment would be set aside for a maximum 20 years or until improvements have been paid off;
- ▶ The town, county, and school district would continue to receive revenue from baseline assessments;
- ▶ Prior to any town vote, a development agreement and performance guarantee would be in place to ensure improvements are fully funded with tax increment, grants, or private funds.

Why Now?



Colby
Property



Granite State
Distribution
Center

Final Thoughts & Next Steps...

- ▶ TIF district **does not** change zoning requirements or affect property rights;
- ▶ Establishment of a TIF district **does not** increase taxes within or outside its boundaries;
- ▶ Once improvements are paid for, all future revenue will go into the general fund;
- ▶ The adoption of the TIF Plan is a non-monetary warrant article and does not require any expenditures by the Town.
- ▶ A firm commitment from a developer to build will be required, with a guarantee that public improvements will be fully funded with increased tax revenue, private funds, or grants;
- ▶ All work related to construction of improvements and development of site(s) will comply with local, state, and federal regulations.

Questions?

For more information please contact Matt Taylor, Bow Community Development Director:

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or visit the Town website at www.bownh.gov