

1 **LONDONDERRY, NH PLANNING BOARD**  
2 **MINUTES OF THE MEETING OF NOVEMBER 13, 2013 AT THE MOOSE HILL**  
3 **COUNCIL CHAMBERS**  
4

5 Members Present: Art Rugg; Mary Soares; Laura El-Azem; Chris Davies; Tom  
6 Freda, Ex-Officio; Rick Brideau, CNHA, Ex-Officio; Leitha Reilly, alternate member;  
7 Maria Newman, alternate member; and Al Sypek, alternate member  
8

9 Also Present: John Vogl, GIS Manager and Comprehensive Planner; John R.  
10 Trottier, P.E., Assistant Director of Public Works and Engineering; Kevin Smith,  
11 Town Manager; Stuart Arnett, Economic Development Specialist (Planning &  
12 Economic Development Department); and Jaye Trottier, Associate Planner  
13

14 A. Rugg called the meeting to order at 7:04 PM. He appointed L. Reilly to vote for  
15 Lynn Wiles and M. Newman to vote for Scott Benson.  
16

17 **Administrative Board Work**  
18

19 A. Plans to Sign – Hickory Woods Site Plan, Phase I  
20

21 J. R. Trottier stated that the Board signed the site plan for the Hickory Woods  
22 development on July 31 of this year. The Town does not record site plans at  
23 the Rockingham County Registry of deeds, however the applicant submitted an  
24 additional plan for signature of Phase I to facilitate the processing of legal  
25 documents associated with the development. Subsequent plans, he said,  
26 would be submitted for each phase of the project for the same reason.  
27

28 **A. Rugg entertained a motion for the Board to authorize the Chair and**  
29 **Assistant Secretary to the sign the Hickory Woods Phase I site plan as**  
30 **described by Staff. M. Soares so moved. L. El-Azem seconded the**  
31 **motion. No discussion. Vote on the motion- 8-0-0.**  
32

33 A. Rugg said the plan would be signed at the conclusion of the meeting.  
34

35 B. Discussions with Town Staff  
36

37 Staff had no topics to bring to the Board.  
38  
39

40 **Public Hearings/Workshops/Conceptual Discussions**

41 None  
42

43 **Other Business**  
44

45 A. Airport Area Tax Increment Finance (TIF) District presentation  
46

47 S. Arnett gave a brief PowerPoint presentation to the Board for informational  
48 purposes about the Airport Area TIF (TIF) District (see Attachment #1). The

1 Town Council, he said, has approved both the ability to use the TIF District as  
2 an economic development tool in Londonderry as well as the designation of this  
3 specific Airport Area as a TIF District. He described the district as way to aid  
4 the Town in developing infrastructure for the airport area so as to expand the  
5 Town tax base, invite new, innovative industry, and increase the creation of  
6 jobs. A second goal is to accelerate the pay-down of bonds and thereby reduce  
7 interest costs for taxpayers. This is done by allowing the Town to direct the  
8 Town, School and County portion of the new, incremental value (\$.80 per tax  
9 dollar) within the district to pay down new infrastructure bonds. Currently, the  
10 Town is able to use only the Town portion (\$.21 per tax dollar). The use of the  
11 value currently coming from those properties does not change and the base  
12 amounts continue to go the existing budgets. The only difference within a TIF  
13 district is how the incremental tax monies received from new development  
14 there are utilized, i.e. there is no change to the rates.

15 While the accelerated payment of debt service is a known outcome of the  
16 TIF, other possible consequences include better quality roads and sewer  
17 infrastructure, faster growth, more jobs, increased density, greater property  
18 values, the ability to expand if necessary per the adopted plan, etc.  
19 Conditions that must be in place before the TIF District can be enacted by the  
20 Town Manager include a verification that there will be no negative affect to  
21 existing tax revenues or tax base (i.e. a "positive cash flow") and a significant  
22 contribution by the private sector. The Town Council's approval of the TIF  
23 District enables the Town to spend bond money on roads, sewer, utilities,  
24 trails, sidewalks, etc., however it is not committed to doing so. The bond itself  
25 is voted on at Town Meeting but it is not purchased until the aforementioned  
26 conditions are in place.

27 An associated but independent action being considered by the Council is  
28 the expansion of the Economic Revitalization Zone (ERZ) which would allow  
29 more businesses to be eligible for State tax credit. S. Arnett reviewed the TIF  
30 District map presented to the Council in August and the revised version  
31 presented in October that removed a piece of agricultural/ residential land that  
32 was deemed inappropriate for the district. A TIF District cannot exceed 5% of  
33 the total land area of the town and 8% of the assessed value; this district is at  
34 4.8% and 1.5 to 2% respectively. He explained that the zoning of the district  
35 is not altered in any way and that development must still comply with all land  
36 use regulations.

37 S. Arnett also reviewed past design charettes and the vision of the 2012  
38 Master Plan update which include dense development and high traffic volumes  
39 in the airport area. He suggested that development inquiries for the area  
40 being discussed in the Planning & Economic Development Department do not  
41 fit the office park/mixed use/village concept. They instead include large, high  
42 end proposals for distribution and logistics facilities. If that use trend  
43 continues, traffic volumes would not only decrease substantially but they would  
44 occur throughout the day instead of at peak hours. The range of projects  
45 eligible for TIF financing and the resulting decreased cost impact to taxpayers  
46 were identified (p. 10 of Attachment #1), as were the sources of investments  
47 (p. 11). Those sources, including the tax increment funds, would offset the  
48 amount of the bond and their sum is that which must be shown to be cash  
49 positive before the bond can be purchased. Lastly, S. Arnett presented actions  
50 needed and their prerequisites to make the district a reality (p. 13) along with

1 the "next steps," including those of Staff and the Council (p. 14). One Council  
2 action in particular would be the adoption of NH RSA 49-c which would allow  
3 the Town to either require a developer to fund some amount of infrastructure  
4 upfront or recoup the money from the developer after the fact.

5 A. Sypek verified with S. Arnett that the Town Manager would not advise  
6 the Town Council to place the bond article on the Town Warrant until he has  
7 substantiation that the scenario will have a zero-negative cash flow. In that  
8 event, he asked what would happen with private sector funds that were being  
9 offered before a bond was in place, i.e. would a letter of credit be provided to  
10 the Town or an escrow fund established. S. Arnett said either could happen.  
11 M. Newman asked if the positive cash flow concept would be spelled out in the  
12 warrant article for the voters. S. Arnett said it would and that it would also  
13 mention the significant private investment required. Town Manager Kevin  
14 Smith explained later on that the wording of a warrant article would have to be  
15 sorted out since a bond would be sought yet the funding for it would be offset  
16 by the taxes derived from the TIF District and whether the two concepts can be  
17 placed on the warrant article is unknown at this point. A. Sypek stated his  
18 preference for the City of Manchester to bring public water to the district since  
19 Londonderry would only have a limited number of years to recoup the cost  
20 whereas Manchester Water Works would not. M. Newman cautioned a reliance  
21 on public sewer user fees (p. 11) since they can only be used to a limited  
22 degree. S. Arnett replied that user fees are just an option to consider and that  
23 replenishment of existing funds should always be considered. L. Reilly asked if  
24 a TIF District already existed in Londonderry. She was told that one was  
25 designed for the Jack's Bridge Road area that was not passed. J. Vogl said he  
26 believed it was because it could not be demonstrated that the district could  
27 produce the necessary positive cash flow. There are currently two ERZs in  
28 town, one around the Jack's Bridge Road area and the other in the airport area  
29 (p. 7).

30 L. El-Azem pointed out that the reason some may object to the idea of a  
31 TIF district is that it can be perceived as benefitting only the businesses within  
32 the district. M. Soares confirmed with J. Vogl that since the land in question is  
33 nearly all non-residential, no school impact fees could be collected from that  
34 land. C. Davies asked what would happen if RSA 49-c was not enacted for use  
35 in the district. S. Arnett said it is an enabling statute that is independent of the  
36 district and is not a requirement. C. Davies also asked how grant funds can be  
37 acquired if the bond is not already in place to act as matching funds. S. Arnett  
38 said that grant funds could be sought once some degree of infrastructure is in  
39 place (which would hence require a smaller bond), so that the request for the  
40 grant is that of seeking to improve existing infrastructure. C. Davies asked  
41 exactly what "escrow" funds are referred to on p. 11 and S. Arnett explained  
42 they are from the sewer escrow fund. C. Davies recommended highlighting the  
43 concept of the Town being able to use \$.80 of every incremental tax dollar to  
44 pay the debt service instead of the current \$.21 to the taxpayers to best  
45 demonstrate the benefit of the TIF District. M. Soares verified that a bond  
46 cannot be placed on the Town Meeting warrant until a recommendation is  
47 made by the Council based on findings that the district will have a zero-  
48 negative cash flow. If a bond is approved at Town Meeting and impending  
49 development that was part of the findings falls through, the Town Manager  
50 simply does not finalize the purchase of the bond. The ability to issue the bond

1 stays in place until such time as another vote is taken at Town Meeting to  
2 revoke it.

3 Resident Mike Speltz asked if public comment would be accepted. A. Rugg  
4 replied that since this was merely an informational presentation to the Board  
5 and not a public hearing, public comment would not be taken.

6  
7 B. Master Plan Implementation discussion

8  
9 At the advice of Staff, the Board discussed the possibility of establishing a  
10 committee to address implementation of the Master Plan. A. Rugg recalled  
11 Master Plan Steering Committee (MPSC) member Bob Saur's comment that  
12 those who served on the Steering Committee would logically be best qualified  
13 to also take part in directing the implementation of the document. Staff was  
14 asked to begin the search for volunteers by emailing MPSC members to gauge  
15 their interest in participating. In order to give some indication of the level of  
16 involvement, it was decided that an implementation committee could expect to  
17 meet no more than once a month and possibly report to the Planning Board on  
18 a bi-monthly basis. J. Vogl noted that implementation of the recommendations  
19 in the document would assist in the forthcoming audit of the Town's zoning  
20 ordinance since many of those recommendations would require amending the  
21 ordinance. J. Vogl said Staff would report back to the Board with the  
22 responses from the MPSC.

23  
24 C. Growth Management Ordinance discussion

25  
26 A. Rugg began the discussion by noting that under State statute, Growth  
27 Management Ordinances (GMO) have a finite existence. J. Vogl explained that  
28 the Town's GMO was established in 1988 with a sunset clause of January 1,  
29 2015. He estimated that the last time the Town made a determination of  
30 unsustainable growth was upwards of ten years ago. Roger Hawk of the Arnett  
31 Development Group has been asked by Staff to review the GMO along with the  
32 RSA to determine the ordinance's applicability and what would be required to  
33 renew the ordinance if the town so desired. That report will be delivered to the  
34 Board in the near future. A. Rugg said while there have been no changes in  
35 the State statutes in recent years, there may be some case law to research.  
36 Under the governing RSA, a study must be conducted to determine the current  
37 capacity of services and how effectively the Town is meeting its needs. S.  
38 Arnett noted that as the GMO is reviewed, so too will other growth  
39 management tools employed by the Town in order to assess their impacts and  
40 their interaction with one another. J. Vogl said a progress report could be  
41 expected from Staff within the next month.

42  
43 D. Zoning Ordinance Audit discussion

44  
45 A. Rugg stated that the origins of this audit lie in the 2012 Master Plan since it  
46 posed a zoning concept unknown to Londonderry known as Form Based Code.  
47 Because the ideas of form based code are currently not permitted by the  
48 ordinance, L. Reilly explained that an attempt to implement the Master Plan  
49 would require an inventory of the existing ordinance and the assessment as to  
50 whether new zoning concepts would benefit the Town. J. Vogl added that the

1 Performance Overlay Districts (PODs) of Routes 102 and 28 would be  
2 examined as well to discern whether they are meeting the goals for which they  
3 were instituted and whether they are still relevant to the needs and  
4 preferences of the community. A. Rugg acknowledged that the PODs were  
5 established to address growth-related aesthetic concerns in those areas,  
6 however they were only intended to be temporary. At the 2012 Town Meeting,  
7 voters appropriated \$20,000 to fund the audit. Staff suggested utilizing Roger  
8 Hawk of the Arnett Development Group and offered to present a scope of work  
9 at the next Planning Board meeting. J. Vogl said the Board could expect the  
10 audit itself to take approximately six months.

11  
12 **Adjournment:**

13  
14 **M. Soares made a motion to adjourn the meeting. R. Brideau seconded the**  
15 **motion. Vote on the motion: 8-0-0.**

16  
17 The meeting adjourned at 8:31 PM.

18  
19 These minutes prepared by Associate Planner Jaye Trottier

20  
21 Respectfully Submitted,

22  
23  
24  
25 Lynn Wiles, Secretary

# **AIRPORT AREA INFRASTRUCTURE TIF DISTRICT:**

Public Hearing Presentation  
Oct 21, 2013



# THE GOALS:

1. Utilize state-enabled tools to better economic development in the Airport Area of Londonderry; to improve job production, increase the tax base and industry innovation
2. Accelerate the bond pay-down to reduce taxpayer's interest costs; each year interest costs \$37,500 per \$1m borrowed



# Why Do Anything?

- The TIF District IS an Opportunity to:
  - Uses 80 cents on the dollar versus vs. 21 cents on the dollar to pay town debt
- The TIF District MAY be an opportunity for:
  - Better quality of road and sewer infrastructure;
  - Faster growth
  - Better jobs, more jobs
  - Greater tax base: \$70/sf assessed value to \$100+/sf
  - Realizing benefits sooner
  - Expansion potential for road later (if traffic warrants)
  - Greater density: more sq ft
  - Trail system expansion for residents and new workers

## Conditions before funding:

- Zero negative affect to existing tax revenues or tax base
- Significant private sector contribution now and subsequent investment later



## Public Policy Decisions:

### 1. Enable the Airport Area TIF District: Council

- A. Enabling does not commit the Town to spending.
- B. Possible uses:
  - Road
  - Sewer
  - Utilities
  - R of W
  - Trail
  - Intersection fixes
  - Lights, sidewalks as required
  - Administration and marketing

### 2. TIF Bond at Town Meeting: Public

- Requires public vote
  - Construction bids before “go”
  - “Cash-flow neutral or better” requirement for Town Manager

### 3. ERZ Expansion: Council

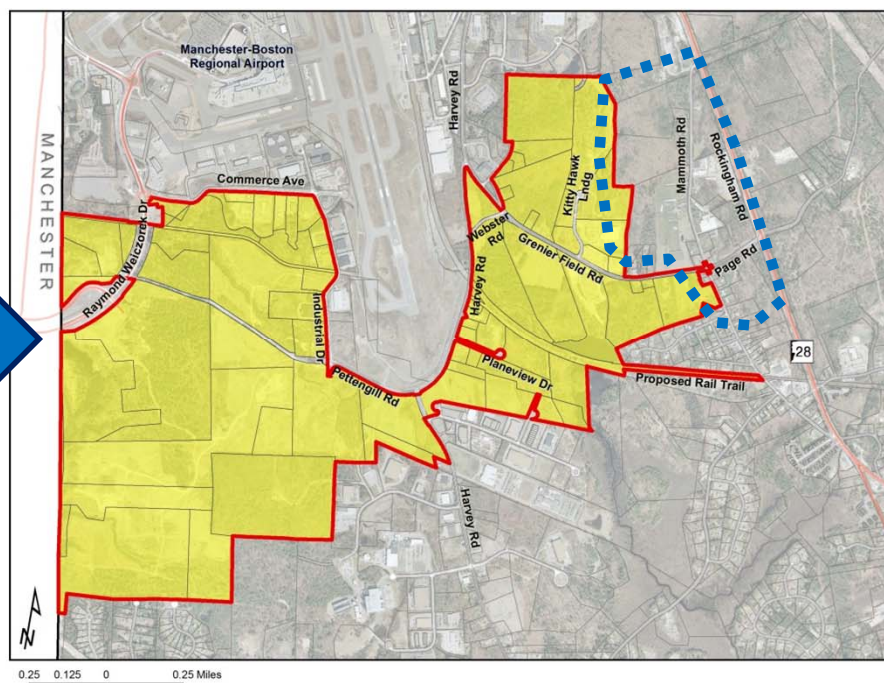
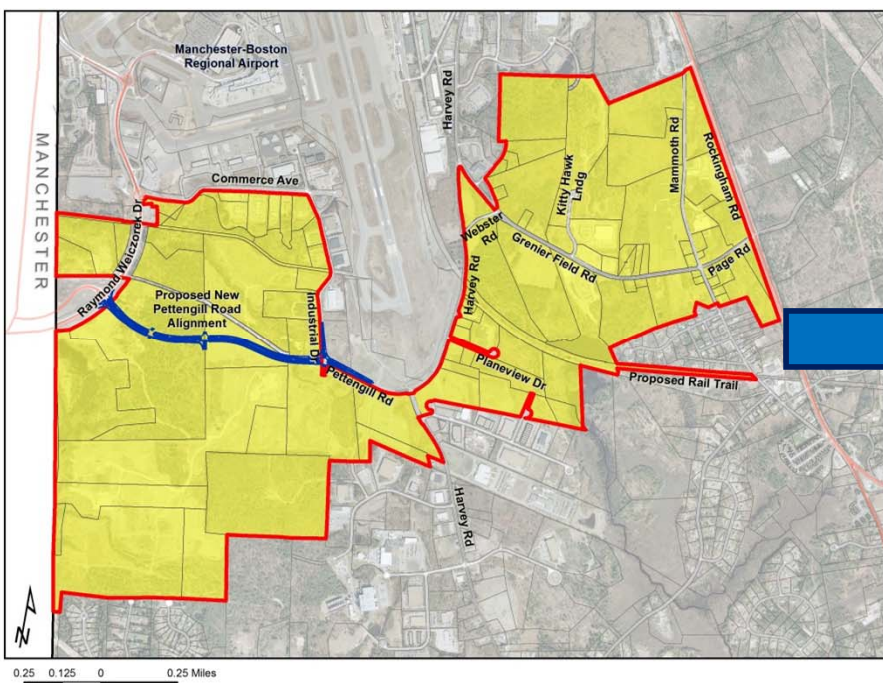
- Increase Size of existing zone
- Increase the number businesses that are eligible
- No cost to Town
  - state tax credit eligibility for local businesses



# TIF District Map

August 2013

Revised – October 2013





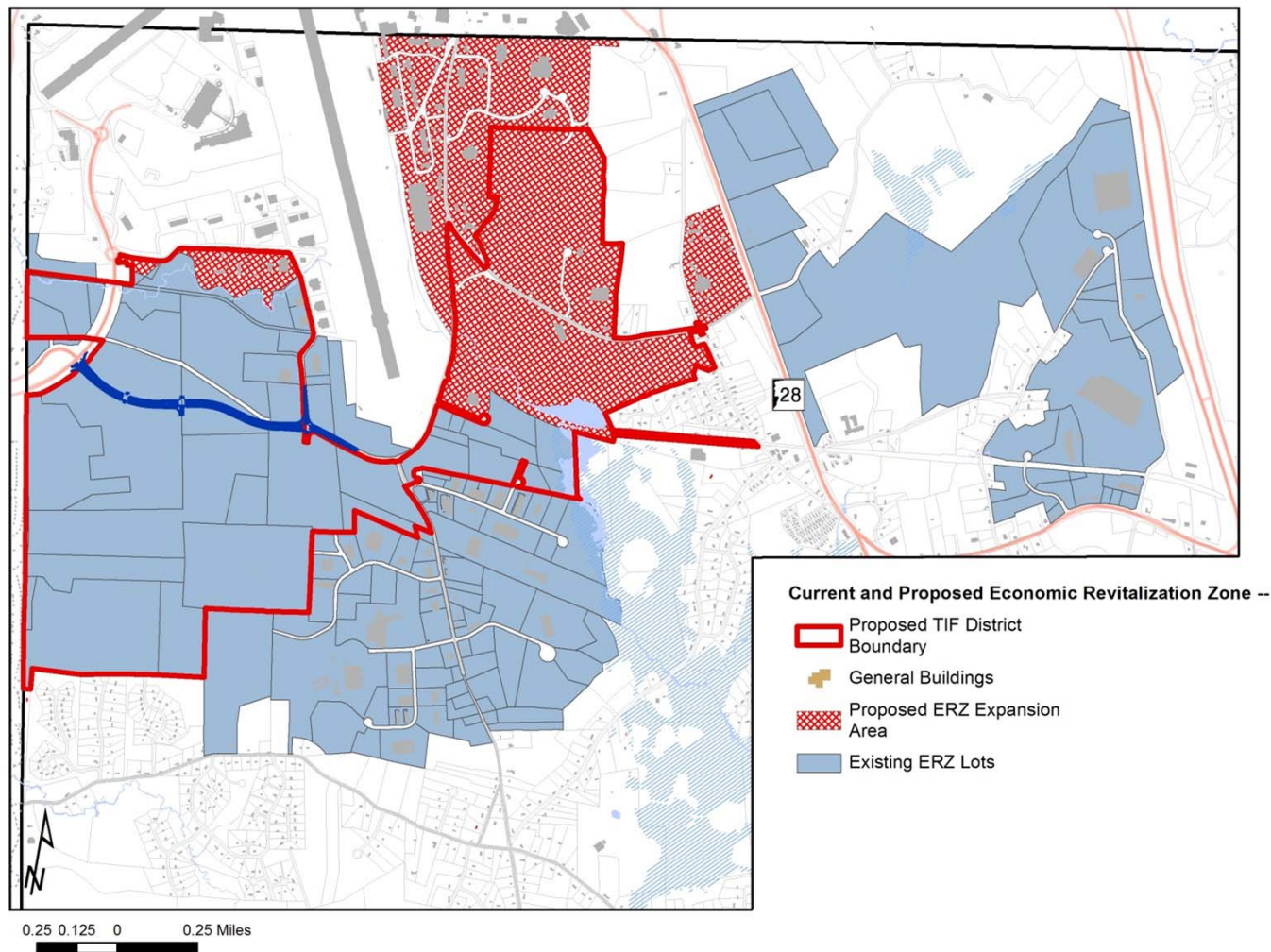
# Economic Revitalization Zone (ERZ)

## State Enabled Tax Incentive

- Allows for credit against NH business taxes for Londonderry companies that make significant investments
- Londonderry has two areas already designated
- Expansion would include the TIF area plus known expansion prospects
- Time sensitive: December 31 2013



# Economic Recovery Zone (ERZ)





# Evolving Visions for Build Out

1993 Charrette

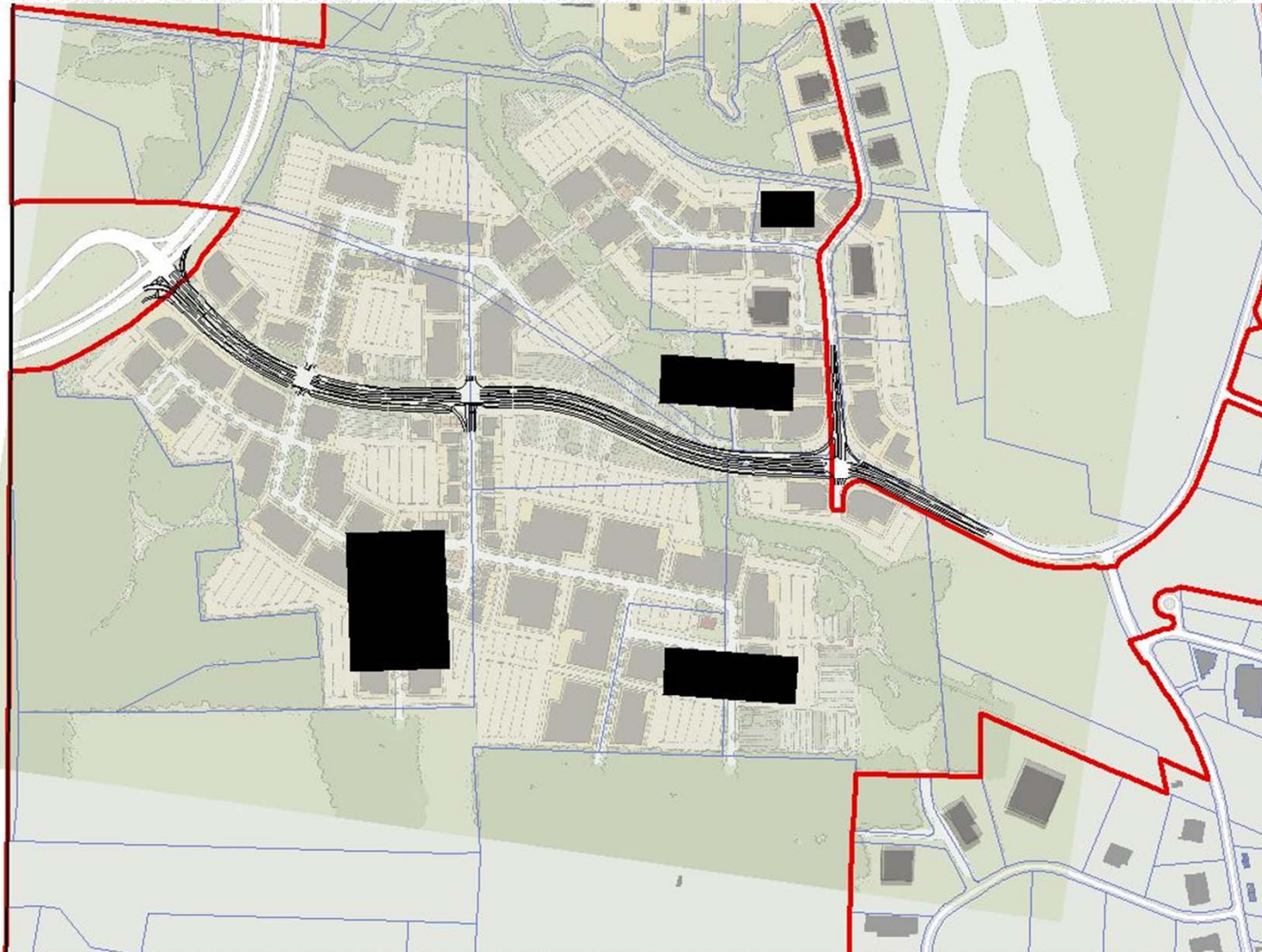


2012 Master Plan





# Current Inquires are for Fewer and Larger Buildings





# Range of Projects Eligible for TIF Financing:

- **Road and Traffic Fixes**
  - \$8.5 m to zero
- **Trail**
  - \$200,000 to zero
- **Rights of Ways**
  - Zero
- **Sewer**
  - \$4.5 M to \$2.5m
  - \$4.5m to zero
- **Water & Utilities**
  - Zero:
    - Developer pays
    - City of Manchester
  - Have Town finance and re-coup?



# Investments

- **Road, Traffic and Trail**

Town \$ (tax increment)

+ grant \$

+ escrow \$

+ owners up front  
(developer exactions)\$

+ owner/user fees

+ any other source

*Must equal neutral cash  
flow assuming 3.75%  
(interest)*

- **Sewer**

Town escrow of \$2M

+ grant \$

+ Town bonding \$

+ User and connection fees

- **Water & Utilities**

City of Manchester

+ Owner/user fees

+ Town bonding if favorable  
to Town



# Financial Worksheet

Capital Expenses

Uses of Funds -CASH OUT	Q1	Q2	Q3	Q4
ADMIN-LEGAL BONDING				
CONSTRUCTION, DESIGN-ROW: ROADWAY				
CONSTRUCTION, DESIGN-ROW: ROADWAY (2)				
CONSTRUCTION, DESIGN-ROW: SEWER				
CONSTRUCTION, DESIGN-ROW: SEWER (2)				
CONSTRUCTION-DESIGN-ROW - TRAILS				
CONSTRUCTION-DESIGN-ROW - TRAILS (2)				
CONSTRUCTION-DESIGN-ROW				
OTHER CONSTRUCTION-DESIGN-ROW, & RELATED WATER/UTILITIES				
<b>Q TOTAL</b>		\$0	\$0	\$0

Non-Property Tax Funds

SOURCES OF FUNDS - non-property tax	Q1	Q2	Q3	Q4
CASH RESERVES - SEWER				
CASH-RESERVES - OTHER				
SEWER CONNECTION FEES				
ROAD SPECIAL ASSESSMENTS				
SEWER SPECIAL ASSESSMENTS				
IMPACT FEES - RECREATION				
IMPACT FEES - OTHER				
OWNER CONTRIBUTIONS				
GRANT-DOT				
GRANT - EDA				
GRANT - CDBG				
<b>SUBTOTAL 1 - Grants/Awards</b>		\$0	\$0	\$0

Property Tax Increment

<b>Revenues - Property Tax</b>				
<i>KNOWN PROJECTS: INCREMENTAL TAXES,@ "MEDIUM" VALUATION</i>				
PARCEL 1 @ \$100 psfv 24,000 ft2				
PARCEL 2 @ 70psfv 225,000 ft2				
PARCEL 3 @ 100 psfv 60,000 ft2				
PARCEL 4 @ 100 psfv				
<b>SUBTOTAL 2 - Known Property Tax</b>		\$0	\$0	\$0
<i>Revenues from FUTURE Projects</i>				
Other NEW Sources @ 70 psfv 100,000 ft2 annually				
<b>SUBTOTAL 3 - New Property Taxes</b>		\$0	\$0	\$0
<b>TOTAL</b>		\$0	\$0	\$0
<b>Difference</b>	\$0	\$0	\$0	\$0
<b>Cummulative Difference</b>	\$0	\$0	\$0	\$0
<b>interest per Quarter</b>	\$0	\$0	\$0	\$0



# Actions Needed

## TIF District Adoption

- Before April 1 2014,
- Sooner is better

## Bond Vote

- Town Meeting March
  - 2014 and/or
  - 2015, 2016....

## Road and Sewer Construction Start

- By July 2014 to keep existing permits

## ERZ

- Before Dec 31, 2013

## Only Act After :

- Right-of-Ways secured
- School Board & County Commission Hearings
- Council votes District
- Bond Counsel review
- Fix a bond rate and term
- Town Manger's review and determination of "zero-negative cash flow"



# Next Steps

- **Process:**
  - School Board and County hearings Nov 5 and 19
  - Establish baseline assessed value at adoption
  - Determine new TIF revenues
  - Set best terms/rates for bonding in 2014
  - Establish TIF Advisory Board
- **Design Qs for Staff:**
  - 2 or 4 lanes and traffic demand
  - Decide phases
  - Sewer and drainage placement
  - Access to MHT land
  - Water and utilities
- **Council Votes**
  - Establish TIF District:
    1. Enabling
    2. Specific site and plan
  - Recommend TIF bond at Town Meeting 2014
  - Adopt new ERZ zone in 2013
  - Adopt RSA 49-c if needed to re-coup costs