

**TOWN OF FARMINGTON
PLANNING BOARD MEETING
Tuesday, March 4, 2014
356 Main Street, Farmington, NH**

Board Members Present: Paul Parker, Charles Doke, David Kestner, Glen Demers, Martin Laferte

Selectmen's Representative:

Board Members Absent/Excused: Charlie King

Town Staff Present: Director of Planning and Community Development Kathy Menici,
Department Secretary Bette Anne Gallagher

Public Present: Jack Mettee

BUSINESS BEFORE THE BOARD:

- **Pledge of Allegiance**

At 6:06 pm Chairman Parker called the meeting to order and all present stood for the Pledge of Allegiance.

- **Review and approve Meeting Minutes of February 3, 2014**

Martin Laferte motioned to approve the minutes of February 3, 2014 as written; 2nd David Kestner. Motion carried with four in favor and one abstaining.

- **Continued Discussion on Design Guidelines for TIF**

Jack Mettee said he addressed the changes as discussed with the Board during the February 3rd meeting. At that meeting they went through the design guidelines and made a number of revisions that have been incorporated into this Draft dated February 10th. Mr. Mettee explained that for clarity, any language that was deleted is shown with a strike through and anything added is highlighted in yellow. He then addressed each of the changes in the proposed Site Plan Regulations.

- Article A – language changed for consistency
- Article C 2b an article taken down to just one sentence
- Article C 3 has an added sentence
- Article C 3a word deleted
- Article C 3b word added
- Article C 3d 1 and 2 were broken out into 2 diagrams to show vegetated median strips and still allow for plowing based upon the Board's concerns
- Article C 3g word corrected
- Article C 3h language added to minimize the impact to adjacent properties
- Article C 3n language deleted
- Article D 3a reference to Figure changed
- Article D 3b language deleted
- Article E 2 language added and deleted to state that standards in the Zoning Ordinance always take precedence over the Site Plan Review Regulations
- Article E 3 language added
- Article F 2 language added to reference prior paragraph

The Board and Staff had no additional changes to suggest. Chairman Parker said the document could now be moved forward to public hearing but Martin Laferte asked for some additional time to study the proposed regulations. After a brief discussion it was decided to continue the discussion to March 18th.

Paul Parker motioned to continue the discussion on the Site Plan Review Regulations Draft for the Business Node Overlay District to March 18, 2014; 2nd Glen Demers. Motion carried with all in favor.

Planner Menici said that she would like to have a discussion about the proposed Tax Incentive Financing and Business Node Overlay District as well as the Community Reinvestment Tax Incentive Program for downtown. The reason is so the residents of Farmington who will be voting on Tuesday of next week and seeing the warrant articles will have a better understanding of the Board discussions that have taken place over the last eleven months.

The Planner thought it would be best to have Mr. Mettee lead the discussion and go through the process the Planning Board has followed and what led to the Board's decision to present the amendments. She added that even though the Board did the ground work on these it is actually the Board of Selectmen who go forward with the proposals and put them on the Warrant. The Planner said she had meetings with the Selectmen on January 21st, February 10th, and February 24th and will meet with them again on March 10th to go over final details. Charlie King has kept them apprised as well. She turned the discussion over to Jack Mettee who said he would distribute a summary at the end of the discussion.

Mr. Mettee said he would give background on the process, how the specific business node on Route 11 and Route 153 was identified and also how it became the TIF district area. He said that community engagement has been quite significant. He said Planner Menici will speak about 79e when he has finished.

Mr. Mettee said the Town saw a need to encourage high quality business development along the Route 11 corridor and to revitalize the downtown area. He read a quote from the Master Plan that he felt was very poignant:

“Businesses now located on NH Route 11 cover a wide range of services including small antique shops, a state liquor store, gas stations, a pharmacy and auto repair shops. Although there are undeveloped or lightly developed sections, much of it now exhibits a strip development pattern. Highway access is the primary factor driving this type of development; however, the local regulations have also been a factor. This has created an environment that lacks local character and is starting to erode the sense of place that is Farmington.”

Mr. Mettee said that this direction has been a part of all discussions and it was vital to craft an approach to reflect it. He said the Town was fortunate to obtain grant funding and once the grant was awarded the Town solicited consultants and ultimately hired his firm, Mettee Consultants.

The idea behind this project was to attract new businesses but to avoid the strip development that is prevalent in so many communities. The project started out by analyzing where on Route 11 business development could concentrate. The intersections were studied and the most likely was the Route 11 and Route 153 intersection because there was ample land and some existing development with the opportunity for small and large development in the 320 acre area.

Mr. Mettee said they also looked at the area for future business development such as existing land uses, natural resource constraints, proximity of sewer and access issues. Zoning and TIF were both parts of this.

He prepared a draft zoning amendment for a multi-use development node. This is a voluntary overlay district with incentives for multiple buildings on a single lot which cannot be done under current regulations without subdividing. To encourage high quality development in keeping with the character of Farmington there is a set of standards for buildings, landscaping, lighting, signs, etc.

The business node allows most business activities and new projects can choose to be reviewed under the new overlay or the existing zoning. It provides a unique way to manage quality. Building height is tied to graduated setbacks allowing lower buildings to be closer to the street and taller buildings set further back.

Mr. Mettee said if successfully passed by Farmington's voters, this will be a big step forward in managing development.

He summarized Tax Increment Finance (TIF) as a way to finance new public facilities without going to standard bonding; expand tax base; provide new employment opportunities; improve quality of taxable properties and encourage high quality businesses to expand or locate in the nodal area.

He explained that the proposal to bring sewer to the nodal area will be in concert with development within the business node. This would be accomplished in two phases: first from the treatment plant out to the Route 11/153 intersection and second along Route 11 but the extensions would be dependent upon a developer's firm commitment to bringing in new business.

The proposed cost of \$2.35 million is projected to be paid for with grants of \$1.7 million and bonding of \$625,000 paid for through TIF.

Tax increment financing requires a Town to define an area where economic development can occur, determine public improvements needed and then prepare a development plan and a finance plan. The new tax revenues that result from the improvements pay off the Town portion of the debt (\$625,000).

Mr. Mettee gave an example:

- Assume a total assessed value of all property in the TIF district is \$10 million
- A property owner improves his property by \$1 million
- The tax revenues from the original \$10 million assessment continue to go to the General Fund
- The new tax revenues on the \$1 million investment go to pay off the bond for the public improvements, such as sewer service expansion

He said that pay off of the bond can happen over 20 years. Planner Menici said she based her calculations on development of about \$100,000 to \$150,000 per year with two phases for the sewer line extension. The bond for one phase would be \$325,000 and for the other would be \$300,000. She amortized it at a 20 year payout but both would payout in about 15 years assuming the above level of development. She added that at the end of the payoff period there would be a huge benefit to the taxpayers because the new revenues would go into the general fund.

Mr. Mettee said that community outreach was part of the process to get feedback as to what Farmington residents would like to see happen. They met with a number of groups including seniors, business members, and students. Also, a survey was put out to the public at Hayday, the transfer station and the Town offices. The common themes that came from the meetings were that the residents would like to see:

- More small, locally owned businesses
- Improved appearance downtown
- Both young and old alike would like more recreational opportunities such as bowling, roller skating, and movies not just sports
- Town should be more business friendly
- Encourage business and manufacturing on Route 11

Students said they go to the malls in Portsmouth and Newington and spend money on leisure time activities such as movies so there is a market that currently spends money outside the Town. Mr. Mettee said that outreach is

used as a signal to undertake the types of activities that residents are looking for. He added that most striking to him was that 90 percent of the participants thought it was important to encourage small business development. Planner Menici said that when the project was proposed and the grant application was submitted to New Hampshire Housing it included as TIF districts both the high density node on Route 11 and the downtown revitalization. However when she met with the Selectmen in January to talk about the proposals, they thought it would be best to proceed with the downtown revitalization and 79e tax relief and wait for TIF downtown because to bring it all forward at one time could be overwhelming. Also, given the amount of time to complete the activities and the work to be done at staff level under the consultant's guidance it was probably over ambitious to propose two TIF districts at one time.

The Planner said that RSA 79-E authorizes communities to offer the Community Revitalization Tax Relief Incentive as a public benefit. The intent is to encourage reinvestment in downtown areas. Farmington has a well defined downtown but the Village Center district extends beyond Main and Central and the program will apply to all properties in the Village Center district. It provides a tax incentive to property owners who undertake a substantial renovation or replacement of deteriorating property provided the Board of Selectmen find the activity to be a public benefit. She read an excerpt from the RSA.

The Planner continued by stating that downtown will benefit because there are commercial properties that have second floors in need of updating and renovating. Additionally, there is a lot of residential housing surrounding the downtown area some of which has been renovated but there are others in disrepair. This program will provide an incentive to make repairs and/or replacements on their properties by placing a freeze on the tax rate for two to five years depending on the extent of work proposed during which time the property will not be assessed additional taxes for the additions.

She explained that each project will be reviewed on a case by case basis by the Board of Selectmen who will determine if there is a public benefit. The Board will identify the specific public benefit and a covenant will be signed by the property owner and recorded at the Registry of Deeds. The covenant guarantees that the property owner will protect the benefit for a specific period and if this is not done, the full amount of the tax benefit will be assessed. The whole point is to strengthen the downtown area and the way the State Statute is worded not just the strip where commercial properties are located but all the supporting properties are included in the downtown district.

Chairman Parker asked the Planner to give a quick synopsis of any concerns voiced by the Board of Selectmen. Planner Menici said the Board voted four to one in favor of everything proposed and that the dissenting member didn't agree with any kind of tax incentives to encourage revitalization. The Chairman asked if there was a concern over the capacity of the Waste Treatment Plant. The Planner said that was not an objection but it is an inquiry that will be answered by staff at the March 10th meeting.

Charles Doke said he was pleased with the explanation and wanted to remind the voters that this is all hypothetical based upon future development and if nothing were in place when someone expresses interest it could take two years to get all this in place. Voters should look at this seriously as the Board is trying to bring the tax base up and show what a good community Farmington is for business but at the same time direct growth to maintain rural character.

The members emphasized the importance of voting. On Tuesday, March 11th the article for the Business Node Overlay District will be on the ballot as Article 2 Amendment 5. The Articles for the TIF district and 79e will be discussed at Town meeting on Wednesday, March 12th. Articles 20, 21, 22 and 23 all pertain to the TIF district and Article 19 pertains to 79e.

Chairman Parker said the information being discussed tonight will be rebroadcast to Farmington residents before voting next week. Planner Menici said there had also been an article in the Rochester Times.

Chairman Parker said that at this time the TIF district being proposed is a relatively small area on Routes 11 and 153 and he was glad that the Selectmen had removed TIF from the downtown area. This way it will allow the Town to gain experience and in the future the TIF area could be increased so other areas would benefit.

The land area involved is 1.6 percent of the total land area in the community and State Statute allows 5 percent. The percentage is also tied to the assessed value with State law allowing 8 percent of the total in the TIF district and this proposed area is 2.8 percent placing it well under the allowable area and representing a very conservative approach. It was emphasized that the increased valuation pays for the bond issue and nothing happens until there is a viable application from a developer. The Chairman said this is a very good project for the community and hopes residents have become well informed and will vote to approve. The Chairman said the Town Reports are available in the municipal offices for anyone who wants to become familiar with the warrants.

Chairman Parker said he attended the last meeting with the Board of Selectmen on TIF and was very pleased as were the Selectmen with the attendance of the Strafford County Commissioners and the County Attorney. Planner Menici said they are very supportive of the project and offered any assistance that they can provide at the County level and encouraged the Board of Selectmen to go forward as they understand the long term benefits.

The Chairman said this project stands to help the community to create economic opportunities in the Route 11 area.

David Kestner said this could be the last meeting with Jack Mettee and that all of his hard work and Planner Menici's hard work can be reinvigorated down the road should it not be approved. He said everything here will be a long term benefit and wondered how many people watch these meetings or read the paper for information. He added that the Board would need people at Town Meeting to answer questions.

Voting is on Tuesday, March 11th and Town Meeting is on Wednesday, March 12th.

Planner Menici said everyone should keep in mind and she wanted to reinforce that except for the Zoning Amendment and establishment of the TIF district none of this will happen immediately. The increments will start to accrue into an account but no extension will take place until grant monies are in hand and sufficient funds are in the TIF account to take care of the debt service in both the first phase and the second phase. Payments will come from the TIF escrow.

Mr. Kestner said in the long term this is a positive move for the Town but his concern is that people will understand and availability of Board members and the Planner to answer questions was important.

Chairman Parker said information could be handed out on Tuesday outside in the electioneering area and he would be there and asked that if any other Board members were available to please call him.

The Chairman and the other Board members thanked Jack Mettee, his staff and Town staff for their work on this project.

Jack Mettee complimented the Board, the Planner and the Town for their hard work adding that when the project started last fall he did not think all this could be accomplished.

- **Any other business to come before the Board**

Planner Menici said the Department of Transportation will be holding a public hearing at the High School on April 1st which is a Tuesday at 7:00 pm and the purpose is to discuss and take comments on the proposed replacement of the bridge over the Cocheco River on Main Street. Anyone can attend to identify concerns regarding the wetlands, floodplains, or historic resources or can submit written statements if unable to attend and submit them to either Planner Menici or the Board of Selectmen's secretary.

David Kestner said that is a Planning Board night and maybe the Board could plan ahead so members could attend. Planner Menici said there is nothing on that night's agenda at this time and it is a workshop meeting so the Board could skip that meeting in order to attend the DOT hearing.

Glen Demers motioned to cancel the workshop meeting on April 1, 2014; 2nd Martin Laferte. Motion carried with all in favor.

At 7:31 pm Martin Laferte motioned to adjourn the meeting; 2nd Glen Demers. Motion carried with all in favor.

Respectfully submitted,
Bette Anne Gallagher, Department Secretary

Chairman, Paul Parker