LEBANON ECONOMIC DEVELOPMENT COMMISSION
APRIL 24, 2024 - 4:00 PM
COUNCIL CHAMBERS, CITY HALL OR
REMOTE VIA VIRTUAL PLATFORM
LEBANONNH.GOV/LIVE

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1. Call to Order

A. The April 24, 2024 Economic Development Commission is hereby called to order.

2. Approval of Minutes

A. March 27, 2024 (Joint Economic Development Commission and West Lebanon Revitalization Advisory Committee)

3. New Business

A. Update on 20 Spencer Street

B. Strategic Plan Review and Update

C. Discuss potential TIF District for the Main Street Area of West Lebanon

4. Future Agenda Items

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

5. Next Meeting Date

A. Wednesday, May 22, 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

JOINT MEETING OF
ECONOMIC DEVELOPMENT COMMISSION AND
WEST LEBANON REVITALIZATION ADVISORY COMMITTEE
WEDNESDAY, MARCH 27, 2024 – 4:00PM
Kilton Library – or remote via Virtual Platform
MINUTES

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

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

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

WLRAC MEMBERS ABSENT:

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

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1. CALL TO ORDER:

- The March 27, 2024 joint Economic Development Commission and West Lebanon Revitalization Advisory Committee meeting was called to order at 4:00 PM.

2. APPROVAL OF MINUTES:

A. December 18, 2023 – WLRAC

Motion by Eric Endrulat to approve the minutes of December 18, 2023, as presented.
Second by Laurel Stavis.
**** The Vote on the MOTION was approved (7-0).***

B. February 28, 2024 - EDC

Motion by Dan Nash to approve the minutes of February 28, 2024, as presented.
Second by Kevin Purcell.
**** The Vote on the MOTION was approved (6-0).***

3. NEW BUSINESS:

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

The Deputy City Manager gave a brief overview of TIF Districts in general and a review of the City's two existing TIF Districts, in particular: the Downtown Lebanon TIF district and the Lebanon Airport-Tech Park TIF district. There was discussion that TIF districts function by establishing a baseline valuation within the district at the time of establishment. Each year thereafter, the new valuation is compared to the original baseline; if the new valuation is lower than or equal to the original baseline, then no increment is generated for that year. If the new valuation is higher than the baseline, then a positive increment is generated. The taxes paid on the positive increment are then accounted for separately and are available for reinvestment within the TIF district. TIF increment revenue cannot be spent on property or projects outside the TIF district in which it was generated.

When a TIF district is created, other taxing agencies, such as the school district and county government, continue to receive their share of taxes based on the original baseline value. In Lebanon's two existing TIF districts, the City collects 100% of the increment. However, the City could choose to negotiate an arrangement with the school district and/or the county government to pay some portion of the increment each year based on a pre-arranged schedule, such as the number of school-aged children living within a new residential development in the TIF district.

The state statute includes limitations on the land area and taxable valuation of individual districts, and of all such TIF districts combined. No single district can include more than 5% of the land area of the City, and all districts combined cannot include more than 10% of the total acreage of the City. Also, no single district can include more than 8% of the total assessed valuation of taxable property in the City, and all districts combined cannot include more than 16% of the total assessed valuation of taxable property in the City. Lebanon's two existing TIF districts, considered individually and in combination, are well below these statutory limitations. As a result, the limitations are not a factor for Lebanon when considering the creation of additional districts at this time.

There was discussion that TIF districts are optimally used to enable or facilitate new development and increase valuations that could not be achieved otherwise. For example, the City's construction of a roadway extension in the Airport TIF district created access to land that was previously inaccessible. As a result, new development is already occurring on the Upper Valley Tech Park property that could not have occurred otherwise. The taxable value of the new development on the Tech Park property will be accounted for as a positive increment and can be used to pay off the debt service on the roadway built by the City. Other examples of optimal use of TIF revenue include extending water and/or sewer infrastructure to facilitate more intensive development than would be possible without those utilities.

There was discussion about whether it is appropriate or a "best practice" to use TIF revenue to make improvements that do not directly generate increased taxable valuation in the district, such as streetscape improvements.

There was discussion that when a community establishes a new TIF district, a Development Program must be adopted, which outlines the types of projects that may be undertaken within the district. There was discussion about the types of projects that are described in the statute, including acquiring or constructing new developments, acquiring property, constructing or operating parking, and installing streetscape improvements such as lights, signage, and landscaping. It was also noted that TIF districts can be used to promote residential development.

A community must also adopt a TIF Financing Plan that outlines the approximate costs of potential project or programs, sources of revenue to finance those costs, and the duration of the program's existence.

The two groups held a high-level discussion regarding the potential for creating a TIF District for the Main Street area of West Lebanon and possibly including the River Park development area. There was discussion about what the committees and the community would like to see occur in West Lebanon and whether the creation of a TIF district is the best tool to facilitate or enable those improvements.

Both committees decided to continue discussing this topic at their future meetings in April and then reconvene for another joint meeting in May.

4. FUTURE AGENDA ITEMS:

As discussed during the meeting.

5. NEXT MEETING DATE:

A. Wednesday, April 24, 2024

6. OTHER BUSINESS

None at this time.

7. ADJOURNMENT.

The EDC and WLRAC meeting adjourned at 5:30PM.

Respectfully submitted,
Kristan Patenaude

Economic Vitality

Strategic Objectives

8.1 Facilitate a Vibrant, Sustainable and Resilient Economy that supports a high quality of life.

8.2 Facilitate and develop partnerships to increase Early Childhood Education capacity and reduce cost.

8.3 Work cooperatively with UVBA, the Corporate Council and others to enhance the business climate in the region.

8.4 Coordinate regionally to enhance tourism opportunities in the Upper Valley.

8.5 Implement opportunities for redevelopment in the four core business districts of the City.

Responsible Groups

Departments

- City Manager
- Planning and Development

Boards and Committees

- Downtown TIF
- Economic Development Committee (EDC)
- Planning Board
- West Lebanon Revitalization Committee (WLRC)

Partners

- UV Business Alliance
- UV Public Health Network
- Vital Communities

Economic Vitality

Vision Statement

The City is the economic hub of the Upper Valley. Most of the jobs in the region are located here in the City. The City is the host of a diversified and resilient economy. Traditionally the impacts of worldwide and national economic downturns impact the region to a lesser extent. The predominance of the medical sector, with Dartmouth Health being the largest employer in the region and the largest employer in the State, results in considerable supplemental and complimentary economic activity. The area has over 120 high-tech businesses, many of which are medtech and biotech companies. Many of these companies have a direct relationship or lineage from Dartmouth College and Dartmouth Health.

The region has the highest average salaries in the State. The Upper Valley economy is vibrant and resilient when it has the following:

- A trained workforce adequate to meet the needs of all employers;
- An innovative, creative, and entrepreneurial culture that drives and develops new ideas;
- A diversified commercial/industrial sector that includes small, medium, and large businesses that pay a living wage;
- High quality housing to meet the needs of the workforce needed for the economy;
- High quality childcare and early childcare development to allow parents to work in the economy;
- High quality public education and postsecondary education to develop and maintain a skilled workforce; and
- Vibrant and diversified retail, food, and general service sectors that meet the supporting needs of the Upper Valley.

The City's Master Plan addresses the larger vision statement relative to Economic Development located in Chapter 6.

Photo by James Lemire

Strategic Objective 8.1

Facilitate a Vibrant, Sustainable and Resilient Economy that provides a high quality of life.

Action Plan 8.1.1: Work with City Council, Boards and Commissions to develop a regulatory environment that reflects the community's priorities, while allowing efficient consideration and permitting of projects. [Planning]

- KPI 8.1.1: Develop a KPI which measures permitting time, % complete applications, and seeks to inform applicants of best practices, which lead to successful project permitting and implementation. [Planning]
    - 2023 Status: Project not started yet. [Planning]
    - 2024 Status: N/A

Action Plan 8.1.2: Work with property owners and developers to facilitate projects that enhance the City's Master Plan and Strategic Objectives. [City Manager][Planning][EDC][Planning Board][Downtown TIF][WLRC]

- KPI 8.1.2: Develop working relationships with property owners/developers to assist them in moving their projects forward. Inform property owners of the tax incentive measures and other programs that are available. [City Manager][Planning][EDC][Planning Board][Downtown TIF][WLRC]
    - 2023 Status: Working with LWM Inc. to partner on the public plaza concept using TIF funds and acquisition of the island in the river. The City is the applicant for State housing funds for a grant for demolition of parts of the Kleen Laundry building. Application for 79-E tax exemption anticipated. Discussions with Lyme Properties regarding the River Park site have been under discussions since 2011 relative to TIF, public use conservation areas, etc. Discussions with Jay Campion regarding the Signal Park site to include recreational facilities to creating a Signal Park TIF district. [City Manager][Planning][EDC][Planning Board][Downtown TIF][WLRC][Conservation Commission][RAP]

- 2024 Status:
    - City successfully partnered with LWM to obtain InvestNH grant funds for demolition of parts of redevelopment site. In December 2023, City Council granted 79-E tax relief for an 11-year period with conditions related to Declaration of Outdoor Recreational Activity. [City Manager][Planning][EDC][Planning Board][Downtown TIF]
    - In October 2023, City Council agreed to conditionally accept River Park Drive as a public street. A TIF District is currently under consideration in West Lebanon. [City Manager][Planning][EDC][Planning Board][WLRC]
    - Zoning map and text amendments adopted in January 2024 to enable development proposal to move forward to review. [City Manager][Planning][RAP][Planning Board]

Strategic Objective 8.2

Facilitate and develop partnerships to increase Early Childhood Education capacity and reduce cost.

Action Plan 8.2.1: Provide key leadership role in the UV/State Childcare Initiatives (CM). [City Manager][Vital Communities]

- KPI 8.2.1: Continue to serve on the Vital Communities Steering Committee regarding the Childcare initiative which began in 2021-2026. [City Manager]
    - 2023 Status: The City Manager began serving on the Vital Communities Steering Committee in August 2021. He continues to serve in that capacity as well as co-chair of Retention & Recruitment/Facilities & Program Models working group. [City Manager]
    - 2024 Status: N/A

Action Plan 8.2.2: Continue the development of the Lebanon Early Childhood Education Facility to provide services to the region. Focus on low/mod income parents, non-traditional hours, competitive wages and benefits for childcare workers, teaching facility for staff, focus on infant care with the Boys & Girls Club of Central NH. [City Manager][Boys & Girls Club]

- KPI 8.2.2: Develop CIP project for 2024 with the goal of construction of a new facility by the end of 2026. The goal of 200 childcare slots. [City Manager][Boys & Girls Club]
    - 2023 Status: Project development team creating the conceptual plan started in February of 2023. Proposal approved by the City Council in December of 2023. [City Manager][Planning][Airport][Boys & Girls Club][UV ECEA]
    - 2024 Status: US House of Representatives approved a CDS grant in the amount of $1,616,279 for this project. [City Manager][Planning][Airport][Boys & Girls Club][UV ECEA]

Action Plan 8.2.3: Support in-home childcare providers in the Grafton/Sullivan County Region with ECEA by serving as the fiscal agent for the provider support network grant. [City Manager][UV ECEA]

- KPI 8.2.3: The City serves as the fiscal agent in 2023-2025. [City Manager][Finance][UV ECEA]
    - 2023 Status: The City served as the fiscal agent in 2022 for the pilot grant. Will continue to serve as the fiscal agent in 2023-2025. [City Manager][Finance][UV ECEA]
    - 2024 Status: N/A

Action Plan 8.2.4: Provide fingerprinting services to childcare provider applicants for the region to expedite the approval process for new childcare workers. [Police]

- KPI 8.2.4: Reduce or eliminate wait times for childcare provider applicants to be fingerprinted. Provider applicants are approved more quickly for work in the profession on a regional/UV basis. [Police]
    - 2023 Status: In 2022 the Police Department initiated livescan fingerprinting services outside of its normal service hours two days a week to basically 24 hours on demand for not just employers and applicants in the City but for any childcare worker applicant. Service to continue as long as needed. [Police]
    - 2024 Status: N/A

Strategic Objective 8.3

Work cooperatively with UVBA, the Corporate Council, and others to enhance the business climate in the region.

Action Plan 8.3.1: Provide reliable and affordable high-speed internet (PLN). [Planning]

Completed

- KPI 8.3.1: All residential properties in the City have access to high-speed internet. Support efforts by other companies to provide competitive HSI capability in the City. [Planning]
    - 2023 Status: Comcast extended service to the remaining 142 homes in the City without broadband service in November of 2022. The City contributed $60,000 in ARPA funds matched with just over $600,000 in funding from Comcast. [Planning]
    - 2024 Status: This Action is Complete [Planning]

Action Plan 8.3.2: Work collaboratively with UVBA, the Corporate Council, and others to enhance the business climate. [City Manager][EDC]

- KPI 8.3.2: Provide microgrants to UVBA to market the region. [City Manager]
    - 2023 Status: The City provided a $10,000 grant to UVBA to create video segments to promote the UV for tourism in 2022. The City provided UVBA with $5,000 in ARPA funds to create the Local UV phone app in 2021. [City Manager][UV Business Alliance]
    - 2024 Status: N/A

Action Plan 8.3.3: Program to assist minority, LGBTQ+ and woman businesses (DEI). [DEI][EDC]

- KPI 8.3.3: DEI has a program operational by the end of 2024. [City Manager][DEI]
    - 2023 Status: DEI has begun discussions on the development of a program; however, no definitive plans have been developed yet. [City Manager][DEI]
    - 2024 Status: N/A

Action Plan 8.3.4: Work with Boards and Commissions on a regulation-based, evidence-supported, legally defensible decision process that generates regulatory certainty for all applicants. [Planning][Planning Board]

- KPI 8.3.4: Minimize adverse legal appeals of any Board or Commission decision. [Planning][Heritage Commission][Planning Board][Conservation Commission][ZBA]
    - 2023 Status: Work and education sessions are provided to board members. Process measures are under review. [Planning][Heritage Commission][Planning Board][Conservation Commission][ZBA]
    - 2024 Status: N/A

Action Plan 8.3.5: Provide small business resources at the Libraries by having programming, databases, and other resources available to people who own or are developing new businesses. [Library][EDC][UV Business Alliance]

- KPI 8.3.5A: Increase collection materials and programming that support small businesses in Lebanon. [Library][EDC][UV Business Alliance]
    - 2023 Status: We're expanding our resources and connections. [Library]
    - 2024 Status: Focus on collaborations with local institutions. [Library]
- KPI 8.3.5B: Collaborate with organizations such as the SBA, nonprofits, and local small business to assess and provide supportive materials and programming. [Library][EDC][UV Business Alliance]
    - 2023 Status: N/A
    - 2024 Status: N/A

Action Plan 8.3.6: Work collaboratively with UVBA and others to identify gaps and community and regional needs for potential recruitment and retention efforts. [City Manager][EDC][UV Business Alliance]

- KPI 8.3.6: Partner with UVBA to execute a regional Gap Analysis. [City Manager][EDC][UV Business Alliance]
    - 2023 Status: Discussions underway at EDC on the need for this study. [City Manager][EDC][UV Business Alliance]
    - 2024 Status: N/A

Strategic Objective 8.4

Coordinate regionally to enhance tourism opportunities in the Upper Valley.

Action Plan 8.4.1: Partner with UVBA to promote tourism in the UV. [City Manager][Planning][EDC][UV Business Alliance]

- KPI 8.4.1: Provide microgrants to UVBA to promote tourism in the UV. [City Manager][Planning][EDC][UV Business Alliance]
    - 2023 Status: CM has provided microgrants to UVBA to create tourism opportunities in the UV. The City funded the startup costs for the UV Local app with ARPA funds. [City Manager][UV Business Alliance]
    - 2024 Status: N/A

Action Plan 8.4.2: Enhance tourism relative to the City's historic sites, online map, photos, videos, and on-site signage. [Planning][EDC][Heritage Commission][UV Business Alliance]

- KPI 8.4.2: HC develops maps, photos, videos, and site signage on the City's website and partners with UVBA to enhance public awareness of the City's history to attract tourism. [Planning][Heritage Commission][UV Business Alliance]
    - 2023 Status: CM has provided funding (2022) to HC to create a video documentary of the history of the native populations in the City. [City Manager][Heritage Commission][JAM]
    - 2024 Status: N/A

Strategic Objective 8.5

Implement opportunities for redevelopment in the four core business districts of the City.

Action Plan 8.5.1: Implement West Lebanon Charrette Studies (PLN). [City Manager][Planning][RAP][EDC][DPW][WLRC]

- KPI 8.5.1: Acquisition & development of the Westboro Yard recreational area. [City Manager][RAP]

- 2023 Status: Discussion with NH DOT to acquire portions of the Westboro Railyard have been underway since at least 1999. The City advocated and provided a $287,000 in-kind contribution for the demolition of the decrepit railyard buildings which occurred in 2022. Negotiations continue with NH DOT to acquire a portion of the railyard and develop it into a recreational area. [City Manager][RAP]
- 2024 Status: Negotiations continue with NH DOT to acquire a portion of the railyard and develop it into a recreational area. NHDOT has conceptually approved the design for a multi-use path along the CT riverfront. [City Manager][RAP]

Action Plan 8.5.2: Downtown Redevelopment - 20 Spencer, Village Mkt, Kleen, Parking Lots (PLN). [City Manager][Planning][EDC][Downtown TIF]

- KPI 8.5.2: Redevelopment of 20 Spencer St. for workforce housing. [City Manager]
  - 2023 Status: Initial agreement with the Braverman Co. to redevelop expired in January of 2023. EDC provided a recommendation to the City Council regarding redevelopment. [EDC]
  - 2024 Status: The Muse Lebanon/Tamposi selected in March 2024 as the preferred developer of 20 Spencer St based on revised RFP. [City Manager]
- KPI 8.5.2a: Redevelopment of the parking lots behind City Hall, maintaining the existing parking capacity, developing workforce housing and green space. [City Manager][Planning][EDC][Downtown TIF]
  - 2023 Status: RFI issued in 2022 with 3 proposers. EDC and Downtown TIF began work on developing the options and plan and then suspended that work to focus on 20 Spencer St. [City Manager][Planning][EDC][Downtown TIF]
  - 2024 Status: City to engage planning consultant to study and address potential issues and questions associated with redevelopment of parking lots. EDC and Downtown TIF to coordinate with consultants and help lead public engagement processes. [City Manager][Planning][EDC][Downtown TIF]

- KPI 8.5.2b: Partner with developer to develop the Village Market property. [Planning]
    - 2023 Status: RECREO purchased the property and received approval from the Planning Board for site plan approval with conditions. City sold portion of 12 So. Park Street to help facilitate the project. [City Manager][Planning]
    - 2024 Status: N/A
- KPI 8.5.2c: Partner with developer to develop the mill property at the former Kleen Laundry site. [City Manager][Downtown TIF]
    - 2023 Status: LWM Inc. has purchased the Kleen Laundry site and began the environmental clean. Discussions are underway to develop a public plaza on the site and other recreational amenities. Planning Board approved the development project with conditions. [City Manager][Planning][Planning Board][Downtown TIF]
    - 2024 Status: City successfully partnered with LWM to obtain InvestNH grant funds for demolition of parts of the redevelopment site. In December 2023, City Council granted 79-E tax relief for an 11-year period with a condition related to the Declaration of Outdoor Recreational Activity. [City Manager][Downtown TIF]

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)