FINAL

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