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TIF District Advisory Committee Meeting Minutes 10/11/2016
Tax Increment Financing District Advisory Committee Meeting
Official Meeting Minutes
October 11, 2016
9:00AM Council Chambers

Call to Order:

Meeting called to order at approximately 9:05AM

Committee Members Attended:

Richard Marshall, Planning Board; Donald Winterton, Town Council; Denise Grafton, Planning Board;

Staff:

Jo Ann Duffy, Town Planner (Arrived at 9:40); Nick Germain, Project Coordinator; Christine Soucie;
Director of Finance

Also Present:

Vincent Limbo, HVWP ; Stuart Arnett ,Arnett Development Group (ADG)

Previous Meeting Minutes: Given time constraints and limited committee member attendance, request was made for Nicholas Germain to mail out the unofficial meeting minutes of September 27th to committee members.

Old Business

Stuart Arnett summarized the work he and his associates had performed since the TIF District Advisory Committee's last meeting in September. As per the request of the previous meeting's attendees, a more focused summary of options had been brought forward for discussion by ADG and its associates for October. The materials described were presented via a power point presentation. Mr. Arnett also included in the materials an attached memorandum dated Oct. 7" from Weston & Sampson's Christopher Perkins that summarized the potential scope of work in a preliminary project design phase.

Chairman Winterton welcomed the gathered attendees and thanked them for their presence. He in particular noted and thanked Vincent Limbo of the village water precinct for taking the time to attend. The meeting was then turned over to Stuart Arnett for a presentation of the progress ADG and its associates had made in regards to the committee's requests for additional information and clarification in a number of areas.

Presentation of Consultants' Work

Mr. Arnett began by briefly summarizing the work presented at the September 27" TIF meeting. He noted that many questions from the last meeting were in response to the various financial impact ratios produced to describe theoretical TIF projects - especially to the Option 5 full Exit 10 / Exit 11 extension. He indicated that his hope for this meeting was that the attendees could make some

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decisions relative to the upcoming scheduled events for the TIF group: Particularly the multi-board/committee meeting on the 17th and the public informational session at the Hooksett Public Library on the 19th. Mr. Winterton clarified that the meeting on Monday the 17th was a joint meeting among the various boards and committees who had participated in this Task Force by contributing committee members.

Continuing on, Mr. Arnett noted that as a consequence of the TIF group's feedback, ADG had attempted to simplify the description of potential options and the steps needed to be taken before proceeding. Utilizing an accompanying power point, Mr. Arnett described the steps for proceeding on the TIF project as follows:

- " ... *Extend TIF to Full exit 10 and exit 11 area*
- *Learn more about:*
 - *Engineering, options, costs, Village Water District Improvements, private development plans, private funding, sewer plan capacity-legal questions*
- *Present and Adopt a TIF Development Plan with a:*
 - *Capital Budget with specific uses and Sources of Funds*
 - *Payback scenario with deficits, and*
 - *Reuse of any TIF revenue surpluses*
- *Authorize Bond of Capita/Improvements - Town voters) required."*

There was then an explanation of some of the options ADG/Weston and Sampson had investigated via the feedback from the TIF taskforce personnel from September 27th. Again, Mr. Arnett referred to entries in the Power Point when speaking about the topic:

- ir ... [option] A. Extend/create a Tax-Increment District that covers exits 10 and 11*
- [option] B. Pay for additional engineering and planning: \$600,000+/-*
- [option] C. Develop and Present a TIF development Plan: \$25,000+/-*
 - 1. Payback and surplus policy*
 - 2. Sources. Uses. Phases. costs*
 - 3. Private/Public Cost-Sharing Policy = (of 40/40/20, or 50/40/1 OJ*
 - 4. Warrant(s) language*
- [option] D. Request BOND of 60 of Project Toto/IF the other 40 is "Probable"*
- OR*
- [option] E. Request BOND of 100 MINUS any private funds, targeted at 40. "*

Discussion of Presentation Details

Mr. Umbo, responding to Mr. Arnett's presentation, asked about the status of entities like Walmart and Bass Pro Shop in the considered TIF project zone. This in turn sparked a general discussion about how these existing entities interact with the potential introduction of utility improvements via the TIF. The basic conclusion was that if these entities sought hookups, they would become rate payers and contribute directly to a TIF district. Both entities currently tend to their own waste needs, but had potential interest in utility extension. Mr. Winterton also clarified that the TIF District expansion and/or creation that had garnered the most interest from TIF taskforce participants (Option 5) means covering the area from exit 10 to exit 11. This would also include the Walmart and Market Basket area, meaning the TIF zone would go past merely the general confines of the main thoroughfare proper.

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Mr. Umbo further inquired about the origins of the current TIF project and its relationship to the old one. Mr. Marshall responded by describing how the old TIF project had been a Planning project that had been frozen because it had rapidly paid off its money. The current effort had been conceptualized as a natural continuation of the previous effort and was aimed at making the area attractive to more diverse types of development.

Mr. Winterton then briefly presented the TIF Project maps he had brought along for personal reference that described some of the expansion zone options that had been considered by the TIF Advisory Committee. He described how the current taskforce's composite stakeholder groups (Economic Development, Town Council, Town Staff, Planning, Sewer, et cetera ..) had spent an extensive time evaluating information gathered by report contractors like Stuart Arnett and Christopher Perkins, and were now finalizing things to recommend. There was then a brief overview of the option 5 extension, a theoretical 40/60 private-public split, and the potential to bond.

Mr. Umbo asked about the current amount of commercial property left open in the proposed TIF area. Mr. Arnett noted there was a large spreadsheet available describing the information in detail, but that in basic terms, there were some large parcels left on 10, but 11 has numerous tracts. Mr. Limbo then explained his questions were a result of his concern for the theoretical public/private split, as it seemed high, and the potential for rate payers in water/sewer shouldering the project costs versus the town. Mr. Winterton noted these kinds of questions were important and needed to be well-explained during subsequent TIF Taskforce presentations and proceedings.

Mr. Arnett responded by saying that's one of the issues moving forward; if the town bonds that bond is going on the town. Sewer, for example, cannot bond. The question under scrutiny for the TIF task force is if it's a good idea to do the project: Most TIF stakeholders have said yes. The question, Mr. Arnett continued, is how the project would get paid for; the task force has to decide what to recommend.

Mr. Limbo then asked how things worked for the old TIF District.

Christine Soucie responded that the utility rate is actually paid by the rate payers, including the new entities that opted to be hooked up. Although the new rate payers would contribute to the TIF, the entire town would still have to vote on the project and/or whether or not to bond. The exact financial dynamics would depend largely on how a warrant article is worded.

Mr. Limbo then expressed interest in how a warrant could be worded to correctly reflect the information being considered by the TIF task force for recommendation. Mr. Winterton concurred about the importance of wording the project, noting that bonding would mean diffused costs while the whole town could potentially benefit.

New Business

This then sparked a general discussion amongst meeting attendees about how to present the conclusions reached by the TIF Task Force. Mr. Winterton noted that 01/six parties present at the September 21st meeting had been supportive of the conclusions being drawn and that there were no rejections or protests to the path currently under consideration. It was now a matter of finding out how best to explain the task force's reasoning, present some recommended the options to the town, and get a warrant written if necessary.

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Jo Ann Duffy Arrived at Council Chambers at Approximately 9:40AM

Discussing TIF Taskforce Explanation Strategies

The discussion turned to the explaining details of the TIF Task Force's identified options. Mr. Arnett reminded the attendees that this meeting is hopefully about focusing final presentation efforts for upcoming meetings. Christine suggested that going back to Hooksett's Master Plan was probably the best strategy; explain the origins of the TIF and the initial research supporting its implementation.

Mr. Winterton put forward the example of Londonderry's TIF project as a potential device for explaining the benefits of the process. He noted Londonderry had paid off their TIF project in 18 months and had added something like 90million to the tax base. There were also examples given of large entities choosing locations other than Hooksett due to a lack of infrastructure in desirable areas. Denise Grafton supported that conclusion by noting other communities were benefiting from Hooksett's lack of action in this regard. Jo Ann Duffy noted that she had been involved with Hooksett's TIF planning since its origins, and that community outreach and business research indicated a lack of infrastructure in the projected TIF area was a large obstacle. Ms. Grafton noted that they had gone back and investigated the cause for limited investment in the area: lack of sewer and other improvements were a significant source of the issue. Christine noted that this information is vital; the whole story needs to get explained for things to make sense.

The conversation then briefly returned to explaining the why existing entities like Walmart and Bass Pro shop were in play with regards to contributing to the TIF project with hookups. Walmart was described as currently pumping water themselves with the lack of a better option, while Bass Pro was in limbo with regards to a restaurant expansion.

Mr. Marshall then commented about another element to explain the TIF Task Force's reasoning: That without growth, tax payers and utility rate payers inevitably pay more due to normal market forces. The addition of new development can be seen as a potential way to offset additional costs that come about in the course of providing services. The TIF Task force believes that an important part of the explanation of the project is presenting the information as not just another pointless expense: They need to describe the project in such a way as to reflect existing research; that there's a purpose and quite a bit of evidence to support implementation of a new TIF project. Mr. Marshall concluded by noting that one thing all attendees can agree on is that unless the bond is paid by the entire town, existing rate payers won't agree with the project. Since extensive buy-in is required, the explanation of the TIF project's story needs to be inclusive of the potentially confusing financial splits.

Mr. Arnett commented that at the *very* beginning of the TIF process there had been an explanation of the process of public financing with a TIF project. At the invitation of attendees, he went back to describing the financial impact of the TIF project, using examples from the power point.

For example, option-A would not cost the town any money at all as merely creating or extending a TIF district doesn't require money. It would, however, require Council's approval.

Mr. Winterton asked Mr. Arnett whether or not doing something like option-e would require bonding the full cost. Mr. Arnett responded it could be bonded separately with the town being asked to make

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the decision. Mr. Winterton then affirmed that this could be valuable to know if the imposition of financial firewalls was a part of the issue.

Hooksett Village Water Precinct's Involvement Status

Mr. Limbo then asked about the village water precinct's requirements to participate and the scope of its financial obligations in the event of participating.

Mr. Arnett responded by saying that the HVWP's commission Chair and superintendent had wanted to be considered, but that they couldn't make commitments. Christine affirmed that point and went further by noting that HVWP had made it clear their obligations for the upcoming year took precedence before participating.

Mr. Limbo then asked if he could read a statement from UNAD. He essentially read Michael Heidorn and Todd Smith's statements on September *ir*: but added some details. First, he noted that the HVWP was willing to move forward and support the project by laying the remaining pipe for the initial TIF project connection, but only when funding was forthcoming. Second, he reaffirmed the HVWP's point that it can't make hard commitments in 2017 due to approximately 1.8 million in projects being pursued on their end. However, Mr. Limbo read that 2018 could be considered, if appropriate circumstances arose. Additionally, Mr. Limbo noted that whether or not Manchester water sources tried to get involved would affect HVWP's choices.

Identifying Options to Recommend

Attendees acknowledged the HVWP's statement, and discussion turned again to how to present the information identified by the TIF Task force. Mr. Winterton noted the most aggressive option would be to push for Option-E (bonding everything at one), but that other options could easily be included as a more conservative alternative. The fact the town currently has no bond debt was identified as a significant plus as was the negligible tax increase associated with the TIF bonding. Christine noted that Option-C might be a more prudent option given the Jack of a current in-depth expectation for development demand. However, meeting attendees concurred over the need to be especially attentive in explaining TIF project details; including various alternate options and acknowledging risks & costs alongside potential benefits. Jo Ann noted that the joint meeting hosted by the Planning Board on Oct. 17th was the first big meeting between TIF Task Force stakeholder groups outside of reports from committee representatives. Mr. Winterton stated that one additional thing under consideration was the PR firm quote 10 Ann had sought for a website describing the TIF project.

Meeting attendees spoke extensively about the pros and cons of the options Mr. Arnett identified in his earlier presentation. Various questions were fielded by Mr. Arnett and town staff relative to specific details of the project including financial dynamics, current knowledge of utility capacities, the potential for combining the presented options (A, B, and/or C), and implementing previously discussed financial firewalls for recommended projects. There was also discussion about the history of bonding in the town and the current financial projects that the town might vote on.

The conclusion of these discussions was that the TIF taskforce should focus on explaining an option A+B path for October 17th, with the potential to move onto other options (E, D) if they prove interesting to the assembled TIF stakeholder parties. Notably:

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1. A 625,000 recommended project cost derived from combining options A+B+C investigatory studies was benchmarked as a foundation point for further discussion.
2. ADG and TIF task force members would continue to refine and discuss the presentation of information.

Upcoming Agenda Items

1. Prepare for Joint Meeting Monday 17th
Solidify information like engineering study cost estimates
Work on presentation strategies to describe the TIF project dimensions in public meetings
2. Post notices for the public informational meeting at the Library on the 19th
3. Prepare for presentation of the conclusions reached so far before town council.

Denise Grafton motioned for adjournment

Richard Marshall seconded.

Motion passed.

Adjournment at approximately 10:59

Respectfully submitted,

Nicholas Germain

Project Coordinator