

Tax Increment Financing District Advisory Committee

Meeting Minutes

December 1, 2016

3:00 PM Council Chambers, Hooksett Municipal Building

I. Call to order 3:05

II. Roll Call (Committee members include: Don Winterton-Chairman, Denise Grafton, David Scarpetti, Paul Scarpetti and Sid Baines, Staff members: Jim Donison, Assistant Public Works Director/Town Engineer; Jo Ann Duffy, Town Planner; Bruce Kudrick, Sewer Superintendent; and Christine Soucie, Finance Director, Stuart Arnett, (Arnett Development Group LLC)

Richard Marshall- Excused.

Kathy Lawrence- Staff

Previous meeting minutes for 8/9/2016 Approved motion made by Denise Grafton, 2nd by David Scarpetti. All those in favor-All, none opposed.

Previous meeting minutes 9/8/2016 Approved motion made by Denise Grafton, 2nd by Sid Baines. All those in favor-All, none opposed. Paul Scarpetti abstained as he did not attend that meeting.

Previous meeting minutes 9/27/2016 Approved motion made by Paul Scarpetti, 2nd by David Scarpetti. All those in favor-All, none opposed. Sid Baines request a correction to his name that was misspelled.

Previous meeting minutes 10/11/2016 Approved motion made by Denise Grafton, 2nd by Sid Baines. All those in favor-All, none opposed. Paul Scarpetti abstained as he did not attend that meeting.

Previous meeting minutes 10/19/2016 Approved motion made by Denise Grafton, 2nd by David Scarpetti. All those in favor-All, none opposed.

III. New Business a) *Staff Report prepared by James Donison, P. E Asst. DPW/Town Engineer:*

TIF Development Plan 12/14/2016

A request came from Town Council, 11/19 meeting for Jim Donison to draft a staff report with recommendations of the TIF Development Plan and present it at the 12/14/2016 meeting.

Recommendation: The TIF Advisory Committee has made a recommendation to place a \$650,000 warrant article for preliminary planning and engineering as part of a 5-yr bond. The sewer construction costs are estimated at \$18M. If the TIF is successful the contributing TIF District will cover the preliminary and construction costs. There will not be a tax impact to properties owners and TIF will create economic development.

Previous Report from October read:

As an alternative, staff recommends a more detailed \$25-50K “Build-out” study of the TIF District first be performed to answer questions prior to expanding \$650K; additional information on assessed value of properties and potential build-out; contact NHDOT to discuss Rt. 3A build-out and traffic impact?; sewer capacity after legal issues are resolved?; tax impact to town for the \$650K and \$9M-\$18M construction of the project?; realistic commercial property uses for properties and how will providing sewer be more attractive for their development and TIF tax revenues these properties will generate to cover bond?; Is 40% contribution from TIF properties realistic?; will build-out require new fire/police facilities and their cost?; What are the cost of a water main extension and is water available from the HVWP?; Meet with School Board and Merrimack County as TIF District will impact their revenues.

Recommendation (including suggested motion, if appropriate)

Recommend that Town Council proceed with either:

- (A) A warrant article for the \$650K planning/engineering study
- (B) First proceed with a more detailed \$25-50K build-out study of the TIF District

Fiscal Impact

The fiscal tax impact for the \$650K engineering study (5yr bond) for an average assessed house of \$231,000 is \$16.18/yr. The fiscal impact of a \$25-50,000 planning build out warrant article is estimated at \$3.86-\$7.71 (one year) for an average assessed \$231K house.

Town Administrator Recommendation:

Staff recommendation is that council make a motion to place an article on the warrant to raise and appropriate a sum not to exceed \$50,000 for the purpose of doing a build-out study to gather data regarding the proposed Rt3A Tax Increment Finance (TIF) District.

After this presentation Jim Donison followed up with a discussion that included:

What is critical is that a development of a TIF District plan be available for the public to see. Stuart Arnett will prepare a rough draft of a plan for presentation before the Warrant Article with the recommendations from the **Tax Increment Financing District Advisory Committee**.

Discuss the TIF recommended plan, the TIF boundary limits and the wording of the proposed warrant article in preparation for the public hearing on Wed Jan 4, 2017 for the boundary of the district and the bonding. This information will be used to support the staff memo to Town Council for their 12/14/16 mtg. that James Donison will need to prepare by Friday 12/2/16.

Stu Arnett-

1st piece-What do you want to be allowable? All the work?; Total value? What do you want to be available to make the project happen?

2nd piece is the financing. Do we want to require private/public, right up front, what do you want to put in to the study then he will know what pan to provide.

Don Winterton- Where, when and how do we put the boundaries in the plan?

Stu Arnett- 3 pieces for the public to see. 1st The Map#/Lot#, so the public understands the location. 2nd the development plan, so the cost is out lined and 3rd the financial part that will include the funding of the project.

Jo Ann Duffy- Has it been decided if we are going to amend the existing plan?

Stu Arnett- No

Christine Soucie- There has never been a plan, all they did was set boundaries.

Jim Donison- Do we call it Exit 11; Cabela TIF?

Don Winterton-By amending the current plan what would the land boundaries be?

A discussion continued on the land boundaries. The design of where the lines are.

Jim Donison- Should we leave it as is? Are we better off amending the Cabela plan?

Christine Soucie- Can the planner look at the 2 projects and see what lots are in both plans, probably the best thing to do is to amend it.

Confirmed by; Jo Ann Duffy that it is a 9 lot TIF.

Jim Donison-Should we meet one more time 12/13 9am, before the Town Council meeting on the 14th, to decide if we should amend the current plan and not create something new.

Stu Arnett-The exit 10 district has been paid off. It is closed by council.

Don Winterton- One of the things we have talked about is the size of the appropriation. \$650,000 not be the # we take to the voters. Tax payers have seen taxes go up, maybe a lower engineering phase and still getting enough to keep the project moving forward. Stu, comments? Yes, I think 650,000 is a budget amount. The reason we propose this amount is to not lose another year of this project moving forward. Make sure that whatever has been going since day 1 is not going to be wasted.

Jim Donison-In light of what will happen to the taxes, should we have a discussion about the option to wait a year instead of a getting a possible no vote?

Christine Soucie-Of the 3 things Stu discussed to make the plan, how much cost would be involved if that happened?

Stu Arnett-If you wait a year other big projects may come up. Maybe have conditions on something being met fairly early before you get going, such as private money.

David Scarpetti-What is the advantage for getting private money? Is there any incentive?

Stu Arnett-it would be less expensive for the business to contribute then build the project themselves.

Don Winterton-Stake holders, Walmart and Bass Pro Shop that I have reached out to, none have said that they would NOT want to participate. Some may want to contribute early so to not risk from moving forward. We may be able to show the tax payers some private funding. Approach the stakeholders to have a meeting and continue discussion about that possibility.

David Scarpetti- Sid how do feel, any comments?

Sid Baines-Get the first part of the project started maybe those private funds can move that forward. Walmart needs to fix their system. If we get the first section done the rest will be easier to continue.

Stu Arnett-It would be good to get the big commitments and then go to the public. 250,000 can get the engineering project started.

Christine-So where do we get the 250,000

Paul Scarpetti-Before going to the voters, if we could get a commitment from the big stores, that would present better to the voters.

Denise Grafton-I want to understand this, even if we collect 650,000 and we only get billed 300,000 in engineering can the rest of those funds go toward the completion of the project? Let's get contingent markers in place. If we had gotten this project started 3 years ago we wouldn't be getting a tax bill for this now. The public may want to see the revenue of the commercial

possibilities. How many projects/development progress have we lost in the 3 yrs. from not moving forward.

We need to get the plan in place and have answers.

Don Winterton-What are the big questions the voter would have that we can be prepared answer, from a voters stand point?

Questions: Who will use it? What makes you want to put the pipe in now? Have we got interest already? What are you doing it for?

Paul Scarpetti- People will want to know who will participate with us. It would be nice to get a letter of intent from some investors. We know that Bass Pro Shop wants to expand with a bowling alley and a restaurant. We should reach out to them as Don has already started.

Christine-Instead of a bond maybe the town should look in to surplus funds, would people agree to those surplus funds for the initial investment. We may still need a warrant article but it would be a better way to get the project started. The town shows the investment that may be the way to sell it to investors.

Jo Ann Duffy-Should the Staff Report be amended to reflect this 3rd option? (*The possible use of surplus funds, as a way to start the project*).

Jim-Yes, we should include it with the draft warrant article.

Christine- I could prepare a draft warrant article with the explanation if we were to use surplus funds.

Question: If funds are raised can the town be paid back for the surplus funds?

Christine-It could be if the plan said it was to be. It's not a guarantee that it will get paid back but you never have to close the district.

Don Winterton-It is my job to get the recommendation from this committee and for me to get members of this Development Committee to go to Council. We need to meet on December 13th to prepare the plan.

Jo Ann-Could we also get the staff report amended to include the current TIF.

Don-Steps that we need to work on are: Amend the current TIF and see how it overlays, develop the plan and the financial information.

Christine-If we can have those wrapped for the January meeting then essentially at the next Town Council meeting we can talk about the options we would like them to consider, and not to change the existing TIF at the December 14th meeting.

Stu will have better numbers to get the first phase done.

Christine-Does the sewer commission have any surplus funds?

No, we still have the bridge that we are keeping an eye out for.

A discussion on the expense of the removal of the Lilac Bridge:

Bruce-we still have the bridge that needs to get done. As we sit here today there are no funds unaccounted for.

Christine-Town has not put the sewer dept. on the hook for the bridge and the town has done a lot to see that it will not come down to the rate payers.

There is no final plan yet for the bridge and the cost for taking it down. The bridge may be a big \$ project. If the commission knew what this was going to cost then we may have funds to match. If the commission knew what that was going to go for then we would know.

Don-In Feb we start taking bids to remove the bridge.

Denise- In the even that they have funds for worst case scenario and if the funds were never realized, could we have them earmarked as a contingency/secondary allocation would they make that a consideration?

Town council is concerned what the cost may be to remove the bridge. That is why we are keeping a surplus. So we don't have a burden on the tax payers for that project.

Jim Donison- amendment to include language as part of a 5 yr. bond or surplus funds and the fiscal impact if it was a 5 yr. bond or if from surplus there would be no debt and the funds could be paid back to town.

A request for a motion to be made to approve amending the current Cabela TIF to be presented as the TIF on the staff report. Motion Made by Sid Baines, 2nd by Paul Scarpetti.

All approved. None opposed.

Next meeting, December 13th, 9am Council Chambers

December 14th Town Council meeting

Jim Donison will notify county and school.

Christine Soucie will prepare the meeting notice for the public hearing to accept the TIF

III. Adjournment

4:30 Denise Grafton made motion to adjourn, Jim Donison 2nd

Minutes respectfully submitted by;

Kathy Lawrence