



**DOWNTOWN LEBANON TIF ADVISORY
BOARD
MONDAY, MARCH 29, 2021 - 06:00 PM
REMOTE VIA MICROSOFT TEAMS
LEBANONNH.GOV/LIVE**

-
- 1. Call to Order**
 - 2. Approval of Minutes**
 - A. January 27, 2021
 - 3. New Business**
 - A. Application for Community Revitalization Tax Relief Incentive Program (RSA 79-E) for 1 Mechanic Street, Lebanon
 - 4. Other Business**
 - 5. Adjournment**

Due to the current situation with the COVID-19 Pandemic, the City of Lebanon is offering its meetings via Microsoft Teams. Members of the public are encouraged to attend 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 Microsoft Teams software or by phone. Please visit LebanonNH.gov/Live for full details.

THE AGENDA, IN ITS ENTIRETY IS AVAILABLE ON THE CITY'S WEBSITE AT LEBANONNH.GOV



MINUTES
JOINT ECONOMIC DEVELOPMENT
COMMISSION and DOWNTOWN LEBANON TIF
ADVISORY BOARD
WEDNESDAY, January 27, 2020 – 4:00PM
REMOTE VIA MICROSOFT TEAMS
LebanonNH.gov/Live

1. CALL TO ORDER:

- The January 27, 2021 Economic Development Commission Meeting WAS called to order.
- Present on the Commission-Assistant Mayor Clifton Below, Dana Key, Chip Brown, Dan Nash, David Newlove, Kevin Purcell, Chairman William Dunn, Councilor Karen Liot-Hill, UVBA Executive Director Tracy Hutchins.
- Present on the Board- Victoria Smith, Peter Owens, Barry Schuster arrived at 4:30.
- Staff Present-Planning Director David Brooks, Planner Rebecca Owens and City Manager Shaun Mulholland

2. APPROVAL OF MINUTES:

- October 28, 2020-this item was not addressed.

3. NEW BUSINESS:

Joint meeting with the Downtown Tax Increment Finance District Advisory Board

- David Brooks made a presentation regarding smart growth concepts
- David Brooks made a presentation regarding the Lebanon Downtown and central business district zoning regulations

4. FUTURE AGENDA ITEMS:

5. NEXT MEETING DATE:

- Wednesday, February 24, 2021

6. OTHER BUSINESS:

7. ADJOURNMENT.

- **Motion made by Assistant Mayor Below to adjourn, seconded by Chip Brown. Motion passed by roll call vote.**

Due to the current situation with the COVID-19 Pandemic, the City of Lebanon is offering its meetings via Microsoft Teams. Members of the public are encouraged to attend 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 Microsoft Teams software or by phone. Please visit LebanonNH.gov/Live for full details.

THE AGENDA, IN ITS ENTIRETY IS AVAILABLE ON THE CITY'S WEBSITE AT LEBANONNH.GOV

One Mechanic Street, LLC
PO Box 1325
Lebanon, NH 03766

Lebanon City Council, and
City of Lebanon Planning & Development Department, and
Lebanon City Manager
City Hall
51 North Park Street
Lebanon, NH 03766

February 24, 2021

To whom it may concern:

Please find enclosed an Application for Community Revitalization Tax Relief Incentive Program (RSA 79-E) for 1 Mechanic Street in downtown Lebanon.

I am very proud of this project. One Mechanic Street was historically a brownfield site, polluted by gasoline from leaking underground storage tanks from the time that the property was a gas station more than sixty years ago. The building itself is dilapidated and unattractive, having been used most recently as a Napa auto parts store.

As part of our project, we have arranged for a remediation of the gasoline pollution in conjunction with the New Hampshire Department of Environmental Services. We will be making an architecturally attractive upgrade to the building that honors its original industrial look and conforms to the neighborhood aesthetic, while modernizing the structure and adding a substantial amount of windows and accents. On the western gateway to downtown Lebanon, I believe that this renovated building will be transformed from the neighborhood's least attractive structure to the most attractive one.

I am also extremely proud that this building is being designed to decrease the carbon footprint and be environmentally friendly. We will be removing two oil furnaces and a series of oil-fired blowers and replacing with electric heat pumps. By doing so, this building will no longer consume any fossil fuels on site. We are also pre-planning to be compatible with a future upgrade capability to solar energy.

The renovation will add 18 net new residential units to the immediate downtown Lebanon region. 17 of these units will be studio apartments and the 18th will be a 2-bedroom. These units are less than 100 feet away from the rail trail, the river, and an already existing Advanced Transit bus stop. They are walkable to downtown businesses, recreational facilities, and government services. In short, these units are exactly what the master plan was hoping for in terms of residential density increases in the core urban area through creative repurposing of existing land and structures.

The project meets all requirements of the 79-E program as follows:

Substantial Rehabilitation: The required investment of \$75,000 is exceeded by nearly 20 times.

Qualifying Structure: The structure is located in the identified 79-E downtown district.

Benefits Provided:

I: Enhancement of the economic vitality of the downtown

This project enhances the economic vitality of downtown by introducing 18 new units of year-round residential occupancy. It is reasonable to believe that these tenants will be patrons of local businesses, access local entertainment, and generally engage in economic activities that support the vibrancy of the City. Furthermore, the additional availability of housing will enhance the economic vitality of downtown employers who have repeatedly reported that the gating factor in their ability to hire new staff is the absence of local housing.

II: Promotion of the preservation and reuse of existing building stock

As stated above, the renovation project takes the existing shell of an old commercial building and substantially improves it, reusing the building stock that exists on site and preserves and accentuates the architectural features of that building stock in an aesthetically pleasing manner.

III: Promotion of the development of municipal centers, providing for efficiency, safety, and a greater sense of community.

The project prompted a greater sense of community by adding to downtown housing stock in a manner that is walkable, bike-able, and generally community building. By creating convenient downtown facilities that are close to public transportation and convenient by foot or bicycle the roadways are used more efficiently and traffic congestion is reduced. Reduction of traffic and decrease of fossil fuel consumption promotes the safety of the city and makes for cleaner air. As a result, the safety of the city is improved.

IV: Growth of residential housing in urban or town centers

The project provides an increase of 18 net new residential units in the urban center, delivering precisely what the statute desires.

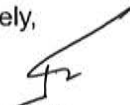
I respectfully request that the City provide the maximum possible benefit in terms of tax relief starting with the completion of the project, of either 7 or 11 years total. In addition to the base 5 years, I am requesting that an additional 2 years be added (making 7) because the renovation results in new residential units.

Additionally, I am requesting that the Council consider providing an additional 4 years of relief (to 11 years total) on the basis that the project will result in new affordable rental units. I have reviewed all data and the term "affordable" is not defined anywhere in the statute. The units will be market rent units, so they are not subsidized housing or low income housing. However, "affordability" is generally defined as the cost of housing being no more than 30% of the gross income of the renter. According to the New Hampshire Housing Finance Authority, the median income for a family of one in Grafton County in 2020 was \$64,820. The planned rental price for at least one third (and probably more) of the apartments will be less than 30% of the median family income of one, as reported by the NHHFA. On the basis that these units will be affordable to the median (regular income) renter, I would request that the Council consider extending the tax relief from 7 to 11 years.

I want to clarify one item on the application. There is a question on the second page that asks if an abatement application has been filed or awarded in the past year, for which the answer is no. However, I want to clarify that the assessing office corrected an error in the assessment through informal discussion based upon some incorrect property details. The informal adjustment to the correct state of the property resulted in the 2020 assessment being \$285,900.

Finally, thank you very much for your consideration of this project for the awarding of tax relief. The availability of tax relief is a major driver in feasibility for this project. Mascoma Bank has been very supportive of downtown revitalization efforts, and they have extended me credit in large part upon the tax relief benefits that this program will confer, and the anticipated award.

Sincerely,

A handwritten signature in black ink, appearing to be 'JK' or similar initials, written over a horizontal line.

Jeremy Katz
Manager
One Mechanic Street, LLC



APPLICATION FOR COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE PROGRAM (RSA 79-E)

Date application submitted: 2/26/21 Received by: D. Brooks

Note: Application must be accompanied by a \$50 application fee at the time of submission.

| | |
|---|---|
| APPLICANT: | OWNER: (if different from applicant) |
| Name: One Mechanic Street, LLC | Name: |
| Mailing Address: PO Box 1325 | Mailing Address: |
| City, State, Zip: Lebanon, NH 03766 | City, State, Zip: |
| Phone / Fax: 603-653-8281 / 603-443-9888 | Phone / Fax: |
| Email: katz95@gmail.com | Email: |

| | | |
|---|--------------|---|
| PROPERTY / BUILDING INFORMATION: | | |
| Building Name (if any): Former NAPA Building | | Year Built: 1900 |
| Building Address: 1 Mechanic Street | | Gross Square Footage of Building: 10,185 |
| Tax Map # 91 | Lot # 264 | Plot # |
| Grafton County Registry Book # 4446 | | Page # 736 |

| |
|---|
| <p>Existing Property / Building Information: (Describe <i>current</i> use, size, number of units, number of employees, etc.) Mixed use commercial building. Top floor office space and warehouse. Street level auto parts store. Bottom level motorcycle/snowmobile repair shop and warehouse</p> |
| <p>Proposed Property / Building Information: (Describe <i>proposed</i> use, size, number of units, number of employees, etc.) 18 Unit Multifamily Residential Building consisting of 17 studio apartments and 1 two-bedroom apartment</p> |
| <p>Is there a change of use associated with this project? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, please describe Conversion from commercial to residential</p> |
| <p>Will the project include new residential units? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, please describe The project will add 18 new residential units to the Lebanon Downtown district at a location that is within 50 feet of the rail trail and an Advance Transit stop, and within easy walking distance to downtown businesses and recreational facilities.</p> |
| <p>Will the project include new subsidized residential units? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, please describe</p> |

| |
|--|
| Is the building eligible for listing or listed individually on the State or National Register of Historic Places or located within a State or National Register Historic District? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, provide a copy of the approved designation by the State or National Register of the building or the district. |
| Is the building located within and is it significant to a locally-designated historic district? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| Is the property located in an existing Tax Increment Finance (TIF) District? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| Has an abatement application been filed or has abatement been awarded on this property within the last year? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <i>see note</i> |
| Will any state or federal grants or funds or low income subsidies or tax credits be used in this project? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, what is the amount of the aid? \$ _____ Describe and detail any terms of repayment, if applicable. |

| | |
|--|---|
| PROJECT INFORMATION: | |
| Describe the work to be done and the estimated cost. Please attach additional sheets, if necessary, as well as any written construction cost estimates. Please attach any construction contracts, plot plans, building plans, sketches, renderings or photographs that would help describe and explain this application. | |
| Expected Project Start Date: <u>3/1/2021</u> | Expected Project Completion Date: <u>12/31/2021</u> |
| Structural: Per plan submitted to codes | \$ 85,000 |
| Exterior Alterations: (storefront/façade, walls, windows, doors, etc.) Per plan | \$ 150,000 |
| Interior Alterations: (walls, ceilings, moldings, doors, etc.) Brand new units within existing renovated structure | \$ 440,000 |
| Electrical: All new electrical service | \$ 180,000 |
| Plumbing/Heating: All new plumbing and heating | \$ 150,000 |
| Mechanical: New heat pump system (1 per unit) | \$ 110,000 |
| Fire Protection: New Sprinkler and addressable fire alarm system | \$ 40,000 |
| Other: Environmental remediation of ground contamination and completion of certified asbestos abatement at interior of building, etc - water sewer expansion, impact fee contribution, etc | \$ 520,000 |
| Total: NOTE: In completing this form, the applicant certifies that the estimated costs provided herein are reasonable and that such costs meet the above program requirements. Failure to meet the program requirements or the listing of unreasonable construction costs will result in denial of the application and forfeiture of the application fee. | \$ 1,675,000 |
| To be considered for this tax relief incentive program, the total project cost must be at least 15% of the pre-rehabilitation assessed value or \$75,000, whichever is less. In the case of historic structures, the project must devote at least 10% of the pre-rehabilitation assessed value or \$5,000, whichever is less, to energy efficiency in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation. | |
| TO BE COMPLETED BY CITY ASSESSING DEPARTMENT: | |
| Pre-Rehabilitation Assessed Valuation as of date of application submission: \$ _____ | |
| Are the cost threshold requirements satisfied by the project as proposed? Yes ___ / No ___ | |

| PROPOSED PUBLIC BENEFIT (RSA 79-E:7) | |
|---|--|
| <p>In order to qualify for property assessment tax relief under this program, the proposed substantial rehabilitation must provide at least one of the public benefits listed below. Any proposed <i>replacement</i> of a qualifying structure must provide one or more of the public benefits listed below to a greater degree than would a substantial rehabilitation of the same qualifying structure.</p> <p>Does the Project provide the following public benefits? (Check all that apply)</p> | |
| <p>Enhances the economic vitality of the designated areas. If yes, please describe. The project will provide safe, new, energy efficient downtown residential capacity for 18 new units. The units are situated close to downtown amenities including businesses and entertainment and it is reasonable to believe that the occupants of the property will be patrons of local businesses and contribute to the local economy.</p> <p>Additionally, a major constraint on employment growth and economic vitality in the region is the availability of housing.</p> | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| <p>Enhances and improves a culturally or historically important structure. If yes, please describe. The original building is more than a century old and we will be preserving the shell and enhancing it so that it will be transformed from a dilapidated yesteryear structure into one of the most attractive and architecturally interesting buildings on a primary gateway entrance to the City's downtown area.</p> | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| <p>Promotes preservation and reuse of existing building stock by rehabilitation of historic structures in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation. If yes, please describe. The structure is not a registered historic site.</p> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| <p>Promotes development in the designated areas, providing for efficiency, safety, and a greater sense of community, consistent with RSA Chapter 9-B. If yes, please describe. The development supports smart growth initiatives, specifically enhancing vibrant commercial activity, a strong sense of community in the downtown area, supports ample alternative transportation (pedestrian, bicycle and public transportation options), and decreases road congestion by promoting pedestrian traffic. Additionally, the substantial investment in environmental remediation decreases water pollution in an important ecological area near the Mascoma River. Furthermore, the project supports decreased air and water pollution because it does not burn any fossil fuels on site.</p> | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| <p>Increases residential housing in the designated areas. If yes, please describe. The development will add 18 residential units in the designated Lebanon Downtown district.</p> | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |

HISTORICAL REQUIREMENT FOR REPLACEMENT OF QUALIFYING STRUCTURES

In the case of *replacement* of qualifying structure(s), the applicant shall submit a New Hampshire Division of Historical Resources Individual Inventory Form prepared by a qualified architectural historian and a letter issued by the Lebanon Heritage Commission that identifies any and all historical, cultural, and architectural value of the structure(s) that are proposed to be replaced and the property on which those structure(s) are located.

Note: An application for replacement of a qualifying structure shall not be considered complete, and no public hearing shall be scheduled, until the Individual Inventory Form and the Heritage Commission letter, as well as any other required information, have been submitted.

IMPORTANT

Per RSA 79-E:13, II, the Base or "Original" Assessed Value for any tax relief period is only set after the following two conditions are met:

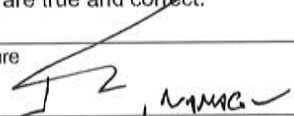
1. Approval of the tax relief by the City Council following a public hearing.
2. The applicant's entering into a Covenant with the City of Lebanon to protect the public benefit(s).

Therefore, the applicant and/or property owner shall not commence any of the improvements included in this application until such time as he or she has satisfied the above requirements. This prohibition shall include any demolition to the existing structure.

AFFIDAVIT

I/We have read and understand the Community Revitalization Tax Relief Incentive (RSA 79-E) and am/are aware that this will be a public process, including a public hearing to be held to discuss the merits of this application and the subsequent need to enter into a covenant with the City and pay any reasonable expenses associated with the drafting of the covenant. I/We understand the application will not be determined as complete or recommended to the City Council for consideration until all of the necessary information is provided.

The undersigned hereby acknowledge understanding of the above statement and certify that the information provided herein are true and correct:

| | | |
|--|------------------------------------|------------------|
| Signature  | Print Name JEREMY KATZ, Manager | Date: 2/24/21 |
| Signature | Print Name | Date: |
| Signature | Print Name | Date: |
| Signature | Print Name | Date: |
| Signature | Print Name | Date: |



**STUDIO
NEXUS**

ARCHITECTS + PLANNERS

PO Box 276, White River Junction, VT 05001
802 275 5110 | studionexusarch.com

**1 MECHANIC
STREET
APARTMENTS**

Issued For:
SITE PLAN REVIEW



DOUG SORVALL'S ELECTRONIC OR DIGITAL SIGNATURE IS VALID ONLY AS TO THAT REGION OF THE DOCUMENT AS ORIGINALLY PUBLISHED BY STUDIO NEXUS ARCHITECTS + PLANNERS, LLC. DOUG SORVALL IS NOT RESPONSIBLE FOR ANY SUBSEQUENT MODIFICATION, CORRECTION OR UNAUTHORIZED USE OF SUCH DOCUMENT. TO VERIFY THE QUALITY OR AUTHENTICITY OF THE SIGN OR SIGNATURE, CONTACT DOUG SORVALL.

Issue Date: January 29 2021

| Revisions | | |
|-----------|-------------|------|
| No. | Description | Date |
| | | |
| | | |
| | | |

EXTERIOR VIEWS

Project No.: 1922

G-9
SHEET 9 OF 10

COPYRIGHT 2021 STUDIO NEXUS ARCHITECTS + PLANNERS, LLC

1/29/2021 4:18:47 PM



STUDIO NEXUS
 ARCHITECTS + PLANNERS
 PO Box 275, White River Junction, VT 05001
 802 275 5110 | studionexusarch.com

1 MECHANIC STREET APARTMENTS

Issued For:
 SITE PLAN REVIEW



DOUGLAS M. SORRELLS ARCHITECTURE & PLANNING, LLC DOES NOT WARRANT THE ACCURACY OF THIS DOCUMENT. TO VERIFY THE QUALITY OR EMPLOYMENT OF THE SEAL OR SIGNATURE, CONTACT DOUG SORRELLS.

Issue Date: January 29 2021

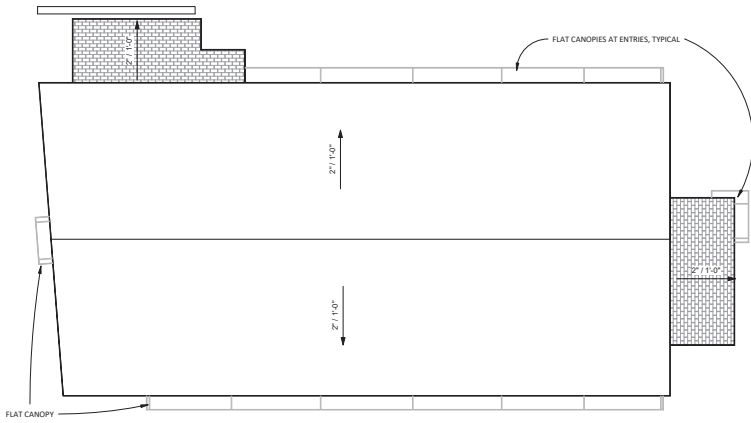
| Revisions | | |
|-----------|-------------|------|
| No. | Description | Date |
| | | |
| | | |

FLOOR PLANS

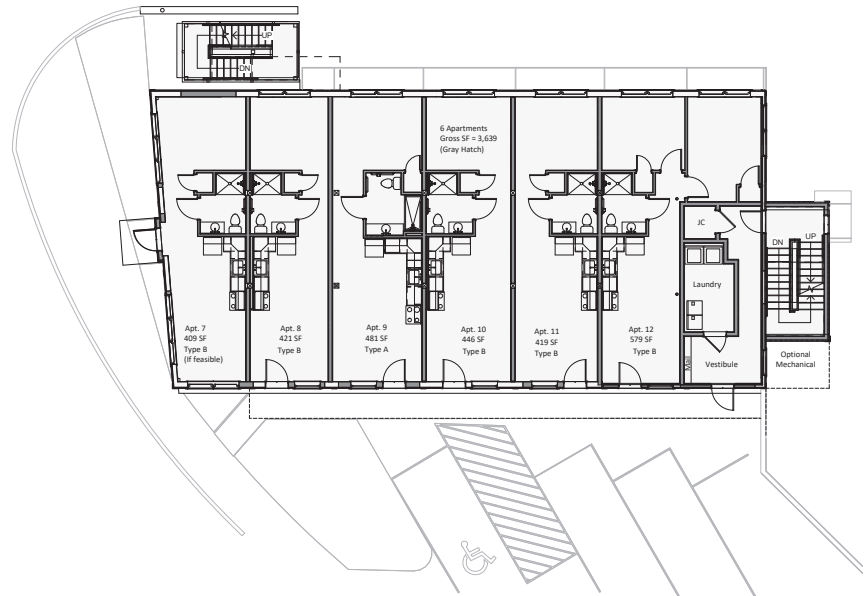
Project No.: 1922

G-6
 SHEET 6 OF 10

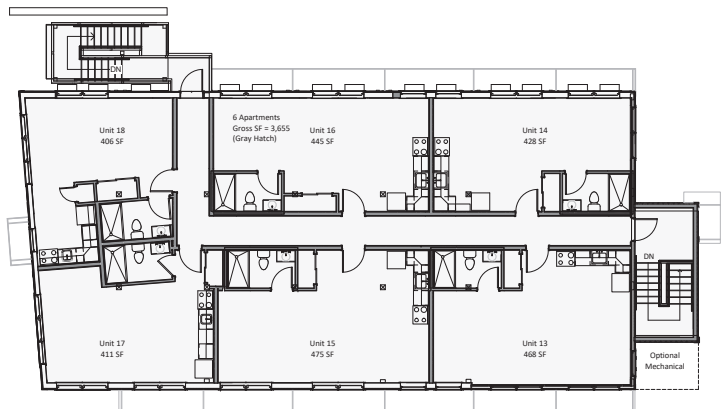
COPYRIGHT 2021 STUDIO NEXUS ARCHITECTS + PLANNERS, LLC



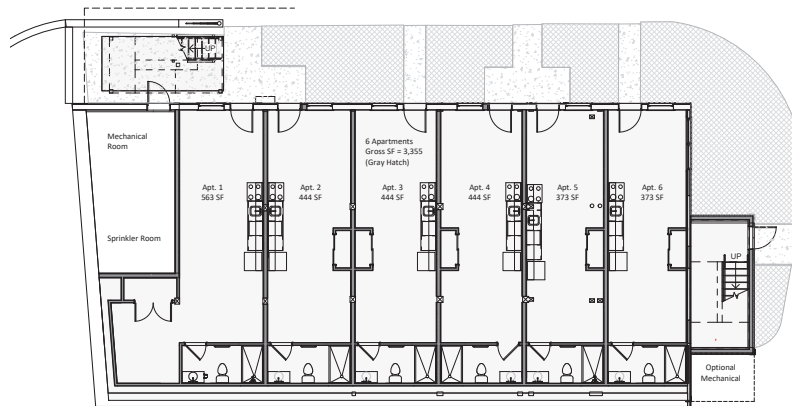
④ Roof plan
 1/8" = 1'-0"



② First floor
 1/8" = 1'-0"



③ Second floor
 1/8" = 1'-0"



① River Level
 1/8" = 1'-0"

1/29/2021 4:18:12 PM

TITLE V TAXATION

CHAPTER 79-E COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE

Section 79-E:1

79-E:1 Declaration of Public Benefit. –

I. It is declared to be a public benefit to enhance downtowns and town centers with respect to economic activity, cultural and historic character, sense of community, and in-town residential uses that contribute to economic and social vitality.

II. It is further declared to be a public benefit to encourage the rehabilitation of the many underutilized structures in urban and town centers as a means of encouraging growth of economic, residential, and municipal uses in a more compact pattern, in accordance with RSA 9-B.

II-a. In instances where a qualifying structure is determined to possess no significant historical, cultural, or architectural value and for which the governing body makes a specific finding that rehabilitation would not achieve one or more of the public benefits established in RSA 79-E:7 to the same degree as the replacement of the underutilized structure with a new structure, the tax relief incentives provided under this chapter may be extended to the replacement of an underutilized structure in accordance with the provisions of this chapter.

II-b. It is further declared to be a public benefit to encourage the rehabilitation of historic structures in a municipality by increasing energy efficiency in the preservation and reuse of existing building stock.

III. Short-term property assessment tax relief and a related covenant to protect public benefit as provided under this chapter are considered to provide a demonstrated public benefit if they encourage substantial rehabilitation and use of qualifying structures, or in certain cases, the replacement of a qualifying structure, as defined in this chapter.

Source. 2006, 167:1. 2009, 200:3, 4, eff. July 15, 2009. 2013, 78:1, eff. April 1, 2013.

Section 79-E:2

79-E:2 Definitions. –

In this chapter:

I. "Historic structure" means a building that is listed on or determined eligible for listing on the National Register of Historic Places or the state register of historic places.

II. "Qualifying structure" means a building located in a district officially designated in a municipality's master plan, or by zoning ordinance, as a downtown, town center, central business district, or village center, or, where no such designation has been made, in a geographic area

which, as a result of its compact development patterns and uses, is identified by the governing body as the downtown, town center, or village center for purposes of this chapter. Qualifying structure shall also mean historic structures in a municipality whose preservation and reuse would conserve the embodied energy in existing building stock. Cities or towns may further limit "qualifying structure" according to the procedure in RSA 79-E:3 as meaning only a structure located within such districts that meet certain age, occupancy, condition, size, or other similar criteria consistent with local economic conditions, community character, and local planning and development goals. Cities or towns may further modify "qualifying structure" to include buildings that have been destroyed by fire or act of nature, including where such destruction occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town. In a city or town that has adopted the provisions of RSA 79-E:4-a, "qualifying structure" also means potentially impacted structures identified by the municipality within the coastal resilience incentive zone established under RSA 79-E:4-a.

III. "Replacement" means the demolition or removal of a qualifying structure and the construction of a new structure on the same lot.

IV. "Substantial rehabilitation" means rehabilitation of a qualifying structure which costs at least 15 percent of the pre-rehabilitation assessed valuation or at least \$75,000, whichever is less. In addition, in the case of historic structures, substantial rehabilitation means devoting a portion of the total cost, in the amount of at least 10 percent of the pre-rehabilitation assessed valuation or at least \$5,000, whichever is less, to energy efficiency in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation. Cities or towns may further limit "substantial rehabilitation" according to the procedure in RSA 79-E:3 as meaning rehabilitation which costs a percentage greater than 15 percent of pre-rehabilitation assessed valuation or an amount greater than \$75,000 based on local economic conditions, community character, and local planning and development goals.

V. "Tax increment finance district" means any district established in accordance with the provisions of RSA 162-K.

VI. "Tax relief" means:

(a) For a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a qualifying structure shall not increase as a result of the substantial rehabilitation thereof.

(b) For the replacement of a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a replacement structure shall not exceed the property tax on the replaced qualifying structure as a result of the replacement thereof.

(c) For a qualifying structure which is a building destroyed by fire or act of nature, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on such qualifying structure shall not exceed the tax on the assessed value of the structure that would have existed had the structure not been destroyed.

VII. "Tax relief period" means the finite period of time during which the tax relief will be effective, as determined by a local governing body pursuant to RSA 79-E:5.

Source. 2006, 167:1. 2009, 200:5-7. 2010, 329:1, 2. 2011, 237:1, 2, eff. July 5, 2011. 2013, 78:2, eff. April 1, 2013. 2017, 203:2, eff. Sept. 3, 2017.

Section 79-E:3

79-E:3 Adoption of Community Revitalization Tax Relief Incentive Program –

- I. Any city or town may adopt or modify the provisions of this chapter by voting whether to accept for consideration or modify requirements for requests for community revitalization tax relief incentives. Any city or town may do so by following the procedures in this section.
- II. In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition under RSA 39:3.
- III. In a city or town that has adopted a charter under RSA 49-C or RSA 49-D, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.
- IV. If a majority of those voting on the question vote "yes," applications for community revitalization tax relief incentives may be accepted and considered by the local governing body at any time thereafter, subject to the provisions of paragraph VI of this section.
- V. If the question is not approved, the question may later be voted on according to the provisions of paragraph II or III of this section, whichever applies.
- VI. The local governing body of any town or city that has adopted this program may consider rescinding its action in the manner described in paragraph II or III of this section, whichever applies. A vote terminating the acceptance and consideration of such applications shall have no effect on incentives previously granted by the city or town, nor shall it terminate consideration of applications submitted prior to the date of such vote.

Source. 2006, 167:1. 2010, 329:3, eff. July 20, 2010.

Section 79-E:4

79-E:4 Community Revitalization Tax Relief Incentive. –

- I. An owner of a qualifying structure who intends to substantially rehabilitate or replace such structure may apply to the governing body of the municipality in which the property is located for tax relief. The applicant shall include the address of the property, a description of the intended rehabilitation or replacement, any changes in use of the property resulting from the rehabilitation or replacement, and an application fee.
 - I-a. In order to assist the governing body with the review and evaluation of an application for replacement of a qualifying structure, an owner shall submit to the governing body as part of the application, a New Hampshire division of historical resources individual resource inventory form, prepared by a qualified architectural historian and a letter issued by the local heritage commission and if the qualifying structure is located within a designated historic district established in accordance with RSA 674:46, a letter from the historic district commission or, if such local commissions are not established, a letter issued by the New Hampshire division of historical resources that identifies any and all historical, cultural, and architectural value of the structure or structures that are proposed to be replaced and the property on which those structures are located. The application for tax relief shall not be deemed to be complete and the governing body shall not schedule the public hearing on the application for replacement of a qualifying structure as required under RSA 79-E:4, II until the inventory form and the letter, as well as all other required information, have been submitted.

II. Upon receipt of an application, the governing body shall hold a duly noticed public hearing to take place no later than 60 days from receipt of the application, to determine whether the structure at issue is a qualifying structure; whether any proposed rehabilitation qualifies as substantial rehabilitation; and whether there is a public benefit to granting the requested tax relief and, if so, for what duration.

III. No later than 45 days after the public hearing, the governing body shall render a decision granting or denying the requested tax relief and, if so granting, establishing the tax relief period.

IV. (a) The governing body may grant the tax relief, provided:

(1) The governing body finds a public benefit under RSA 79-E:7; and

(2) The specific public benefit is preserved through a covenant under RSA 79-E:8; and

(3) The governing body finds that the proposed use is consistent with the municipality's master plan or development regulations; and

(4) In the case of a replacement, the governing body specifically finds that the local heritage commission or historic district commission or, if such local commissions are not established, the New Hampshire division of historical resources has determined that the replaced qualifying structure does not possess significant historical, cultural, or architectural value, the replacement of the qualifying structure will achieve one or more of the public benefits identified in RSA 79-E:7 to a greater degree than the renovation of the underutilized structure, and the historical, cultural, or architectural resources in the community will not be adversely affected by the replacement. In connection with these findings, the governing body may request that the division of historical resources conduct a technical evaluation in order to satisfy the governing body that historical resources will not be adversely affected.

(b) If the governing body grants the tax relief, the governing body shall identify the specific public benefit achieved under RSA 79-E:7, and shall determine the precise terms and duration of the covenant to preserve the public benefit under RSA 79-E:8.

V. If the governing body, in its discretion, denies the application for tax relief, such denial shall be accompanied by a written explanation. The governing body's decision may be appealed either to the board of tax and land appeals or the superior court in the same manner as provided for appeals of current use classification pursuant to RSA 79-A:9 or 79-A:11 provided, however, that such denial shall be deemed discretionary and shall not be set aside by the board of tax and land appeals or the superior court except for bad faith or discrimination.

VI. Municipalities shall have no obligation to grant an application for tax relief for properties located within tax increment finance districts when the governing body determines, in its sole discretion, that the granting of tax relief will impede, reduce, or negatively affect:

(a) The development program or financing plans for such tax increment finance districts; or

(b) The ability to satisfy or expedite repayment of debt service obligations incurred for a tax increment financing district; or

(c) The ability to satisfy program administration, operating, or maintenance expenses within a tax increment financing district.

Source. 2006, 167:1. 2009, 200:8-11, eff. July 15, 2009.

Section 79-E:4-a

79-E:4-a Coastal Resilience Incentive Zone. –

I. A city or town may adopt the provisions of this section by vote of its legislative body,

according to the procedures described in RSA 79-E:3, to establish a coastal resilience incentive zone (CRIZ). Municipalities may use storm surge, sea-level rise, and extreme precipitation projections in the 2016 report of the New Hampshire Coastal Risk and Hazards Commission, "Preparing New Hampshire for Projected Storm Surge, Sea-Level Rise, and Extreme Precipitation," and its successor projections, to identify potentially impacted structures.

II. The municipality implementing a CRIZ shall determine the resilience measures it deems qualifying, such as, but not limited to, elevation and free-board renovations, elevation of mechanicals, construction of resilient natural features, enhancement or creation of tidal marshes, elevation of private driveways and sidewalks, construction or enlargement of private culverts and other structures to enable increased water flow and storm-surge, and movement of property to higher elevation on the property or to a newly acquired property at a higher elevation within the municipality. Municipalities may grant tax relief to the qualifying structure and property as described in RSA 79-E:4.

III. Municipalities may provide other relief to properties in a coastal resilience incentive zone that are subject to repeated inundation, by acquiring preservation or water control easements or establishing tax increment financing districts.

IV. Municipalities may create a nonlapsing CRIZ fund as a capital reserve fund under RSA 34 or RSA 35, or a town-created trust fund under RSA 31:19-a, to provide funding for projected municipal costs associated with projected storm surge, sea-level rise, and extreme precipitation, and such funds may be used to support the coastal resilience incentive zone purpose established in this section.

Source. 2017, 203:3, eff. Sept. 3, 2017.

Section 79-E:5

79-E:5 Duration of Tax Relief Period. –

I. The governing body may grant such tax assessment relief for a period of up to 5 years, beginning with the completion of the substantial rehabilitation.

I-a. For the approval of a replacement of a qualifying structure, the governing body may grant such tax assessment relief for a period of up to 5 years, beginning only upon the completion of construction of the replacement structure. The governing body may, in its discretion, extend such additional years of tax relief as provided for under this section, provided that no such additional years of tax relief may be provided prior to the completion of construction of the replacement structure. The municipal tax assessment of the replacement structure and the property on which it is located shall not increase or decrease in the period between the approval by the governing body of tax relief for the replacement structure and the time the owner completes construction of the replacement structure and grants to the municipality the covenant to protect the public benefit as required by this chapter. The governing body may not grant any tax assessment relief under this chapter with respect to property and structures for which an election has been made for property appraisal under RSA 75:1-a.

II. The governing body may, in its discretion, add up to an additional 2 years of tax relief for a project that results in new residential units and up to 4 years for a project that includes affordable housing.

III. The governing body may, in its discretion, add up to an additional 4 years of tax relief for the substantial rehabilitation of a qualifying structure that is listed on or determined eligible for

listing on the National Register of Historic Places, state register of historic places, or is located within and important to a locally designated historic district, provided that the substantial rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation.

IV. The governing body may adopt local guidelines to assist it in determining the appropriate duration of the tax assessment relief period.

Source. 2006, 167:1. 2009, 200:12. 2010, 329:4, eff. July 20, 2010.

Section 79-E:6

79-E:6 Resumption of Full Tax Liability. – Upon expiration of the tax relief period, the property shall be taxed at its market value in accordance with RSA 75:1.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:7

79-E:7 Public Benefit. –

In order to qualify for tax relief under this chapter, the proposed substantial rehabilitation must provide at least one of the public benefits, and the proposed replacement must provide one or more of the public benefits to a greater degree than would a substantial rehabilitation of the same qualifying structure, as follows:

- I. It enhances the economic vitality of the downtown;
- II. It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located;
 - II-a. It promotes the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation.
- III. It promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B; or
- IV. It increases residential housing in urban or town centers.

Source. 2006, 167:1. 2009, 200:13, eff. July 15, 2009. 2013, 78:3, eff. April 1, 2013.

Section 79-E:7-a

79-E:7-a Public Benefit Determinations. – Cities or towns may adopt according to the procedure in RSA 79-E:3 provisions that further define the public benefits enumerated in RSA 79-E:7 to assist the governing body in evaluating applications made under this chapter based on local economic conditions, community character, and local planning and development goals.

Source. 2010, 329:5, eff. July 20, 2010.

Section 79-E:8

79-E:8 Covenant to Protect Public Benefit. –

- I. Tax relief for the substantial rehabilitation or replacement of a qualifying structure shall be effective only after a property owner grants to the municipality a covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for which the tax relief was granted and as otherwise provided in this chapter.
- II. The covenant shall be coextensive with the tax relief period. The covenant may, if required by the governing body, be effective for a period of time up to twice the duration of the tax relief period.
- III. The covenant shall include provisions requiring the property owner to obtain casualty insurance, and flood insurance if appropriate. The covenant may include, at the governing body's sole discretion, a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition of damaged structures and property. If the property owner has not begun the process of restoration, rebuilding, or demolition of such structure within one year following damage or destruction, the property owner shall be subject to the termination of provisions set forth in RSA 79-E:9, I.
- IV. The local governing body shall provide for the recording of the covenant to protect public benefit with the registry of deeds. It shall be a burden upon the property and shall bind all transferees and assignees of such property.
- V. The applicant shall pay any reasonable expenses incurred by the municipality in the drafting, review, and/or execution of the covenant. The applicant also shall be responsible for the cost of recording the covenant.

Source. 2006, 167:1. 2009, 200:14, eff. July 15, 2009.

Section 79-E:9

79-E:9 Termination of Covenant; Reduction of Tax Relief; Penalty. –

- I. If the owner fails to maintain or utilize the building according to the terms of the covenant, or fails to restore, rebuild, or demolish the structure following damage or destruction as provided in RSA 79-E:8, III, the governing body shall, after a duly noticed public hearing, determine whether and to what extent the public benefit of the rehabilitation or replacement has been diminished and shall determine whether to terminate or reduce the tax relief period in accordance with such determination. If the covenant is terminated, the governing body shall assess all taxes to the owner as though no tax relief was granted, with interest in accordance with paragraph II.
- II. Any tax payment required under paragraph I shall be payable according to the following procedure:
 - (a) The commissioner of the department of revenue administration shall prescribe and issue forms to the local assessing officials for the payment due, which shall provide a description of the property, the market value assessment according to RSA 75:1, and the amount payable.
 - (b) The prescribed form shall be prepared in quadruplicate. The original, duplicate, and triplicate copy of the form shall be given to the collector of taxes for collection of the payment along with a special tax warrant authorizing the collector to collect the payment under the warrant. The quadruplicate copy of the form shall be retained by the local assessing officials for their records.
 - (c) Upon receipt of the special tax warrant and prescribed forms, the tax collector shall mail the

duplicate copy of the tax bill to the owner responsible for the tax as the notice of payment.
(d) Payment shall be due not later than 30 days after the mailing of the bill. Interest at the rate of 18 percent per annum shall be due thereafter on any amount not paid within the 30-day period. Interest at 12 percent per annum shall be charged upon all taxes that would have been due and payable on or before December 1 of each tax year as if no tax relief had been granted.

Source. 2006, 167:1. 2009, 200:15, eff. July 15, 2009.

Section 79-E:10

79-E:10 Lien for Unpaid Taxes. – The real estate of every person shall be held for the taxes levied pursuant to RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:11

79-E:11 Enforcement. – All taxes levied pursuant to RSA 79-E:9 which are not paid when due shall be collected in the same manner as provided in RSA 80.

Source. 2006, 167:1. 2007, 42:3, eff. July 20, 2007.

Section 79-E:12

79-E:12 Rulemaking. – The commissioner of the department of revenue administration may adopt rules, pursuant to RSA 541-A, relative to the payment and collection procedures under RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006. 2016, 85:2, eff. July 18, 2016.

Section 79-E:13

79-E:13 Extent of Tax Relief. –

I. (a) Tax relief granted under this chapter shall pertain only to assessment increases attributable to the substantial rehabilitation performed under the conditions approved by the governing body and not to those increases attributable to other factors including but not limited to market forces;
or

(b) Tax relief granted under this chapter shall be calculated on the value in excess of the original assessed value. Original assessed value shall mean the value of the qualifying structure assessed at the time the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect public benefit as required in this chapter, provided that for a qualifying structure which is a building destroyed by fire or act of nature, original assessed value shall mean the value as of the date of approval of the application for tax relief of the qualifying structure that would have existed had the structure not been destroyed.

II. The tax relief granted under this chapter shall only apply to substantial rehabilitation or

replacement that commences after the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect the public benefit as required in this chapter, provided that in the case of a qualifying structure which is a building destroyed by fire or act of nature, and which occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town, the tax relief may apply to such qualifying structure for which replacement has begun, but which has not been completed, on the date the application for relief under this chapter is approved.

Source. 2006, 167:1. 2010, 329:6. 2011, 237:3, eff. July 5, 2011.

Section 79-E:14

79-E:14 Other Programs. – The provisions of this chapter shall not apply to properties whose rehabilitation or construction is subsidized by state or federal grants or funds that do not need to be repaid totaling more than 50 percent of construction costs from state or federal programs.

Source. 2006, 167:1, eff. April 1, 2006.