

**Tax Increment Financing District Public Forum**  
**Meeting Minutes**  
**October 19, 2016**  
**6:00 PM**  
**Hooksett Public Library**

Don Winterton, Town Councilor District 5, called the meeting to order at 6:04 pm.

D. Winterton: One of the things in the Master Plan is the creation of sewer on Rt. 3A. There has been a sub-committee that has been working on this and is now ready to present this to the town. We are taking this slowly, in steps, and in full transparency. We want to see if we can bring more commercial development to the town. We are in the best library in the State of NH and we have the best trash pick-up system. Those services have a cost and we need to concentrate on how to have good commercial development in order to have these things and other opportunities continue to be part of our town.

Stu Arnett (Arnett Development Group LLC): This is a great town with great services. Please feel free to ask as many questions as you would like during or after the presentation. This is a presentation but I am hoping it will also be a conversation. ADG has been in business for over 9 years. My job is to give you good information so you can make good decisions. We are not proponents of one service versus another. My job is to help the community so the best decision possible is made.

**Stu Arnett presented the Route 3A Infrastructure Inter-Agency Task Force Report and Recommendations.**

Sid Baines: Will the assessed value of properties automatically increase?

S. Arnett: If the market value were to go up the assessed value would go up, if it does not it won't. It is not automatic that it would go up.

Marc Miville (42 Main Street): Wouldn't it be general fund totals being deferred? The operating budget has already been approved by the voters.

S. Arnett: The general fund becomes the operating budget.

Vincent Lembo (56 Main Street): To pay off the \$625,000 bond our taxes have to go up?

S. Arnett: They may or may not.

V. Lembo: How will they pay off the \$625,000 if there is no tax increase? How can this not cause a tax increase?

S. Arnett: The TIF district does not cause any change in tax rate. The subsequent decision to warrant or not would cause it. You have had a district in place for 15 years that has not affected the properties around it because nothing has been spent.

V. Lembo: Nothing has been spent, however, if the \$625,000 is spent taxes will go up no matter how small the amount. If money is spent there would be a tax increase.

S. Arnett: True but the TIF district is not causing it the warrant is.

V. Lembo: That is part of the TIF.

S. Arnett: It does not have to be. It is not in itself an authorization to spend or not spend. That is a separate vote by the voters.

V. Lembo: It is a warrant article as opposed to the town just raising taxes.

Michael Sorel (54 Cross Road): It is my understanding that all bonds issued by municipalities in the State of NH by law are general obligation bonds. Is that correct?

S. Arnett: We are suggesting general obligation.

M. Sorel: We were told by a bond attorney when we considered a TIF for Exit 11 that all municipal bonds issued by any municipality are general obligation bonds, which means that if there is not enough revenue from taxation, from income, or other sources the short fall will be picked up by the taxpayers.

S. Arnett: Correct.

M. Sorel: That is what happened with the ballpark in Manchester. The development of commercial which was going to supplement the taxes and the income coming in to pay the municipal bond did not happen, so the shortfall has been picked up for the last 15 years by the taxpayers of the City of Manchester. That has been spread out over 100,000 people. Whatever bond would be issued by the town whether it be for a TIF or to fund this \$625,000 for research and development will be a general obligation bond and the taxpayers of Hooksett would be responsible for that whether it be an increase in assessment or other areas.

S. Arnett: It clearly says general obligation. I wanted to use different words so that people would understand. One of the more successful ones is the one at Exit 10 which more than paid for itself and has turned substantial tax revenue back to the town.

M. Sorel: The town had a letter of credit so the taxpayers were secured. In that case the taxpayers of Hooksett were protected.

S. Arnett: That would go back to how the warrant is worded.

M. Sorel: It is my understanding that the TIF statute in the State of NH states that the two other operating entities, the School Board and the county, has a financial interest in any and all revenue created in that TIF district.

S. Arnett: The statute says that the requirement before you adopt the TIF is that the two other operating entities, the School Board and the county, have to give and adequate notice of their intention and it has to be reviewed at a hearing. They do not have to approve it.

M. Sorel: They do not get any revenue out of it if they so request?

S. Arnett: All three defer their new revenue until the bond is paid off.

M. Sorel: They must, they shall, or the statute provides that?

S. Arnett: They must until that service is paid off.

M. Miville: You said that the TIF is invisible to the taxpayer.

D. Winterton: The TIF is, the bonding isn't.

M. Miville: I understand that in theory, but as soon as you float that warrant article for \$625,000 that is roughly another penny for every \$15,000 the taxpayer will have to pay. So it will be roughly a 5 1/2 cent increase per thousand for the taxpayer. That is not invisible to the taxpayer.

M. Sorel: The TIF is invisible the financing is not.

S. Arnett: Every year you could get money coming in and not have a use for it and that would go back into the general fund.

Mary Farwell (24 Grant Drive): Could impact fees be used with the new development to provide a new substation, fire station, etc?

S. Arnett: You have an impact fee legislation and it is in place.

Jim Gordon (150 West River Road): Chapter 13, Future Land Use, of the Master Plan, states: "It is the Town's intent to retain intensive land uses on the eastern—Route 3—side of the community; it is also the Town's intent to take active steps to insure that lands on Route 3-A (on the west side) do not become as intensively used as Route 3. It is very likely; however, that over time non-residential development will migrate to areas along Route 3-A. As this occurs, it is recommended that the Town make the kind of wise transportation decisions that will allow these uses to function with much less traffic congestion than has occurred on Route 3. It would be appropriate to try to determine ahead of time where signal lights may be needed, and therefore where to implement access management techniques." Rt. 3A is already heavily congested. The same is true coming off of Hackett Hill, Exit 11, to Rt. 3A.

S. Arnett: I would refer that to the Town Planner and the Chairman of the Planning Board. If the Town Council is considering the district, I would anticipate they would do some traffic investing to fix that. Traffic enhancements could be included as part of the cost.

J. Gordon: Has DOT been contacted by you or your company with respect to this and are they involved? Rt. 3A is a state road.

S. Arnett: I work for the town. I am presenting to the town to help the town make a decision. I am not a traffic engineer.

J. Gordon: So you have not contacted DOT?

S. Arnett: We have their traffic count. If the town decides that it has a significant traffic issue that needs investment this could be one way of accelerating that investment.

Dave Hess (68 Pine Street): I am curious about the target 60% public, 40% private. Also, the private contribution towards funding would occur only by those property owners who elect to connect to the sewer line?

S. Arnett: Correct.

D. Hess: If you have a property in the TIF that does not connect to the sewer line they will not contribute toward that 40%.

S. Arnett: Correct.

D. Hess: What was the rationale and how did you arrive at the 60/40 split? With the 40% private contribution, how did you arrive at the 50/40/10 percent allocation? What does that mean for an exemplary piece of property?

S. Arnett: We looked at 67/33/0, 33/33/33, and the Committee felt that 50/40/10 worked best and was the fairest. They knew there were existing units that would benefit greatly by this so they thought they might be more likely to pay if they want to hook onto the system. We do not want to discourage people who are starting from scratch. This seemed the most fair. The 60/40 was a judgement that the town had to take a lead or else it would not get going. We did not want to do 90/10 because this will help the private side substantially. The 60% should be able to be covered in a reasonable amount of time with the new TIF revenue. It was a judgement as to what would be a minimal risk to the taxpayer and not be a disincentive to make people turn away.

Brian Tilton (502 West River Road): Should the TIF go forward, has there been any talk about what happens with the impact on the road? Will there be potential for road improvements, resurfacing, expansion, etc.?

S. Arnett: It is not part of a discussion about sewer line. When the Planning Board deals with individual site plans they would deal with those questions. I am sure they will not give a site plan

approval unless the town standards are met for proper road conditions. Anyone wanting to come in and connect to the sewer would have to go through the same planning process.

V. Lembo: The figures you put up tonight are different than what you presented on Monday night.

S. Arnett: This is if the whole area developed. The other was if half developed. It was half, not additional. We took the higher numbers and cut them in half. The concern was if you do a phase and not the whole thing. We are trying to understate things.

V. Lembo: To the Sewer Department, do you have the capacity if all of this development goes through without having a sewer upgrade?

S. Baines: We are permitted for 2.2 million gallons per day and we are currently using 500,000 to 600,000 gallons per day.

V. Lembo: Have those gallons been committed to someone else?

S. Arnett: No.

V. Lembo: If the Sewer Department invests in this project, are the people using the sewer going to pay or will the entire town pay?

S. Baines: The entire town pays.

S. Arnett: This is a general obligation bond not a sewer revenue bond. There should be assurances in the warrant article when it is written?

V. Lembo: Are you anticipating taking anyone's land by eminent domain?

S. Arnett: There is nothing that says we have to take anyone's home.

V. Lembo: This would go across the river to the sewer plant. Is that town owned land?

S. Baines: As I understand it this is Rt. 3A down to the ice arena. That is on Phase 3. We worked out an agreement with the owner of the ice arena to run a pipe down the property line between his land and his abutter, run it behind his house, put the pump station there, and pump underneath the river. We need a permit to go underneath the railroad tracks on the other side and connect there. The only private property is the ice area and we have already talked to them.

S. Arnett: The engineering has to be done to satisfy DES. A good place to go is underneath the river. I cannot guarantee things will go exactly as planned but that is our plan.

D. Winterton: Currently we are only trying to define what a TIF District should be, and a warrant article would deal with an initial phase that would lay out a lot of the engineering details should the town decide to go further? We are not building anything right now?

S. Arnett: Correct.

B. Tilton: So currently this would be basically drawing a line on a map? Would that become part of the town Master Plan?

S. Arnett: It is not like a zoning district but the Master Plan would recognize it as a district of collecting and utilizing new incremental funds. It does not affect zoning or planning but it would be an official Plan.

M. Miville: In November will the Town Council be deliberating on a warrant article with funding involved in the wording of the warrant article, or are we theoretically establishing a TIF for the March election?

S. Arnett: The recommendation is the district and the \$625,000. That is to be decided by the Town Council.

M. Miville: I many have misspoken earlier. I said the tax impact would be 5 1/2 cents. It would be roughly 43 cents per thousand.

D. Winterton: That would be \$625,000 if we were to pay it all at once. If we bond it so the TIF can reimburse it, \$13.55 is what an average homeowner would pay in increased taxes over the next 5 years.

S. Arnett: We are suggesting it be bonded because it would be reimbursable by the TIF.

M. Miville: The taxpayer should understand, in transparency, what the tax rate impact would be.

M. Sorel: It is our understanding a natural gas line is already installed on the east side of the Rt. 3A right-of-way and on part of the west side. In addition to the natural gas is a municipal water line. Is there enough right-of-way to accept a new sewer line? Has DOT been asked? In order to get the sewer line does that bring in eminent domain?

S. Arnett: We would find that out in the discovery phase. Typically these go in a right-of-way but until you do borings and check the soil you do not know how the pipe will have to go. The additional information is paid for in order to know exactly where it will go and what it will cost.

S. Baines: We make every recommendation to be on the opposite side of the street from a sewer line. I do not know if the gas line is on one side and the water line is on the other. The engineers would have to make it work.

Dave Hess: Who were the private owners on the task force and how were they selected?

S. Arnett: Due to the fact this was forming a town policy we did not want to open it to owners until the town decided what it wanted to do. Private owners came to the meetings but they were

not voting members. We did not want to have a policy that was seen as helping some but not others so we refrained from having private owners as voting members.

J. Gordon: If this system gets installed and is along the existing edge of the highway, if the state decides to widen the roadway, will those systems have to be moved or does the highway just get paved over?

S. Arnett: That would be a scenario considered in the pre-phase, including if this is a good time for road improvements.

D. Hess: Dealing with the 60/40 provision, was it a definite recommendation that it would proceed only if the 40% private match was committed?

S. Arnett: That goes back to the language of the warrant and will need to be talked through. It has to be something reasonable.

D. Winterton: This project is designed to be in phases. What we learned today is that we have to go through the phases to get to the phases. The town, Town Council, and the voters will have to decide whether to take this to another phase. We are trying to be conservative with estimates especially in terms of "if we build it they will come." We learned today that we should do a \$625,000 bond for 5 years. The worst case scenario would that it will cost someone who has an average home in Hooksett \$68 over 5 years to see if we can do commercial development on the west side.

M. Sorel: Do I understand from the presentation made this evening that the only way that sewer line will get to the sewer treatment plant is under the river in the vicinity of the ice arena?

S. Arnett: That was the recommendation that was accepted by the task force. There were two other options considered. It could go south to north or north to south if it is started at Exit 11. The pump station needs to be in the middle of Rt. 3A.

D. Winterton: Option 2 brought the sewer under the river down at Exit 10. That was the original recommendation and then Walmart has not done anything, however, they continue to clean out their septic system frequently. Their site plan for their own wastewater treatment plan has expired.

S. Arnett: If the goal is to make the whole area accessible it makes sense to put the pump station in the middle.

M. Miville: I want to hear from the citizens. It would be great if they could come to the Town Council meeting on November 9, 2016 or offer public input.

D. Winterton: The more public input we get their encouragement or discouragement would be helpful.

S. Arnett: Emails can also be sent to JoAnn Duffy or Jim Donison.

The meeting was adjourned at 8:00 pm.