LEBANON ECONOMIC DEVELOPMENT COMMISSION
MARCH 27, 2024 - 4:00 PM
JOINT MEETING WITH WEST LEBANON REVITALIZATION ADVISORY COMMITTEE
KILTON LIBRARY OR REMOTE VIA VIRTUAL PLATFORM LEBANONNH.GOV/LIVE

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1. Call to Order

The March 27, 2024 Joint Economic Development Commission and West Lebanon Revitalization Advisory Committee meeting is hereby called to order.

2. Approval of Minutes

A. December 18, 2023 - WLRAC

B. February 28, 2024 - EDC

3. New Business

A. Discuss Process for Considering potential TIF District for the Main Street Area of West Lebanon

4. Future Agenda Items

5. Next Meeting Date

A. Wednesday, April 24, 2024

6. Other Business

7. Adjournment

Meetings are open for in-person and remote attendance. Members of the public that wish to attend remotely may do so by going to LebanonNH.gov/Live where you will find instructions on how to enter the meeting. Members of the public will be able to participate and ask questions through the City's virtual platform or by phone. Please note: Should technical difficulties occur during the meeting that disrupts virtual or phone connection(s), the meeting will continue without remote access capabilities.

DRAFT

WEST LEBANON REVITALIZATION ADVISORY COMMITTEE
SPECIAL MEETING MINUTES
CITY HALL COUNCIL CHAMBERS OR
Remote Via Virtual Platform
LebanonNH.gov/Live
December 18, 2023
5:30 PM

MEMBERS PRESENT: **Councilor Chris Simon, Laurel Stavis, Kim Chewning, Andrew Faunce, Jim Winny, James Mashal**

MEMBERS ABSENT: **Erik Endrulat**

STAFF PRESENT: **David Brooks (Deputy City Manager), Nate Reichert (Director of Planning & Development)**

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1. CALL TO ORDER – The meeting was called to order at 5:30 PM.

A. The December 18, 2023 West Lebanon Revitalization Advisory Committee meeting is hereby called to order.

2. APPROVAL OF MINUTES: November 20, 2023; December 4, 2023

Mr. Mashal MOVED to approve the meeting minutes of November 20, 2023, and December 4, 2023, as presented. SECONDED by Mr. Winny.
**** The Vote on the MOTION was approved (6-0-0).***

3. NEW BUSINESS

A. Discussion of possible 2024 goals, projects, and objectives.

Ms. Chewning suggested that the Committee could consider recommending items to the City that would incentivize business in West Lebanon. Chair Simon explained that the City Council will be discussing a potential TIF district at its meeting on January 17th.

Ms. Stavis expressed concern regarding River Park. Mr. Reichert noted that the City has had no further communications with the Clems since this property has been closed. The City is not pursuing public access at this time. The building and planning approvals are still laid out and the standards within these would have to be met. Chair Simon noted that the City Council voted to accept the main street once it was built, as long as it was built to City standards. Ms. Chewning asked if there are any steps that could be taken by the City to advance the project. One of the current problems in West Lebanon is Main Street itself, but also further down Main Street. Nothing is better than trying to move something forward with the largest developer in West Lebanon. Mr. Reichert stated that, at this point, the City would need a clear set of plans and specifications. Nothing is stopping the owner from moving forward with the approvals as already given, but changes would have to be reviewed. The owner needs to be clear about what is going to happen with this project. The City is not taking any steps to overtly stand in the way of this but can only react to what has been submitted to it. The City is willing to work with the owner and have rational conversations moving forward, but a clear view needs to be articulated to the City.

Mr. Brooks stated that the City had a willingness to accept the street as a public one. This is a component of a potential TIF District, as it would require a public improvement.

Mr. Winny stated that he does not believe the Committee should spend its time on the River Park issue. This is an issue between a private landowner and the City. There is not much the Committee can control in the situation. He noted that other potential topics to discuss could be vacancies on the Committee, trails, TIF options, a review of the Master Plan, and/or a party to invite the community to hear updates.

The Committee discussed working on a Strategic Plan, an update to the Master Plan, and being involved in the RFP process for buildings.

The Committee discussed having additional meeting and conversations with other boards/committees.

There was discussion regarding potentially making the permit process easier for certain businesses to move into older buildings in West Lebanon. It was noted that this could be a larger conversation with the Chamber of Commerce.

3. OLD BUSINESS

A. Westboro Yard Update and Discussion

Chair Simon noted that, regarding the Westboro Yard land, there will be a proceeding on January 11, 2024, to deem the land of no use of value to the State so that it can be sold. The City will then have the first right of refusal on this land. The City will have representation at both this meeting and a follow-up meeting on January 17th.

B. Main Street Streetscape Project Update and Discussion

Mr. Reichert noted that the Main Street and Dry Bridge projects continue to move forward.

C. 'Dry Bridge' Replacement Project Update and Discussion

Mr. Brooks explained that there is consideration for building the access road into Westboro Yard prior to the bridge project. This will be the staging area for the bridge project.

4. ADJOURNMENT:

Mr. Mashal MOVED to adjourn the meeting. SECONDED by Mr. Winny.

**** The Vote on the MOTION was approved (6-0-0).***

The meeting was adjourned at 7:00 PM.

Respectfully submitted,
Kristan Patenaude
Recording Secretary

DRAFT

ECONOMIC DEVELOPMENT COMMISSION
WEDNESDAY, FEBRUARY 28, 2024 – 4:00PM
Council Chambers – City Hall – or remote via Virtual Platform
MINUTES

EDC MEMBERS PRESENT: David Newlove (Chair), Dan Nash, Kevin Purcell, Andrew Key, Councilor Karen Liot Hill (Vice Chair)

EDC MEMBERS ABSENT: Councilor Doug Whittlesey, Chip Brown, Tracy Hutchins (Upper Valley Business Alliance)

STAFF PRESENT: Deputy City Manager David Brooks; City Manager Shaun Mulholland

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1. CALL TO ORDER:

- The February 28, 2024 Economic Development Commission meeting was called to order at 4:10 PM.

2. APPROVAL OF MINUTES:

A. January 24, 2024

Motion by Dan Nash to approve the minutes of January 24, 2024, as presented.
Second by Kevin Purcell.
**** The Vote on the MOTION was approved (5-0).***

3. NEW BUSINESS:

A. Update on 20 Spencer Street

Mr. Brooks explained that three responses were received to the RFP for 20 Spencer Street. He and City Manager Mulholland interviewed all three respondents and are drafting a memo regarding the responses, scores, and recommendations for the City Council's March 6th meeting.

Mr. Newlove asked how the EDC and Downtown TIF Advisory Board would continue to work together on existing projects. Mr. Brooks stated that the two groups would work together on the downtown parking lot project but not the 20 Spencer Street project. The EDC could schedule a joint meeting with the West Lebanon Revitalization Advisory Committee. The EDC agreed to hold a joint meeting on March 18th at 5:30pm with the West Lebanon Revitalization Advisory Committee.

B. Strategic Plan Review and Update

The Commission reviewed the Strategic Plan. The Commission considered working groups to try to work toward the goals within the Strategic Plan. The Commission asked for certain edits and amendments to be completed and reviewed at a future meeting.

Kevin Purcell exited the meeting at 5:02PM effectively ending the meeting because the Committee no longer had a quorum of members present.

C. Review and Discuss the City Manager's plan to Begin the Process of Determining the Development Options for Downtown Parking Lots

Mr. Brooks explained that this was submitted to the Counsel for review and discussion. The Counsel then gave the City Manager's Office the go-ahead to pursue this item, with the understanding the EDC and Downtown TIF Board would be sounding boards. There will be regular updates and presentations from the consultant to these groups.

D. Discuss Process for Considering potential TIF District for the Main Street Area of West Lebanon

Mr. Brooks explained that a process has been laid out to determine if the Main Street area of West Lebanon is an appropriate location for a TIF District. This can be further discussed at the Commission's joint meeting with the West Lebanon Revitalization Advisory Committee.

4. FUTURE AGENDA ITEMS:

A. Master Plan, Chapter 6, Economic Development, Review and Update

Mr. Brooks stated that the intention is that the Planning Board will be able to review the EDC's proposed changes to Chapter 6 and hold a public hearing to accept them before the end of the year. The Commission should consider a more refined list of proposed work items as part of updating Chapter 6.

5. NEXT MEETING DATE:

A. Wednesday, March 27, 2024

The Commission agreed to determine if this meeting will occur after its joint meeting on March 18th.

6. OTHER BUSINESS

None at this time.

7. ADJOURNMENT.

The EDC meeting adjourned at 5:02 PM.

Respectfully submitted,
Kristan Patenaude

Agenda
Lebanon City Council
February 7, 2024

9. Old Business:

9.B – Discuss and issue directives regarding the determination of the feasibility of a TIF District in West Lebanon

Background

Municipalities in New Hampshire are permitted to create Tax Increment Finance Districts pursuant to RSA Chapter 162-K entitled Municipal Economic Development and Revitalization Districts. The City Council has the authority to create TIF districts with limitations identified in the RSAs. The City presently has two TIF districts: the Downtown TIF District and the Airport-Tech Park TIF District. The Council discussed the concept of a TIF district in West Lebanon at its meeting on January 17, 2024. This agenda item is a result of that conceptual discussion.

The provisions of RSA 162-K:6, 9, and 10 outline the procedures to establish a TIF district. The steps necessary to meet the requirements of the statute necessitate that a thorough feasibility study be conducted first. This involves two phases:

Phase I – The following questions should be answered before moving to the **Phase II** analysis.

1. What is the purpose of the TIF district?
2. What are its objectives?
3. How and why is TIF the most effective option to address this objective(s)?
4. What is the geographical area of the TIF district?
5. Will the TIF district share any portion of the captured tax increment with the School District, the General Fund and/or the County, especially if there are additional residential structures created in the TIF district?

Phase II – The following questions will need to be answered before a TIF district can be created.

6. What are the answers to the following requirements from RSA 162-K:6? The development program shall contain a complete statement as to the public facilities to be constructed within the district, the open space to be created, the environmental controls to be applied, the proposed reuse of private property, and the proposed operations of the district after the capital improvements within the district have been completed.
7. What are the answers to the following requirements from RSA 162-K:9? A tax increment financing plan shall contain a statement of objectives of a municipality for improvement of a development district. Such plan shall be incorporated into the development program for the district. It shall contain estimates of the following: cost of the development program; sources of revenues to finance those costs including estimates of tax increments; amount of bonded indebtedness to be incurred; and the duration of the program's existence. The plan shall also contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the district is located.
8. What are the fiscal and economic implications of the proposed TIF district (RSA 162-K;9, III)?

The process to create the Downtown TIF District involved economic analysis developed by the consulting firm Applied Economic Research (AER) in 2017. The cost at that time was $35,000. The Phase II analysis will require the development of an RFP and a subsequent contract with a firm to conduct the analysis necessary to finish the feasibility study before a TIF district can be considered by the City Council. The Phase I analysis should be conducted through a joint effort of the City Manager, the West Lebanon Revitalization Advisory Committee, and the Economic Development Commission. The Phase I analysis and recommendations of the City Manager, WLRAC and EDC should be presented to the City Council before directives are issued to conduct Phase II. There are no funds presently appropriated for the Phase II process. This would need to be considered in the 2025 Budget if it is determined that a TIF District is necessary after the Phase I analysis.

Action

The following motion is offered for City Council consideration:

MOVED, that the Lebanon City Council hereby directs the City Manager, the West Lebanon Revitalization Advisory Committee, and the Economic Development Commission to work collaboratively to conduct the Phase I analysis as detailed above, receive stakeholder input, and produce a report back to the City Council no later than October 31st, 2024.

Included In This Section:

1. NH RSA 162-K [Chapter 162-K MUNICIPAL ECONOMIC DEVELOPMENT AND REVITALIZATION DISTRICTS (state.nh.us)]
2. Government Finance Officers Association (GFOA) Best Practices-Creation, Implementation and Evaluation of Tax Increment Financing [Creation, Implementation, and Evaluation of Tax Increment Financing (gfoa.org)]

BEST PRACTICES

Creation, Implementation, and Evaluation of Tax Increment Financing

Local governments should carefully evaluate whether TIF and TIF districts are the most appropriate and effective tool to assist the local government in its economic development plans.

Tax incremental financing (TIF) can be an important tool for local governments to attract economic development projects, create jobs, foster infrastructure investment, and/or redevelop blighted areas. TIF is a technique for funding a qualifying capital project, its related infrastructure, or maintenance of the project[1] from a stream of revenue generated within the geographic area defined as a TIF district. Depending on state and provincial regulations, primary governments with taxing powers can often use TIF, but redevelopment agencies may also be party to a TIF project. When a redevelopment agency uses TIF, the agency may share or redirect property or other taxes imposed by other taxing entities. TIF generally relies on incremental property taxes generated in a specific area, but it can also apply to other taxes, including sales taxes. Any organization considering the use of TIF should be aware of the risks involved. As demonstrated in previous economic downturns, TIF can significantly constrain an organization's ability to generate tax revenues, once a TIF is crafted, it can be very difficult to change the terms or cancel the agreement, especially if bonds have already been issued and the various interests in the flow of funds have been established. As a result, there is a need to focus on the long-term nature of TIF, and the long-term forecasts of the tax revenues that support it. The basic principles outlined herein are applicable to any type of TIF.

While TIF laws differ among states or provinces, most states have established laws and eligibility requirements to create or designate an area as a TIF district (e.g.., blight, dilapidation or deterioration, age of structures). Once an area is legally designated as a TIF district, the base valuation amount of the property values is "frozen." Improvements to properties within the boundaries of the TIF district will then result in increases to this base of the increment which is captured through additional taxes and expended solely within the TIF district. This increment can serve as a source of revenue to pay debt service, upfront development costs for additional improvements, or for individual projects on a pay-as-you-go basis. The maximum period of time a TIF may exist is determined by state law; legislation generally allows time for development efforts and a traditional 20-30 year financing period.

All TIF and TIF districts should be developed in a manner consistent with a government's TIF or economic development policies. Specific components that organizations should include in a TIF policy include:

1. Objectives or strategic goals that the organization can satisfy by using TIF (e.g.: job creation, removal of blight, meeting infrastructure needs).
2. Eligible projects where TIF can be used.
3. Non-eligible projects or users where TIF may not be used.
4. Standards for creating a TIF district and/or evaluation criteria.

5. Processes for considering, reviewing, and implementing a potential TIF agreement.

The Government Finance Officers Association (GFOA) recommends that local governments carefully evaluate whether TIF and TIF districts are the most appropriate and effective tool to assist the local government in its economic development plans. TIF can be a powerful economic development tool, but when tax revenues from the TIF increment is diverted to a TIF district, local governments will be affected by not receiving these revenues, which can constrain a government over the duration of the TIF. Additionally, the development project itself may contain risk, if the project fails to realize the projected results, it could subject the TIF (and the government) to significant financial pressures, particularly with respect to TIF debt service. When adopting a TIF policy, the governing body needs to identify when TIF districts are appropriate, taking into account risk, financial conditions, and the relationship of a project to the organization's overall plans, including maintenance and sustainability. The policy may be based solely on enabling statutes but should provide flexibility for the local governing body and be consistent with local preferences. The policy also should address the following steps to evaluate whether a TIF district should be created. These steps assume that the government has already compared TIF with other options, including other financing sources, and that the TIF aligns with community development goals and complies with the jurisdiction's development policies and objectives. Recommended evaluation steps include the following:

- Identify the area for the TIF district designation to determine whether a proposed district meets the criteria under applicable state law and the priorities established by the governing body. TIF districts may vary in size, depending on the applicable state laws and local government objectives.
- Conduct feasibility studies, including an evaluation to determine whether development or redevelopment could take place within an acceptable timeframe, without economic assistance from the local government (e.g., but for the TIF assistance, the development would not be possible).
- Include an evaluation of debt limitations.
- Identify any taxpayer concentration, tax appeal history, and overlapping taxing jurisdictions contribution and commitment to pledged revenues.
- Identify any laws that might cap assessed value growth or the effect of tax rates on the taxing entity's credit ratings.
- Evaluate the jurisdiction's ability to meet the proposed TIF plan objectives and its ability to mitigate potential risks to local agencies, including the inability to repay debt in the event of revenue declines.
- For property tax increments assessed value (AV) annual growth limits, for example, look at past and future AV growth trends and collection performance and delinquency rates.
- For sales tax increments, look at historical sales tax collections, change in sales tax rates, pending re-authorizations of the sales tax, tax exemption status and any potential changes to it, and overall economic forecasts.
- Subject assumptions and methods for all feasibility studies to sensitivity analysis and other modeling techniques (see the GFOA best practice, *Evaluating Data and Assumptions in Economic Development Proposals*).

- If the government does not have the technical skills available on staff to conduct a feasibility study, then the use of a qualified consultant is appropriate and recommended. Additionally, an alternative analysis should be prepared to evaluate pay-as-you-go financing and/or debt financing options that the TIF could support.
- Prepare a forecast of the costs and revenues applicable to the project.
- Analyze the long-term economic benefit to the local economy for the term of the TIF, the fiscal impacts to the affected jurisdictions and overlapping tax entities (e.g., school districts), and the economic cost of TIF incentives. Use various forms of analysis, including sensitivity analysis.
- Evaluate the risk to general government operations when the TIF-related revenue is no longer available, including an evaluation of the total impact of all TIF districts on the tax base.
- Prepare a maintenance plan for the TIF district's projects, incorporating ongoing costs and future capital costs, and considering the revenue sources available to help cover those costs. If a third party or private-sector partner such as a developer is to maintain the TIF district, provide a maintenance plan that incorporates those components. Document any risk sharing between local government and the third party or private sector partner in a development agreement that clearly states each party's responsibilities. For example, the agreement should identify who is responsible for the following:
- Project upkeep.
- Who backs up project revenue if increments are not sufficient. (There are inherent risks any time the government's credit is used as a backup pledge.)
- Ongoing maintenance responsibilities.
- Maintaining designated reserves, if required.
- Project reporting and monitoring.
- Adherence with state and local laws.

If a government believes a TIF is warranted, based on a comprehensive evaluation, the following implementation steps are recommended, in addition to verifying compliance with state and local laws:

- Prepare a thorough development or redevelopment plan that includes the projects identified and an estimate of the incremental increase in real estate valuation the proposed projects will create. Governments may also consider hiring outside professionals to assist with this process. The development plan and agreement are critical, and should include the following:
- Detailed performance measures.
- Milestones for identified performance measures.
- Steps for monitoring and evaluating the plan, enforcing the agreement (e.g., are target job creation numbers met?).
- Steps to be taken if performance goals are not met, including descriptions of the consequences for either better or worse performance. (One option is to outline future benefits and burdens under all possible economic scenarios.)

- Monitor bond covenants.
- Determine which party is responsible for making any post-agreement filings.
- Thoroughly investigate any third-party or private-sector partners, and their ability to meet the obligations outlined in the development agreement. This includes due diligence in examining the developer's financial and other resources, and its track record with similar projects.
- Obtain input from all parties involved in the project. In the case of multi-jurisdictional TIF districts, consider establishing an oversight board. Also obtain public input on the TIF and make adjustments accordingly, including public hearings if required or desired.
- Periodically review of TIF and TIF district to determine if the TIF is functioning as intended. This periodic review should include measures of actual performance, as compared to projected performance. Measurements could include items such as actual versus projected tax base, jobs created, and the potential impact of shifting economic development from non-TIF district to TIF district.
- Ensure that there is adequate understanding of governmental monitoring and reporting requirements. Also, identify who will be accountable for monitoring the TIF and preparing any necessary reports.

- **Board approval date:** Friday, February 28, 2014

Taken from Government Finance Officers Association (GFOA) website, gfoa.org

TITLE XII
PUBLIC SAFETY AND WELFARE

Chapter 162-K
MUNICIPAL ECONOMIC DEVELOPMENT AND REVITALIZATION DISTRICTS

Section 162-K:1

162-K:1 Local Option. –
Any city or town may adopt this chapter and shall thereafter have all the authority, powers, duties and responsibilities set forth in this chapter.
I. A city may adopt this chapter by majority vote of the legislative body of the city after notice and hearing as set forth in RSA 162-K:4.
II. A town may adopt this chapter by majority vote of the voters present and voting at any legal town meeting under a proper article and after notice and hearing as set forth in RSA 162-K:4.

Source. 1979, 175:2, eff. Aug. 5, 1979.

Section 162-K:2

162-K:2 Definitions. –
In this chapter:
I. "Budget submission date" has the meaning set forth under RSA 273-A:1, III.
II. "Development district" means a specific area within the corporate limits of any municipality which has been so designated and separately numbered by the legislative body of said municipality acting under this chapter.
III. "Development program" means a statement of objectives of the municipality for improvement of a development district established under RSA 162-K:6.
IV. "District administrator" means the head of the department, office agency, municipal housing and redevelopment authority or corporation designated under RSA 162-K:13.
V. "Governing body" means the board of aldermen or city council in the case of a city and the board of selectmen in the case of a town.
VI. "Legislative body" means the board of aldermen or city council in the case of a city and the town meeting in the case of a town.
VII. "Maintenance and operation" means all activities necessary to maintain facilities after they have been developed and all activities necessary to operate the facilities including but not limited to informational and educational programs, and safety and surveillance activities.
VIII. "Municipality" means a city or town.
IX. "Parking structure" means any building the principal use of which is designed for and intended for parking of motor vehicles, and includes open air parking on parking lots.
IX-a. "Public use" means:

(a)(1) The possession, occupation, and enjoyment of real property by the general public or governmental entities.
(2) The acquisition of any interest in real property necessary to the function of a public or private utility or common carrier either through deed of sale or lease.
(3) The acquisition of real property to remove structures beyond repair, public nuisances, structures unfit for human habitation or use, and abandoned property when such structures or property constitute a menace to health and safety.
(4) Private use that occupies an incidental area within a public use; provided, that no real property shall be condemned solely for the purpose of facilitating such incidental private use.
(5) If separately adopted by the city or town by the procedure described in RSA 162-K:1, the acquisition of real property to construct housing units which meet the definition of workforce housing contained in RSA 674:58, IV, whether or not such construction results from private development or private commercial enterprise. The municipality shall not acquire property for this purpose through the powers of eminent domain.
(b) Except as provided in subparagraphs (a)(2), (4), and (5) of this paragraph, public use shall not include the public benefits resulting from private economic development and private commercial enterprise, including increased tax revenues and increased employment opportunities.
X. "Substantially residential development district" means any development district in which 40 percent or more of the land area, exclusive of streets and open space, is used for residential purposes at the time the district is designated.
XI. "Tax increment" means 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.

Source. 1979, 175:2. 2006, 324:1, eff. Jan. 1, 2007. 2022, 272:78, eff. Aug. 23, 2022.

Section 162-K:3

162-K:3 Authorization; Initial Adoption. – A municipality which adopts this chapter shall thereafter be authorized to establish one or more development districts. For each such district, the municipality shall establish a development program and a tax increment financing plan. A municipality that has not previously adopted this chapter may carry out the planning and hearing procedures for establishment of one or more development districts at the same time it is conducting the planning and hearing procedures on initial adoption of this chapter; provided that any vote on establishing a particular development district shall not be taken until after the legislative body shall have voted on the question of adopting this chapter.

Source. 1979, 175:2, eff. Aug. 5, 1979.

Section 162-K:4

162-K:4 Hearing. – Prior to adopting this chapter or designating any development district, a hearing on the subject shall be conducted in the municipality. The hearing shall be conducted by the governing body. The hearing shall be held at least 15 days prior to the date on which action on the proposal is scheduled to take place. Notice of the hearing, including a description of any proposed district, shall be posted in 2 appropriate places in the municipality or published in a newspaper of general circulation in the municipality at least 7 days prior to the hearing.

Source. 1979, 175:2, eff. Aug. 5, 1979.

Section 162-K:5

162-K:5 Establishment of Districts; Limitations. –

Upon a finding that such action will serve public purposes, the legislative body of the municipality may create, within its jurisdiction, development districts. The area of a district may be enlarged following the date of designation of the district. Municipalities establishing development districts shall comply with one of the following limitations:
I. The total acreage included in any one development district when designated shall not exceed 5 percent of the total acreage of the municipality, and when added to the total current acreage within the development districts for which bonds remain outstanding shall not exceed 10 percent of the total acreage of the municipality.
II. The total assessed value of taxable real property of any one development district when designated shall not exceed 8 percent of the most recent total assessed value of taxable real property in the municipality, and when added to the current total assessed value of taxable real property within development districts for which bonds remain outstanding, shall not exceed 16 percent of the most recent total assessed value of taxable real property in the municipality.

Source. 1979, 175:2. 1985, 135:1. 1991, 362:10. 1998, 9:1. 2004, 181:1, eff. July 31, 2004.

Section 162-K:6

162-K:6 District Establishment and Development Programs. –

A municipality which has adopted this chapter and which intends to establish a development district shall, in addition to establishing the district, establish a development program under this section and a tax increment financing plan under RSA 162-K:9 and 10.
I. The development program shall contain a complete statement as to the public facilities to be constructed within the district, the open space to be created, the environmental controls to be applied, the proposed reuse of private property, and the proposed operations of the district after the capital improvements within the district have been completed.
II. The development program shall also provide for carrying out relocation of persons, families, business concerns, and others displaced by the project, pursuant to a relocation plan, including the method for the relocation of residents in decent, safe and sanitary dwelling accommodations, and reasonable moving costs, determined to be feasible by the municipality.
III. In conformity with the development program, within the district, the municipality may:
(a) Acquire, construct, reconstruct, improve, alter, extend, operate, maintain or promote developments aimed at improving the physical facilities, quality of life and quality of transportation;
(b) Acquire real property or easements through negotiation or through powers of eminent domain, except that property acquired through powers of eminent domain shall be put to public use, as defined in RSA 162-K:2, IX-a;
(c) Adopt ordinances regulating the use of public parking structures and other facilities constructed within the development district and access to them and the conditions under which such access is allowed. Traffic regulations may include, but shall not be limited to, direction and speed of traffic, kinds of service activities that will be allowed in arcades, parking structures and

plazas, and rates to be charged in the parking structures;
(d) Require construction of buildings within the district so as to accommodate and support pedestrian systems which are part of the program for the development district. When the municipality requires for the public benefit the construction of columns, beams or girders with greater strength than required for normal building purposes, the municipality shall reimburse the owner for the added expense from development district funds;
(e) Install lighting systems, street signs and street furniture, landscaping of street and public property, and snow removal systems compatible with the character of the district;
(f) Acquire property for the district;
(g) Lease air rights over public property and spend public funds for constructing the foundations and columns in the public buildings strong enough to support the buildings to be constructed on air rights;
(h) Lease all or portions of basements, ground and second floors of the public buildings constructed in the district;
(i) Negotiate the sale or lease of property for private development if the development is consistent with the development program for the district; and
(j) If separately adopted by the city or town by the procedure described in RSA 162-K:1, acquire, construct, reconstruct, improve, alter, extend, operate, maintain or promote residential developments aimed at increasing the available housing stock within the municipality.

Source. 1979, 175:2. 2006, 324:2, eff. Jan. 1, 2007. 2022, 272:79, eff. Aug. 23, 2022.

Section 162-K:7

162-K:7 Grants. – A municipality may accept grants or other financial assistance from the government of the United States, the state of New Hampshire or any other entity to do studies and to construct and operate the public improvements authorized by this chapter.

Source. 1979, 175:2, eff. Aug. 5, 1979.

Section 162-K:8

162-K:8 Issuance of Bonds. – The municipality may authorize, issue and sell general obligation bonds, which shall mature within 30 years from the date of issue, to finance the acquisition and betterment of real and personal property needed to carry out the development program within the development district together with all relocation costs incidental thereto. Bonds issued under authority of this chapter shall be payable in annual payments which shall be so arranged that the amount of annual payment of principal and interest in any year on account of any bond shall not be less than the amount of principal and interest payable in any subsequent year by more than 5 percent of the principal of the entire bond. The total amount of such payments shall be sufficient to extinguish the entire bond on account of which they are made at maturity. The first payment of principal on any bond shall be made no later than 5 years and the last payment not later than 30 years after the date thereof. Each authorized issue of bonds shall be a separate loan. All dedicated tax increments received by the municipality pursuant to RSA 162-K:10 shall be pledged for the payment of these bonds and used to reduce or cancel the taxes otherwise required to be extended for that purpose, and the bonds shall not be included when computing the municipality's net debt under RSA 33.

Source. 1979, 175:2. 2000, 280:1, eff. Aug. 20, 2000.

Section 162-K:9

162-K:9 Tax Increment Financing Plan. –

The municipality shall adopt a tax increment financing plan for any development district established under this chapter. The plan shall allocate use of tax increments for retirement of bonds and notes, operation, maintenance and improvements in the district and for general municipal purposes.

I. A tax increment financing plan shall contain a statement of objectives of a municipality for improvement of a development district. Such plan shall be incorporated into the development program for the district. It shall contain estimates of the following: cost of the development program; sources of revenues to finance those costs including estimates of tax increments; amount of bonded indebtedness to be incurred; and the duration of the program's existence. The plan shall also contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the district is located.

II. Before approving any tax increment financing plan, a public hearing shall be held as part of the hearing on the development district under RSA 162-K:4.

III. Before formation of a development district, the municipality shall provide a reasonable opportunity to the county commissioners of any county in which any portion of the development district is located and to the members of the school board of any school district in which any portion of the development district is located to meet with the governing body. The governing body shall fully inform the county commissioners and the school boards of the fiscal and economic implications of the proposed development district. The county commissioners and the school boards may present their recommendations at the public hearing. A municipality's tax increment financing plan may include agreements with the county commissioners and the school boards in which the district is located to share a portion of the captured tax increments of the district.

IV. A tax increment financing plan may be modified provided such modification shall be approved by the legislative body upon such notice and hearing and agreements as are required for approval of the original plan. In a case where the financing plan calls for the appropriation of a specific sum of money, the sum of money appropriated thereunder may be decreased or increased by the vote of the legislative body, provided that in a town under the municipal budget act no increase shall be valid which would violate the provisions of RSA 32:18, except as provided in RSA 32:18-a. Any modification shall maintain use of dedicated tax increments for retirement of bonds and notes as required.

Source. 1979, 175:2, eff. Aug. 5, 1979. 2015, 167:1, eff. Aug. 25, 2015.

Section 162-K:10

162-K:10 Computation of Tax Increments. –

I. Upon formation of a development district, the assessors of the municipality in which it is situated shall determine the current assessed value of the real property within the boundaries of the development district. The current assessed value so determined shall be known as the "original assessed value." Property exempt from taxation at the time of the determination shall be included at zero, unless it later becomes taxable, in which case its most recently determined assessed valuation shall be included. Each year thereafter, the assessors shall determine the amount by which the assessed value has increased or decreased from the original assessed value. The assessors shall also determine the proportion which any increase or decrease bears to the total assessed value of the real property in that district for that year.

II. Any amount by which the current assessed value of a development district exceeds the original assessed value is referred to as the captured assessed value. The assessors shall determine the amount of the captured assessed value each year.

(a) The tax increment financing plan shall designate the portion of captured assessed value which will be dedicated for retirement of bonds and notes and the portion of captured assessed value which will be dedicated to the operation and further development of the tax increment financing district.

(b) The portion of captured assessed value which is not used either for the purpose of retirement of bonds and notes or for the purpose of the operation and development of the tax increment financing district shall be deemed excess captured assessed value. Excess captured assessed value shall be returned to the tax lists.

III. (a) Each subsequent year the assessors shall determine current assessed valuation, and tax increments and shall report them to the commissioner of the department of revenue administration according to the following method:

(1) If the municipality retains the full captured assessed value for the development district the assessors shall certify to the commissioner of revenue administration, for the purposes of the report required by RSA 41:15, the current assessed value, as the basis to equalize annually the valuation of property throughout the state, and the full captured assessed value, to be deducted from the current assessed valuation for the calculation of the property tax rate. The assessors shall extend all rates as established by the commissioner of revenue administration under the provisions of RSA 41:15 against the current assessed value, including all captured assessed value. In each year for which the current assessed value exceeds the original assessed value, the municipal tax collector shall remit to the municipality that proportion of all taxes paid that year on real property in the district which the captured assessed value bears to the total current assessed value. The amount so remitted each year is referred to in this section as the tax increment for that year.

(2) If the municipality retains only a portion of the captured assessed value for the development district and returns the remaining portion to the tax lists, the assessors shall include the current assessed value, to be used as a basis to equalize annually the valuation of property throughout the state, and that portion of the captured assessed value which the municipality does retain, to be deducted from the current assessed valuation for the calculation of the property tax rate. The assessors shall extend all rates against the total current assessed value. In each year for which the current assessed value exceeds the original assessed value, the municipal tax collector shall remit to the municipality that proportion of all taxes billed on real property in the district that the retained captured assessed value bears to the total current assessed value in the district. The amount so remitted each year is referred to as the tax increment.

(b) The general court finds that municipalities that have adopted a tax increment financing plan and issued tax increment financing plan bonds under this chapter before April 29, 1999, or which have adopted a tax increment financing plan and entered into contracts and incurred liabilities in reliance upon the tax increment plans under this chapter before April 29, 1999, have incurred obligations which must be honored. The general court recognizes also that in accordance with the intent of this chapter, such obligations were entered into in order to accomplish a public purpose and for the improvement of development in municipalities. Accordingly, the provisions of subparagraph III(a) shall not apply to tax increment financing plan districts which authorized and issued tax increment bonds under this chapter before April 29, 1999 or which adopted a tax increment financing plan under this chapter and entered into contracts and incurred financial liabilities in reliance upon such tax increment plan before April 29, 1999. This subparagraph shall only apply to tax development districts as they existed as of April 29, 1999. To the extent such tax increment financing plan is amended to increase the amount of bonded indebtedness, to increase the cost of the development program, or to extend the duration of the program's existence, this subparagraph shall not apply. The assessors shall determine assessed valuation and tax increments according to the following method:

(1) If the municipality retains the full captured assessed value for the development district, the assessors shall certify to the commissioner of revenue administration for the purposes of the report required by RSA 21-J:34, no more than the original assessed value of the real property in the development district. The assessors shall extend all rates as established by the commissioner of revenue administration under the provisions of RSA 21-J:35 against the current assessed value, including all captured assessed value. In each year for which the current assessed value exceeds the original assessed value, the municipal tax collector shall remit to the municipality that proportion of all taxes billed that year on real property in the district which the captured assessed value bears to the total current assessed value. That amount is referred to in this section as the tax increment for that year.

(2) If the municipality retains only a portion of the captured assessed value for the development district and returns the excess to the tax lists, the assessors shall certify to the commissioner of revenue administration for the purposes of the report required by RSA 21-J:34 the original assessed value and that portion of the captured assessed value which is shared with all the affected taxing districts for the purposes of determining the assessed value for computing property tax rates. The commissioner of revenue administration shall compute the rates of all taxes levied by the state, county, municipality, school district and every other taxing district in which the district is located on this aforementioned assessed value. The assessors shall extend all rates against the total current assessed value, including that portion of the captured assessed value which the municipality is retaining for the development district only. In each year for which the current assessed value exceeds that original assessed value, the municipal tax collector shall remit to the municipality that proportion of all taxes paid on real property in the district that the retained captured value bears to the total current assessed value in the district. That amount is referred to as the tax increment for that year.

(c) In any year in which the current assessed value of the development district is equal to or less than the original assessed value, the assessors shall compute and extend taxes against the current value. Taxes shall be distributed from the affected property to each of the taxing authorities as determined by the current levy and there is no tax increment.

IV. The municipality shall expend the tax increments received for any development program only in accordance with the tax increment financing plan. Tax increments shall be used only to pay off costs and administrative expenses incurred in developing the district.

Source. 1979, 175:2. 1999, 303:13. 2000, 222:1-3, eff. April 1, 2000.

Section 162-K:11

162-K:11 Annual Report. – The municipality's annual report shall contain a financial report for any development district in the municipality. The report shall include at least the following information: the amount and source of revenue of the district, the amount and purpose of expenditures, the amount of principal and interest on any outstanding bonded indebtedness, the original assessed value of the district, the captured assessed value retained by the district, the tax increments received and any additional information necessary to demonstrate compliance with the tax increment financing plan.

Source. 1979, 175:2, eff. Aug. 5, 1979.

Section 162-K:12

162-K:12 Maintenance and Operation. – Maintenance and operation of the systems and improvements constructed under this chapter shall be under the supervision of the district administrator. The cost of maintenance and operation of the non-revenue-producing facilities together with excess of costs of operation and maintenance of revenue-producing facilities, if any, shall be charged against the development district in which it is located. The charges against each property within the district shall be in proportion to the benefit to the properties within the district 60 days before the budget submission date. The district administrator shall submit to the governing body of the municipality the maintenance and operating budget for the following year, and the prorated share of the budget to be charged to each property in the district. The budget for the district as approved by the municipality, and pursuant to RSA 32, shall contain necessary appropriations and provisions for collecting charges against affected properties in the district.

Source. 1979, 175:2. 2012, 186:5, eff. June 11, 2012.

Section 162-K:13

162-K:13 Administration. –

The municipality may create a department or designate an existing department or office or agency or municipal housing and redevelopment authority, or form a corporation under RSA 292, to administer development districts. The district administrator may, subject to such rules and limitations as may be adopted by the governing or legislative body, be granted the power to:

I. Acquire property or easements through negotiations;

II. Enter into operating contracts on behalf of the municipality for operation of any of the facilities authorized to be constructed under this chapter;

III. Lease space to private individuals or corporations within the buildings constructed under this chapter;

IV. Lease or sell land and lease or sell air rights over structures constructed under this chapter;

V. Enter into contracts for construction of several facilities or portions thereof authorized under this chapter;

VI. Contract with the housing and redevelopment authority of the municipality for the

administration of any or all of the provisions of this chapter;
VII. Certify to the governing body of the municipality, for acquisition through eminent domain, property that cannot be acquired by negotiation, but is required for implementation of the development program;
VIII. Certify to the governing body of the municipality the amount of funds, if any, which must be raised through sale of bonds to finance the program for development districts;
IX. Apply for grants from the government of the United States or other source.

Source. 1979, 175:2, eff. Aug. 5, 1979.

Section 162-K:14

162-K:14 Advisory Board. –
I. The legislative body of the municipality shall create an advisory board for each development district that ensures fair representation of business and community interests. The board shall consist of such number of members appointed or elected as determined by the legislative body. A majority of members shall be owners or occupants of real property within the community and at least one member shall be an owner or occupant of real property within the development district. In a substantially residential development district, however, the board shall consist solely of owners or occupants of real property within the community and at least one member shall be an owner or occupant of real property within the development district.
II. The advisory board shall advise the governing body and district administrator on planning, construction and implementation of the development program and on maintenance and operation of the district after the program has been completed.
III. The governing body shall by resolution delineate the respective powers and duties of the advisory board and the planning staff or agency. The resolution shall establish reasonable time limits for consultation by the advisory board on the phases of the development program, and provide a mechanism for appealing to the governing body for a final decision when conflicts arise between the advisory board and the planning staff or agency, regarding the development program in its initial and subsequent stages.

Source. 1979, 175:2, eff. Aug. 5, 1979. 2022, 151:1, eff. Aug. 6, 2022.

Section 162-K:15

162-K:15 Relocation. – Unless they desire otherwise, provision shall be made for relocation of all persons who would be displaced by a proposed development district prior to displacement in accordance with the provisions of RSA 162-K:6. Prior to undertaking any relocation of displaced persons, the municipality shall insure that housing and other facilities of at least comparable quality be made available to the persons to be displaced.

Source. 1979, 175:2, eff. Aug. 5, 1979.

Section 162-K:16

162-K:16 Joint Municipal Development and Revitalization Districts.
– Municipalities may enter into an agreement under RSA 53-A to jointly establish a municipal development district that may include land within the several municipalities using the procedures in this chapter. Tax revenues and expenditures may be allocated as provided in the agreement.

Source. 2019, 318:3, eff. Oct. 2, 2019.