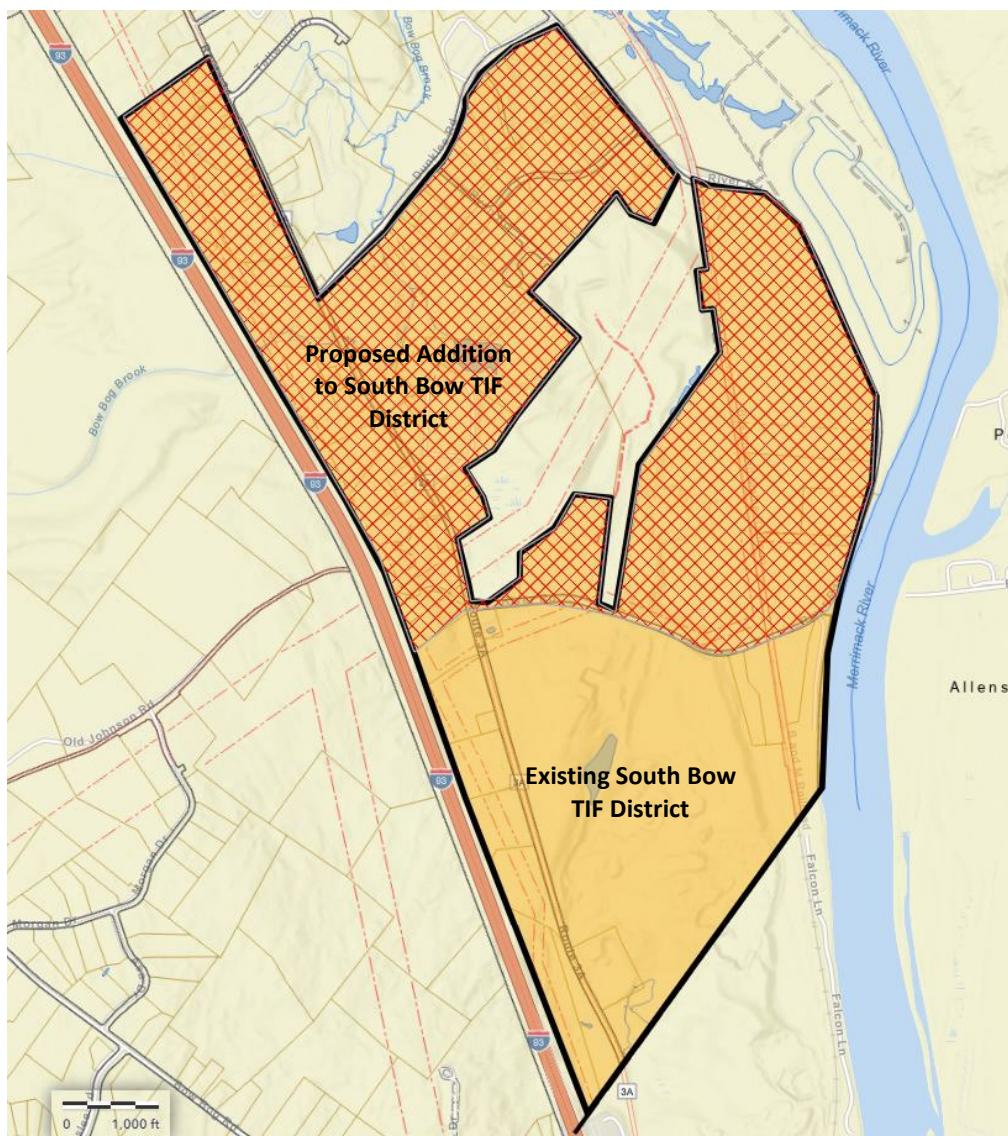


# South Bow

## Tax Increment Finance District

Amended March 2024

Town of Bow, NH



## **I. Introduction**

On March 12, 2002, the Town of Bow voted to adopt the provisions of NH RSA 162-K and established the authority to create one or more tax increment finance (“**TIF**”) Districts in town. In January 2019 the Town approved the South Bow Tax Increment Finance (“**South Bow TIF**”) District.

The following is an amendment to the South Bow TIF Program and Financing Plan (“**the Plan**”) and shall supersede and replace the original Plan.

## **II. Purpose of the Amendment**

This amended Plan:

1. Expands the District boundaries to make this optional economic development tool more effective by recognizing and anticipating the economic and demographic changes since the 2019 establishment of the South Bow TIF, and
2. Fixes technical issues and removes the reference to one specific project (a Bow to Hooksett water line) in favor of including any needed infrastructure being allowable.

## **III. Overview of TIF Districts**

A TIF district allows the Town to use future tax revenue from increased assessments in a designated area to fund improvements in that area that are needed for economic development. The TIF district, therefore, is a tool that allows the Town to use future tax revenue from increased assessments in a designated area to fund improvements in that area that are needed for existing needs, and for the community’s development without putting any additional tax burden on the existing taxpayers in the community.

A TIF District Plan identifies how any new – “incremental” – property tax revenues from within the designated TIF District are to be sequestered, and invested within the TIF District, either directly as cash, as payments on debt service, or as grant match. Like the original TIF District Plan – per RSA chapter 162-K – this Plan as amended does not:

- a) Authorize the issuance of bonds, which would require a separate vote of the Town Meeting.
- b) Increase or decrease the tax rate on any property.
- c) Affect any Town Assessor and Treasurer requirements or processes.
- d) Affect any other Town ordinance, including land-use regulations and fee schedules.
- e) Authorize any land uses and developments governed by the Town’s Zoning Ordinance,

Site Plan Review Regulations, Subdivision Regulations, or other land-use regulations.

- f) Permit use of these revenues for other Town purposes.

#### **IV. District Boundaries**

The South Bow TIF District boundaries have changed to include additional properties that may benefit from infrastructure while staying within the statutory limits of acreage and valuations. A map of the South Bow TIF District's boundaries is attached as **Appendix A**.

#### **V. The Development Program**

##### **a. Allowable Uses:**

The investments allowed within the South Bow TIF District, and to be funded through the South Bow TIF District Program, are as follows:

1. Establishing, extending, or improving public water and public sewer systems, including to the Town of Hooksett;
2. Establishing public infrastructure components that will encourage new commercial development and the redevelopment of existing commercial properties;
3. Funding costs associated with connecting to existing water or sewer systems;
4. Improving any insufficient components of the existing public water or sewer system to facilitate economic development;
5. Establishing, improving, or extending transportation, road, and traffic-control improvements that facilitate development and safety;
6. Grant matching for the development of municipal infrastructure or improvements consistent with the purpose of the South Bow TIF District Program; and
7. Performing necessary administration and funding pre-development costs, such as audit fees, surveys and engineering costs.

In facilitating the utilization of any funds associated with the South Bow TIF District Program, the Town may enter into a Memorandum of Agreement to jointly build infrastructure in the South Bow TIF District with any person or entity, including a private interest, provided that any agreement is approved by either the Town Board of Selectmen or Town Meeting, as applicable, and is in a form and substance acceptable to the Town's legal counsel.

**b. Objectives:**

The objectives of the South Bow TIF District are to:

1. Bring or enhance public infrastructure to support existing and new businesses, spur redevelopment, encourage infill development, and increase the commercial tax base;
2. Improve safety and access to the federal, state, and local highways systems along Route 3-A;
3. Add to the community's asset and tax base of commercial, cultural and community facilities by infrastructure investment;
4. Encourage development in a manner consistent with the Town's Master Plan;
5. Improve the operation of the municipal water system by facilitating expansion and upgrades, expanding the customer base, and allowing for the Town's municipal water system to operate in a manner that maximizes the potential for self-sufficiency.

**c. Narrative of Anticipated Improvements**

The main improvement proposed within the South Bow TIF District is the construction of water and sewer lines south to the Bow-Hooksett Town Line. The program would extend the water and sewer lines approximately 5,000 linear feet (If) to the Bow-Hooksett Town line. A rough cost estimate for the work can be found in Appendix B. The total estimated cost for improvements in the development program is approximately \$2,625,000.

Any infrastructure work is anticipated to be within Town or State rights-of-way. If any infrastructure work is not conducted within State and Town rights-of-way, the Town will not use the power of eminent domain to acquire real property without amending this plan at a future Town Meeting.

The Town and any private parties involved in the construction of the proposed improvements shall comply with all applicable environmental controls. These controls may include, but are not limited to:

- Local, state, and federal regulations for the protection of wetlands and floodplains.
- State standards for the design of public water systems.
- State permits for grading and erosion control.
- Local, state, and federal standards for road and highway design.
- Local, state, and federal regulations related to air, water, and noise pollution and stormwater management; and

- All relevant zoning, subdivision, and site plan regulations.
- Grant conditions.

The allowable work does not anticipate the relocation or displacement of any residents or businesses. If relocation or displacement is necessary, a relocation plan in accordance with RSA 162-K shall be established. No public buildings, parks or open space are proposed as an allowable use of South Bow TIF District funds. As part of its land-use approval procedures the Planning Board may continue to require land dedication for open space or future municipal needs as part of any future subdivision or site plan application within the district.

## VI. Finance Plan

State law [RSA 162-K:2(XI)] defines the tax increment as “the amount of taxes raised in a development district due to increases in assessed value over the assessed value of the District at the time of its establishment.” The tax increment will be the primary source of funding for the development program. The Town will also seek funding from other available sources. Such funding might include federal, state, or private grants and/or direct contributions from other parties.

The Town shall retain for the South Bow TIF District the full tax increment until the cost for improvements in the development program has been fully paid, or once any debt issued in the South Bow TIF District is fully paid and any bond retired. Computation of the tax increment shall be in accordance with RSA 162-K:10; baseline values as of April 1, 2018, shall be used to determine the tax increment. Funds in this South Bow TIF District cannot be mingled with any other adopted TIF District.

The revenue shall be set aside by the Town in a separate South Bow TIF District Fund and may only be used for the improvements specified in the development program, including any debt service for the year. If there is a sufficient balance above annual debt payment requirements, capital improvements and allowable costs may be funded directly from the Fund balance. Subject to Town Meeting approval, general obligation bonds may be issued to fund allowed improvements.

The increment shall include the municipal, school, and county property taxes portions of the property tax. The estimated impact on all tax jurisdictions will be negligible in the short term, due to incremental tax benefits being used to fund the South Bow TIF District Program. However, the estimated tax impact will be positive over time as the TIF District accelerates the expansion of the property tax base, which will be realized after the build-out of South

Bow TIF District infrastructure and the retirement of associated bonds. Once all of the debt is retired and if the District closes, all property tax revenue is apportioned to each jurisdiction (i.e. Town, School District, County, and State) according to its adopted tax rate, with the Town and School District portions of the tax rate constituting revenues that would be deposited into those entities' general funds.

The other affected tax authorities, the County and the School District, have been provided opportunities to comment on this amended Plan.

Town voters must decide at a town meeting to bond the improvements needed for any projects. This will require a 2/3 majority vote. As a condition to such bonding, the Select Board may require that there be a development agreement and/or a performance guaranty with a developer related to infrastructure costs.

An estimated bond payment schedule is available in Appendix D.

Managing the Town's cash flow to ensure there is enough new revenue and tax value to cover new debt costs is affected by several factors:

1. Based upon the Town's 2023 tax rate rounded up, this demonstrates that to "break even" in year one, for each \$1M of bonding, a new TIF value of \$5.2M is required. That needed base target declines over time, as the principal is reduced.
2. Phased projects can reduce the Town's cash requirements, taking advantage of the declining principal before starting another phase.
3. Municipal financing differs from residential mortgage financing. A typical residential mortgage has a fixed payment, and a changing principal and interest amount. In municipal financing the principal due each year is fixed, and the annual payments are variable (declining). Thus, costs are higher early, and are lower later.
4. The timing of collections and outlays is important. Property tax revenues usually increase from the initiation of construction (year one) to full build out. The property tax assessments are set annually effective as of April 1<sup>st</sup>. New values added after April 1<sup>st</sup> in are not "picked up" until year two (2), and this catch-up lag continues until full build-out and the full assessment is reached, or the bond paid.
5. Actual cash flows are also experienced differently over time.
  - a) New revenues are paid quarterly and based upon the prior year's value.

- b) Cash expenditures for infrastructure are paid in stages, as design and construction progress over time.
- c) A bond may be issued to a municipality for the full project's construction amount, but incrementally "drawn down" over time, deferring any debt service requirements, and saving the taxpayer interest expenses.

## **VII. Administration**

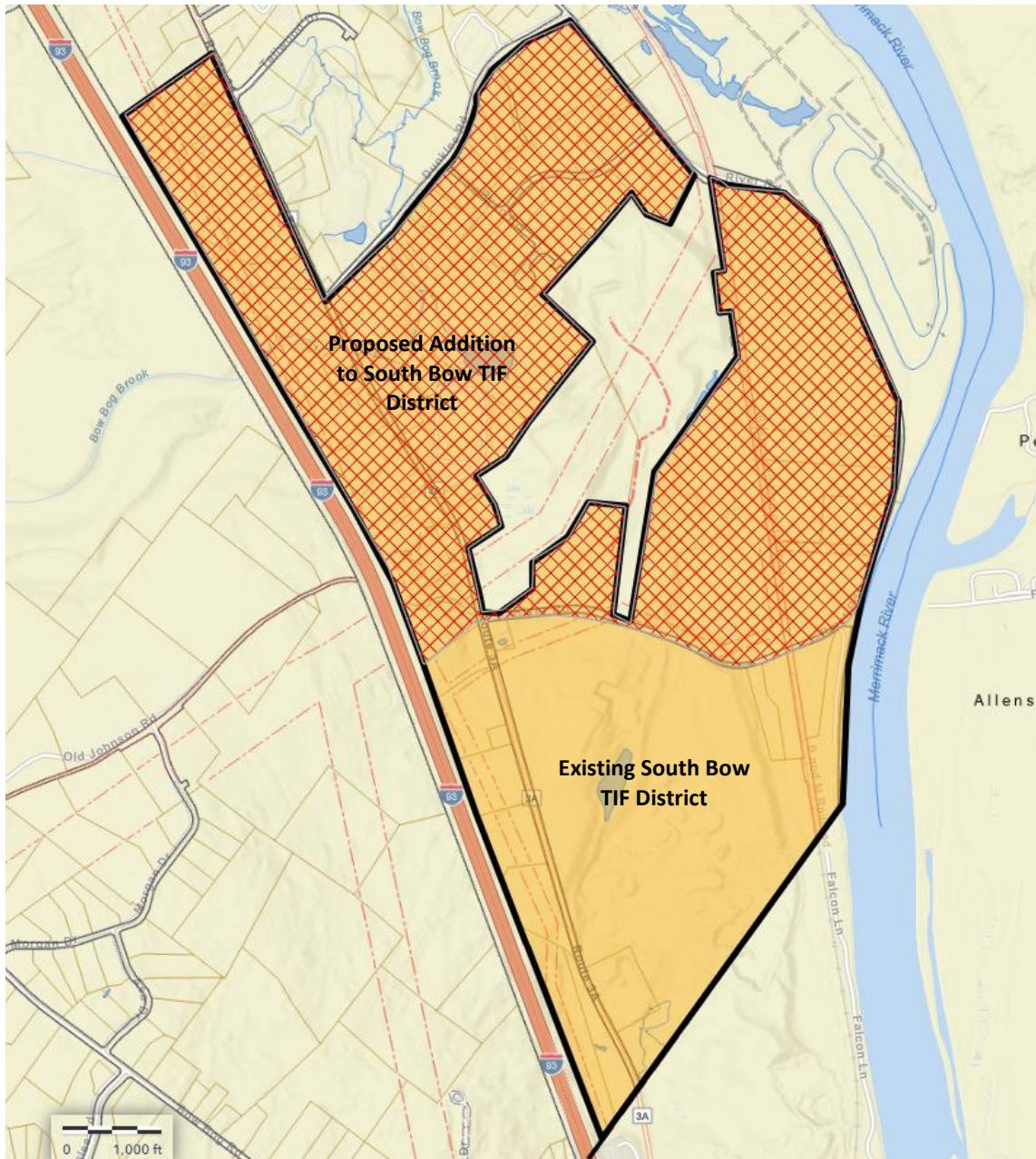
The Administrator of the South Bow TIF District shall be the Board of Selectmen or its designee. A five- member advisory board for the South Bow TIF District shall be established to advise the Board of Selectmen; a majority of members shall be owners or occupants of real property within or adjacent to the South Bow TIF District and shall be appointed by the Board of Selectmen. As long as Town lands are included in the South Bow TIF District, Town officials may represent property owners in the South Bow TIF District. The Board of Selectmen shall delineate the duties of the advisory board and establish rules of procedure in accordance with RSA 162-K:14(III). A financial report for the South Bow TIF District conforming to RSA 162-K:11 shall be included in the Annual Town Report.

## **VIII. Amendments**

Any amendment to this document, including amendments to the BBC TIF District boundaries, development program, or tax increment finance plan shall require town meeting approval and notices for such proposed changes shall comply with RSA 162-K:4.

# APPENDIX A

## DISTRICT BOUNDARIES



# APPENDIX B

## Rough Cost Estimate for Improvements

\*Provided by Town Engineer in 2018

Water line extension (5,000 lf x \$200/lf)	\$1,000,000
Sewer line extension (5,000 lf x \$175/lf)	\$ 875,000
15 % contingency for construction	\$ 281,250
25 % Contingency for engineering, permitting, administration & supervision	\$ 468,750
<b>TOTAL</b>	<b>\$2,625,000</b>

# APPENDIX C

Block	Lot	Address	Owner (as of 2018)	Acres	2018 Value	2023 Value
2	134-A	1644 ROUTE 3-A	SULLIVAN TT ROBERT	6.799995	\$ 2,564,200	\$ 2,770,300
2	134-B	ROUTE 3-A	STATE OF NEW HAMPSHIRE	13.3	\$ 61,200	\$ 61,200
2	135	1564 ROUTE 3-A	PRITCHARD TT DAVID S	8.23	\$ 426,900	\$ 500,700
2	137	1548 ROUTE 3-A	PETERBUILT REALTY COMPANY LLC	7.5	\$ 1,085,100	\$ 1,297,600
2	139	1516 ROUTE 3-A	GLOBAL MONTELLO GROUP CORP	7.85	\$ 2,321,500	\$ 2,714,500
2	140	1506 ROUTE 3-A	GLOBAL MONTELLO GROUP CORP	0.92	\$ 143,600	\$ 162,900
2	141-B	1494 ROUTE 3-A	1494 ROUTE 3A LLC	9.24	\$ 973,000	\$ 728,100
2	141-B1	1474 ROUTE 3-A	1474 BOW, LLC	5.94	\$ 387,700	\$ 566,900
2	146	767 RIVER ROAD	BEAUCHESNE DANIEL A +	1.4	\$ 193,500	\$ 232,700
2	147	1601 ROUTE 3-A	CONTINENTAL PAVING INC	192.56	\$ 2,094,653	\$ 2,709,942
2	148	1629 ROUTE 3-A	WEAVER BROS CONSTRUCTION CO	8.03	\$ 1,005,000	\$ 1,237,500
2	150	653 RIVER ROAD	CIMENT QUEBEC INC	4.83	\$ 776,100	\$ 853,300
2	151	615 RIVER ROAD	WHITE DEVELOPMENT CORP	9.21	\$ 841,500	\$ 936,100
2	151-A	635 RIVER ROAD	JAREKA PROPERTIES LLC	5.05	\$ 574,900	\$ 633,400
2	150-A	655 RIVER ROAD	BOWDAYSHOUS ONE LLC	3.7	\$ 1,230,900	\$ 1,480,900
<b>New Parcels:</b>			<b>Owner (as of 2023)</b>			
2	159-A	25 DUNKLEE ROAD	DELCAM MANUFACTURING LLC L +	0.827204	N/A	\$ 599,300
2	159-F13	17 DUNKLEE ROAD	C REAL ESTATE ASSOCIATES LLC	2.61	N/A	\$ 236,000
2	159-F14	4 RYAN ROAD	CIRL LLC	2.08	N/A	\$ 687,700
2	162	1317 ROUTE 3-A	LINDQUIST ALLEN W	18.15	N/A	\$ 2,475,600
2	162-A	27 DUNKLEE ROAD	ALLEY REALTY LLC	6.81	N/A	\$ 313,200
2	159-F10	36 RYAN ROAD	FONTAINE DEVELOPMENT LLC	2.14	N/A	\$ 162,700
2	159-F11	28 RYAN ROAD	TARANOVICH DANIEL E	2.71	N/A	\$ 639,200
2	159-F12	20 RYAN ROAD	CIRL, LLC	2.72	N/A	\$ 176,200
2	159-F5	2 THIBEAULT DRIVE	SEVEN RYAN ROAD LLC	2.02	N/A	\$ 859,600
2	159-F6	47 RYAN ROAD	47 RYAN ROAD, LLC	2.04	N/A	\$ 704,200
2	159-F7	57 RYAN ROAD	GSS ENTERPRISES LLC	2.9	N/A	\$ 708,600
2	159-F8	64 RYAN ROAD	J & J WHITNEY PROPERTIES LLC	1.8	N/A	\$ 150,800
2	159-F9	48 RYAN ROAD	RYAN ROAD, LLC	2.18	N/A	\$ 733,200
2	159-N	26 THIBEAULT DRIVE	ROBINSON ROAD HOLDINGS, LLC	7.82	N/A	\$ 1,172,000
2	163	1355 ROUTE 3-A #A	CENFER COMMONS, LLC	0.41	N/A	\$ 107,200
2	163	1355 ROUTE 3-A #B	CENFER COMMONS, LLC	0.41	N/A	\$ 106,900
2	163	1355 ROUTE 3-A #C	CENFER COMMONS, LLC	0.41	N/A	\$ 106,900
2	163	1355 ROUTE 3-A #D	CENFER COMMONS, LLC	0.41	N/A	\$ 118,400
2	163	1357 ROUTE 3-A #E	CENFER COMMONS, LLC	0.41	N/A	\$ 145,700
2	163	1357 ROUTE 3-A #A	CENFER COMMONS, LLC	0.41	N/A	\$ 134,800
2	163	1357 ROUTE 3-A #B	CENFER COMMONS, LLC	0.41	N/A	\$ 139,300
2	163	1357 ROUTE 3-A #C	CENFER COMMONS, LLC	0.41	N/A	\$ 107,400
2	163	1357 ROUTE 3-A #D	CENFER COMMONS, LLC	0.41	N/A	\$ 124,700
2	163	1357 ROUTE 3-A #F	CENFER COMMONS, LLC	0.41	N/A	\$ 114,700
2	163	1359 ROUTE 3-A #A	CENFER COMMONS, LLC	0.41	N/A	\$ 30,700
2	163	1359 ROUTE 3-A #B	CENFER COMMONS, LLC	0.41	N/A	\$ 30,700
2	163	1359 ROUTE 3-A #C	CENFER COMMONS, LLC	0.41	N/A	\$ 30,700
2	163	1359 ROUTE 3-A #D	CENFER COMMONS, LLC	0.41	N/A	\$ 30,700
2	164	1403 ROUTE 3-A	CREDIT WAREHOUSE REALTY LLC	22.11	N/A	\$ 21,251,400
2	164-A	1379 ROUTE 3-A	OSTRANDER, FRED H	0.929982	N/A	\$ 299,800
2	164-B	1371 ROUTE 3-A	ABBOTT NANCY L + RUSSELL R	1	N/A	\$ 235,500
2	164-C	16 EVOLUTION DRIVE	HLF SOUTH LLC	15.24	N/A	\$ 1,219,500
2	169	1407 ROUTE 3-A	JBC LEASING, LLC	1.8	N/A	\$ 202,300
2	170	1421 ROUTE 3-A	603 PRIME PROPERTY LLC	3.6	N/A	\$ 519,800
2	172	758 RIVER ROAD	OSBORNE PETER J + JANICE C	1	N/A	\$ 168,100
2	200-B1	722 RIVER ROAD	PUBLIC SERVICE CO OF NH	17.08	N/A	\$ 5,330,200
2	158	390 RIVER ROAD	GOULD PROPERTIES LLC	4.2	N/A	\$ 205,100
2	159	380 RIVER ROAD	BIP LLC	2.27	N/A	\$ 196,300
2	159-P	8 THIBEAULT DRIVE	BIP LLC	2.27	N/A	\$ 165,500
2	200-A	476 RIVER ROAD	GSP MERRIMACK LLC	69	N/A	\$ 846,282
2	152	630 RIVER ROAD	R + R BEAU HOLDINGS LLC	10.67	N/A	\$ 823,000
2	152	630 RIVER ROAD	SHEEPDOG ENTERPRISES HOLDINGS LLC	5.01	N/A	\$ 391,500

2	153	578 RIVER ROAD	RRG HOLDINGS LLC	6.32	N/A	\$	1,123,800
2	154	576 RIVER ROAD	RRG HOLDINGS LLC	15.65	N/A	\$	963,600
2	173	652 RIVER ROAD	COASTAL BOW PROPERTIES LLC	66.579835	N/A	\$	20,100,200
2	100	1266 ROUTE 3-A	STATE OF NEW HAMPSHIRE	6.82	N/A	\$	829,500
2	101	1244 ROUTE 3-A	COLBY DEBORAH	14.35	N/A	\$	3,860
2	101-A	1262 ROUTE 3-A	SLAGER JONATHAN Z + AMY S	0.34	N/A	\$	217,700
2	101-B	1250 ROUTE 3-A	HANCARIK SR. ELLIOTT E	0.95	N/A	\$	182,900
2	101-C	OFF ROUTE 3-A	STATE OF NEW HAMPSHIRE	0.9	N/A	\$	4,500
2	102	1310 ROUTE 3-A	MAPLE SYRUP ENTREPRISES LLC	28.23	N/A	\$	365,400
2	103	1238 ROUTE 3-A	ROUTE 3A, LLC	3.67	N/A	\$	222,400
2	104	1222 ROUTE 3-A	ROUTE 3A, LLC	3.2	N/A	\$	378,970
2	105	1228 ROUTE 3-A	ROUTE 3A, LLC	0.3	N/A	\$	155,400
2	106	1214 ROUTE 3-A	SWALGEN JAMES	0.9	N/A	\$	311,400
2	106-A	1212 ROUTE 3-A	DIO JR WILLIAM L	1.5	N/A	\$	219,200
2	107	1218 ROUTE 3-A	COLBY DEBORAH	9.79	N/A	\$	291,290
2	96-A	1340 ROUTE 3-A	ROSS CINDY + PAUL	1.2	N/A	\$	249,800
2	98	1298 ROUTE 3-A	CLARK HEINTZ LLC	3.34	N/A	\$	572,800
2	99	1280 ROUTE 3-A	MARQUIS, THOMAS	2.17	N/A	\$	349,300
2	200-C	1420 ROUTE 3-A	PUBLIC SERVICE CO OF NH	20.18	N/A	\$	201,800
2	90	1390 ROUTE 3-A	COURTEMANCHE BRUCE + LINDA	6.72	N/A	\$	169,900
2	90-A	1400 ROUTE 3-A	HARDY ELIZABETH J	1.04	N/A	\$	197,700
2	90-B	1398 ROUTE 3-A	GORTON DAWN-CHERI	0.95	N/A	\$	213,000
2	92	1426 ROUTE 3-A	CHATTHA, OMER T	1.38	N/A	\$	120,700
2	93	1408 ROUTE 3-A	HUTCHINSON TIMOTHY S + AMY L	0.923485	N/A	\$	200,400
2	94	1372 ROUTE 3-A	JAREKA PROPERTIES LLC	7.43	N/A	\$	275,700
2	95	1364 ROUTE 3-A	GALLANT TTS BRIAN J + PAULA P	0.977479	N/A	\$	327,500
2	95-A	1356 ROUTE 3-A	JOYAL DAVID P	0.5	N/A	\$	252,400
2	95-A1	ROUTE 3-A	FONTAINE, LUCIA	0.839991	N/A	\$	18,300
2	95-B	1362 ROUTE 3-A	FONTAINE, STEVEN	1.64	N/A	\$	270,300
2	96	1350 ROUTE 3-A	WALDRON DEREK J + MORSE SARAH M	0.71	N/A	\$	165,600
2	159-F1	11 DUNKLEE ROAD	MIKE & RITA, LLC	3.43	N/A	\$	515,600
2	159-F2	13 DUNKLEE ROAD	13 DUNKLEE ROAD LLC	3.17	N/A	\$	534,400
2	159-G	7-A DUNKLEE ROAD	RUSSELL, JACOB	2.18	N/A	\$	177,800
2	159-B	9 DUNKLEE ROAD	CARTER TTS JOHN + CORNEY 50% EA	2.15	N/A	\$	564,200
2	159-F4	25 RYAN ROAD	STAN + PETE INC	2.02	N/A	\$	160,000
2	159-L	5 THIBEAULT DRIVE	STAN + PETE INC	2.37	N/A	\$	167,700
2	159-M	3 THIBEAULT DRIVE	STAN + PETE INC	2.36	N/A	\$	167,500
2	159-C	352 RIVER ROAD	STAN + PETE INC	1.7	N/A	\$	87,600
2	159-E	350 RIVER ROAD	PHELPS SHANE	1.6	N/A	\$	323,200
2	159-I	364 RIVER ROAD	STAN & PETE INC	3.04	N/A	\$	230,000
2	159-J	9 THIBEAULT DRIVE	STAN & PETE, INC	2.44	N/A	\$	169,300
2	159-K	7 THIBEAULT DRIVE	STAN + PETE INC	2.85	N/A	\$	178,700
2	160-A	330 RIVER ROAD	STAN + PETE INC	8.69	N/A	\$	1,681,400
<b>Totals</b>				<b>750.788</b>		<b>\$</b>	<b>93,600,144</b>
<b>Town Acreage &amp; Valuation</b>				<b>17,567.61</b>		<b>\$</b>	<b>1,401,527,583</b>
<b>Percentage of Town Land &amp; Valuation</b>				<b>4%</b>		<b>7%</b>	

# APPENDIX D

## ESTIMATED BOND PAYMENT SCHEDULE

**Principal: \$2,625,000**

**Term: 20**

**Interest Rate: 4.0%**

<u>Year</u>	<u>Principal</u>	Interest			<u>Balance</u>
		<u>July</u>	<u>January</u>	<u>Total</u>	
1	-	-	52,500	52,500	2,625,000
2	131,000	52,500	49,880	233,380	2,494,000
3	131,000	49,880	47,260	228,140	2,363,000
4	131,000	47,260	44,640	222,900	2,232,000
5	131,000	44,640	42,020	217,660	2,101,000
6	131,000	42,020	39,400	212,420	1,970,000
7	131,000	39,400	36,780	207,180	1,839,000
8	131,000	36,780	34,160	201,940	1,708,000
9	131,000	34,160	31,540	196,700	1,577,000
10	131,000	31,540	28,920	191,460	1,446,000
11	131,000	28,920	26,300	186,220	1,315,000
12	131,000	26,300	23,680	180,980	1,184,000
13	131,000	23,680	21,060	175,740	1,053,000
14	131,000	21,060	18,440	170,500	922,000
15	131,000	18,440	15,820	165,260	791,000
16	131,000	15,820	13,200	160,020	660,000
17	131,000	13,200	10,580	154,780	529,000
18	131,000	10,580	7,960	149,540	398,000
19	131,000	7,960	5,340	144,300	267,000
20	131,000	5,340	2,720	139,060	136,000
21	136,000	2,720	-	138,720	-
<b>Totals</b>	<b>2,625,000</b>	<b>552,200</b>	<b>552,200</b>	<b>3,729,400</b>	