

The Gateway Vision Stratham's Opportunity

FEBRUARY 6, 2020



Tonight's Presentation

1. Welcome
2. Stratham's TIF District
3. NH Hampshire Examples
4. Q&A



Welcome

1. TIF as enabler
2. Community support
3. Town Meeting - a choice

The Last Time.....

- Upgraded amenities
- New services and uses and gathering spaces
- Diversified housing options
- Modern site development
- Facilities for pedestrians and bicyclists

**More viable economic structure for the Town
through added property valuation**

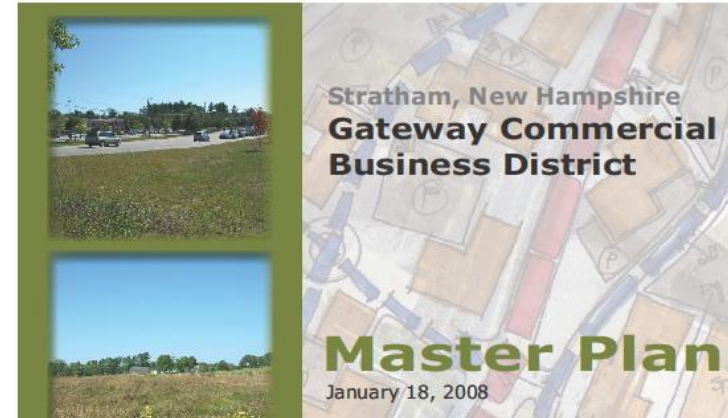








The Last Time



Community Supported

- Planning Board Gateway Master Plan 2008
- Zoning Ordinance (Town meeting votes, 2009 & 2014)
- 2018 Survey Conducted 108 Study Committee
- Master Plan Update 2019

Technically Feasible

- Weston & Sampson and related engineering studies

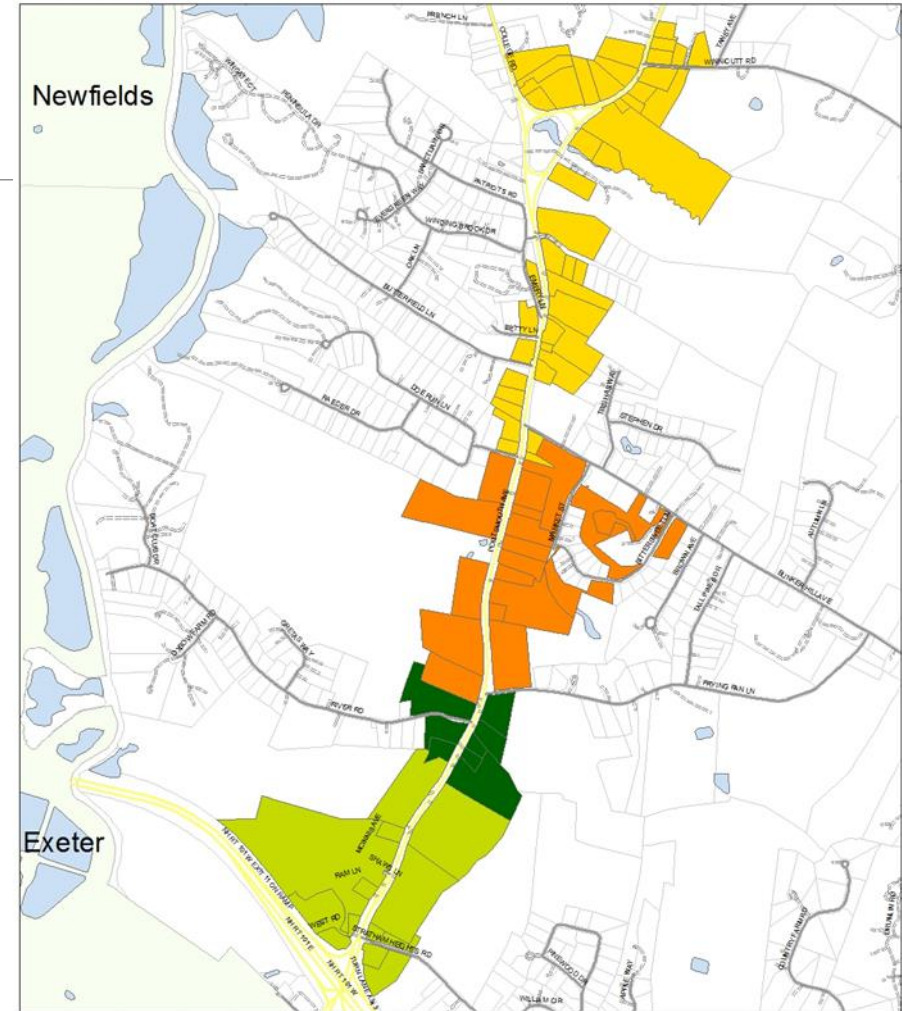
Financially viable

- 2016 Arnett Development group and 2019 Applied Economics Research

Project	Year
Recent Past Efforts to Implement the Gateway Vision	
DRAFT TIF District Boundary	
Flyer Agenda - Pursuing the Gateway Vision	2019
Route 108 Corridor Study Committee Final Report, May 2019	2019
Applied Economic Research-Final Report, May 2019	2019
Weston & Sampson Engineering Report, January 23, 2019	2019
Stratham Gateway Commercial Business District	
Route 108 Corridor Study Committee	
Video of Public Hearing	
Past Studies	

Tonight's Focus

TIF Districts:
Here and in NH



Conversation Continues

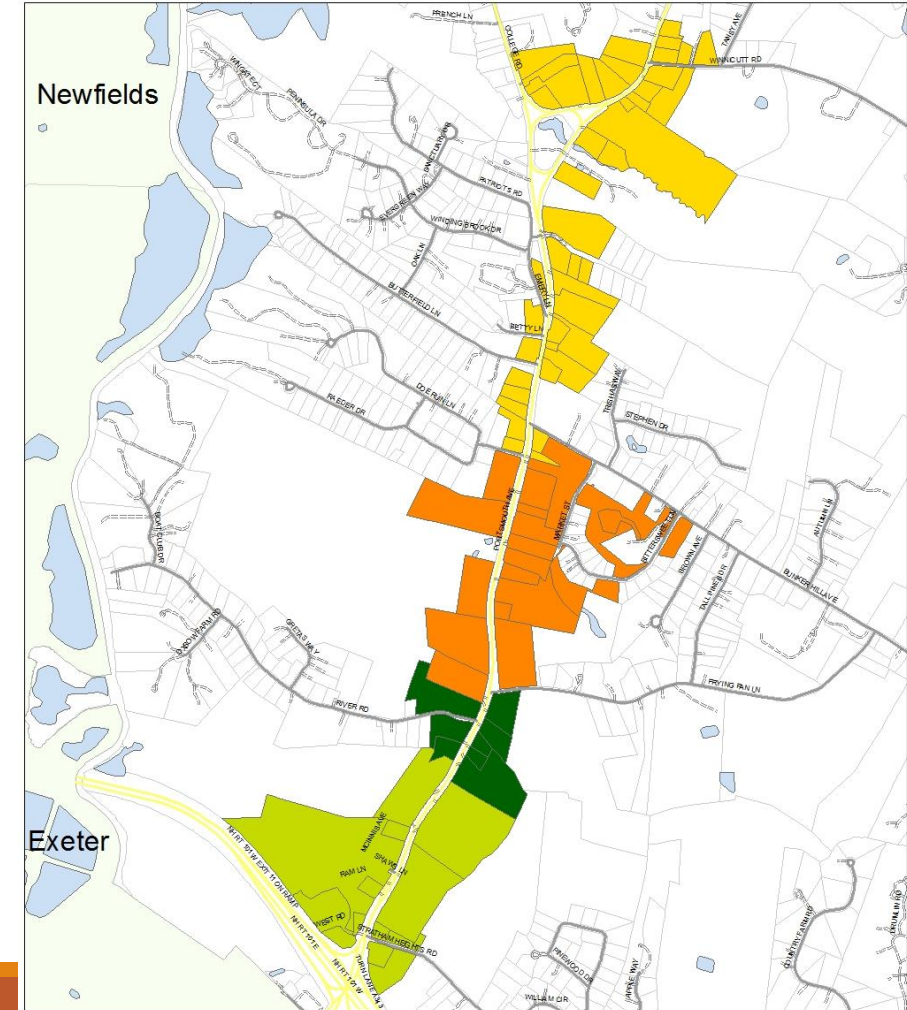
- ❑ Tonight – Outreach Event
- ❑ February 10th – Public Hearing on Town Warrant
- ❑ February 20th – Public Hearing on TIF District and Plan
- ❑ March 3rd – Library Information Night
- ❑ March 13th – Town Meeting (business section)

TIF Districts – 4 Points

1. Adopt a district (a defined area) and establish the values of the properties in that district as the District's "base valuation"; the starting point.
2. As public infrastructure improvements are made more (and higher quality, denser, and more valuable) private redevelopment is catalyzed.
3. Capture the difference in the new assessed values from the "base" assessed value at TIF adoption and set these new funds (TIF revenues) aside in a separate account.
4. Use the TIF revenues to pay the borrowing costs for the initial investments.

Stratham's TIF Plan and District

- ❑ State Law RSA 162:K
- ❑ Identifies 82 parcels along Route 108 as the District;
4% of the overall acreage in town; 9% of the overall value.
- ❑ April 1, 2020 values “frozen”
- ❑ Incremental increases in values will be captured in a TIF Fund
- ❑ **Phase 1 – Discovery and Commitments**
- ❑ Phase 2 – Design and Construction
- ❑ No financing until a subsequent vote of Town Meeting



Phase I Plan Elements

- ❑ **Attract** redevelopment interest by developers and owners
- ❑ **Assess** a proposed project for compliance with the vision viability from a zoning, technical and financial perspectives
- ❑ **Ask** At a future Town meeting, seek approval to implement.

Why Epping Road?



- ❑ Already designated an Economic Revitalization Zone, the Epping Road corridor has the potential to add over \$130 million to the town's taxable base.
- ❑ The Route 101/Route 27 corridor is a prime development area due to the traffic exposure, significant parcel size and strategic access to large markets.
- ❑ This corridor boasts the last large-scale commercial development possibility for Exeter and needs infrastructure to maximize its potential.

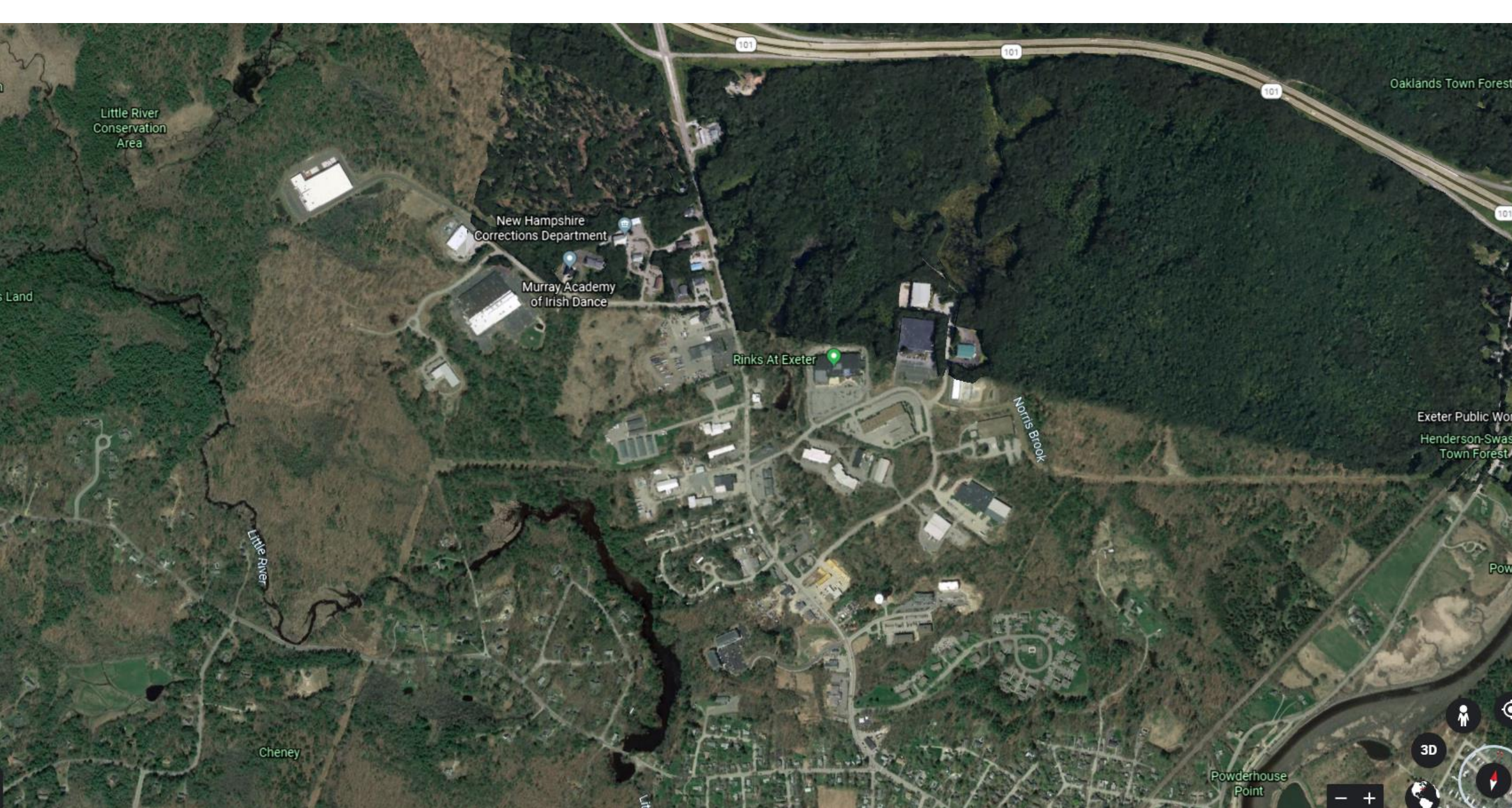


Epping Road Corridor Developed Parcels Map



0 500 1,000 2,000 3,000 4,000 Feet

-  Epping Road Corridor
-  Developed parcels (approximately 238 acres)



Little River
Conservation
Area

New Hampshire
Corrections Department

Murray Academy
of Irish Dance

Rinks At Exeter

North Brook

Little River

Cheney

Powderhouse
Point

Oaklands Town Forest

Exeter Public Works
Henderson-Swanwick
Town Forest

- +

3D

Exeter Epping Road Tax Increment Financing (TIF) Project

-
- ✓ 2015 Original TIF \$6.9 million

Epping Road Utility Extensions
New Industrial Roadway with Utilities and Waterway Crossing

 - ✓ 2018 Amended TIF \$1.1 million

Traffic Light at intersection of Epping Road and Continental Drive
Intersection improvements

 - ✓ 2020 Proposed Amended TIF

\$1 million allocation of existing borrowing authority - allocation will fund improvements without increasing the amount or length of term on the TIF bond
Epping Road Corridor Study
Epping Road improvements between Continental Drive and Rt. 101 interchange

TIF Performance to Date

- ✓ Bonded and utilized \$4.8 million
 - New Roadway (Ray Farmstead Road) with water, sewer to Watson Brook from Epping Road
 - New water, sewer lines from Continental Drive to Cronin Road
 - New Traffic Light with intersection improvements at Continental Drive/Epping Road
- ✓ Remaining borrowing authority = \$3.2 million
- ✓ **TIF Taxable Increase 2016 – 2019**
\$43,238,246

TIF Property Tax Revenue

<u>Year</u>	<u>Amount</u>
2016	82,293
2017	505,729
2018	550,266
<u>2019</u>	<u>920,542</u>
Total	\$2,058,830

Bedford South River Road TIF

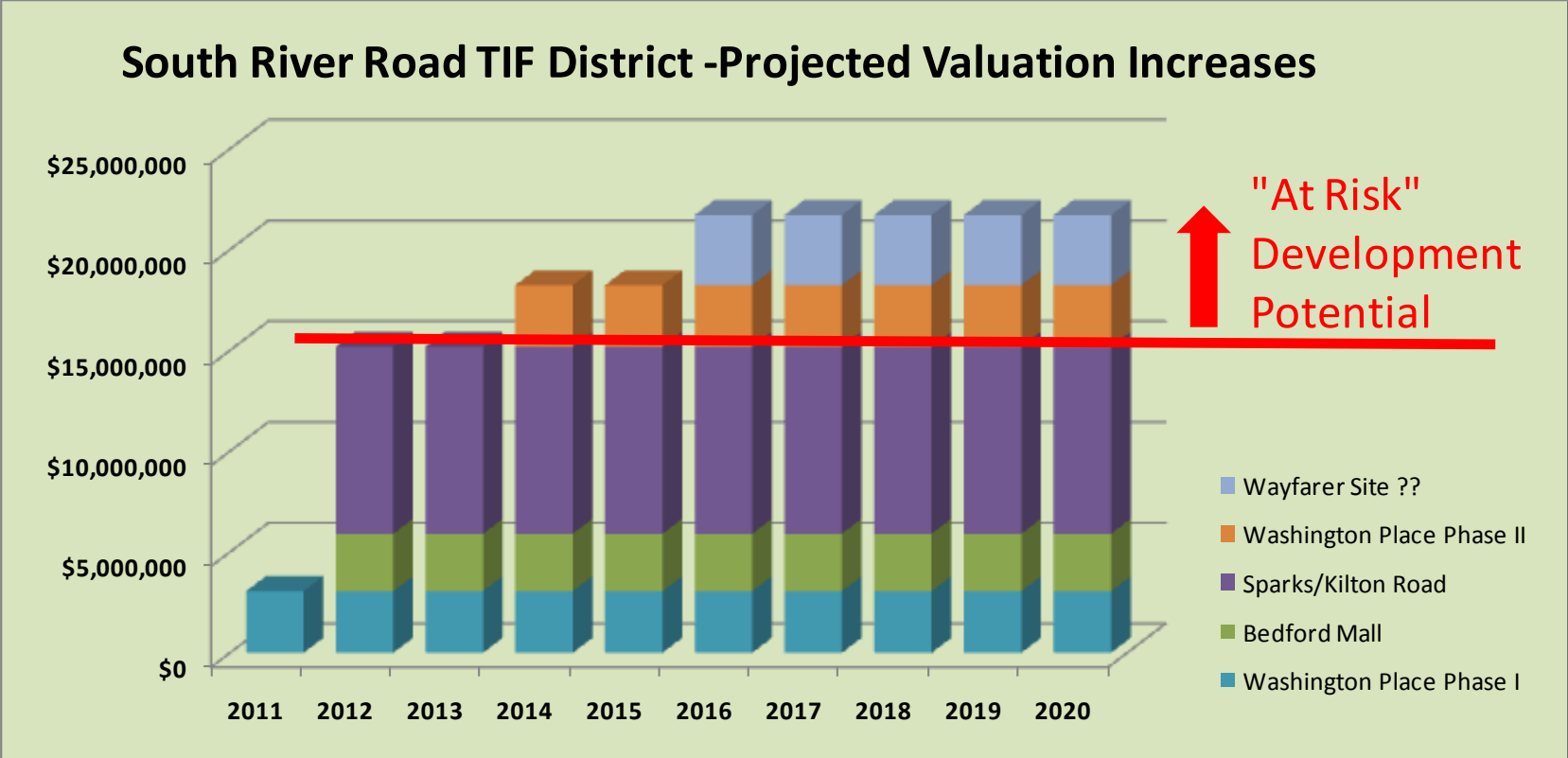
(Snapshot)

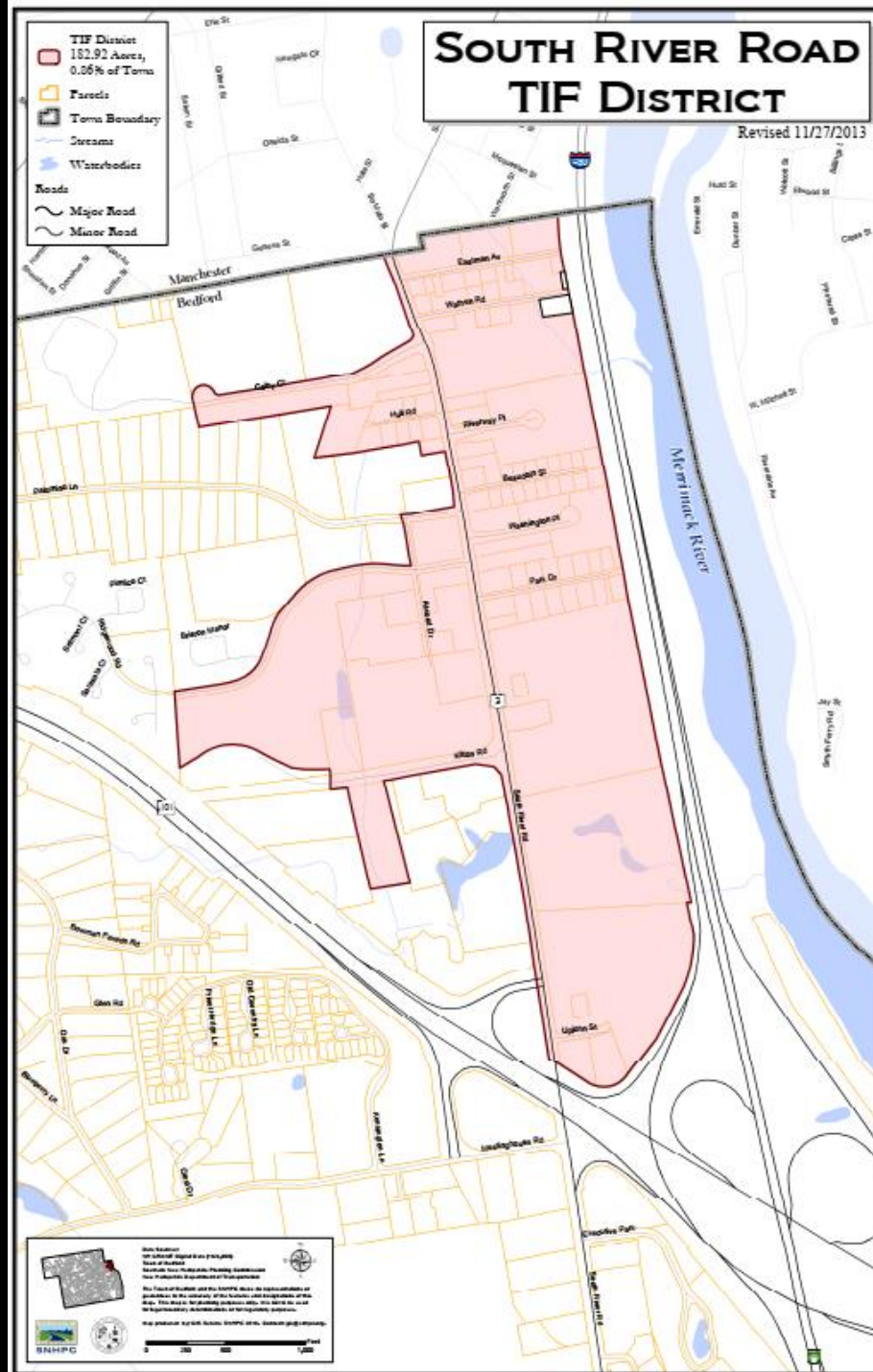
- Established December 15, 2010
- 99 Parcels (1% of the Community)
- \$112,500,800 Initial Value (3.3% of the Community)
- \$143,655,900 Current Value
- \$31,155,100 Increment Captured
- Amended the Plan in 2013
- \$4.1M Bond in 2014 (10-year)
- \$5M total project (\$900k reallocated from another bond)

Why Adopt This District, now?

- 60 + Jobs
- Dec 15th start allows pick-up of 3 projects
- Road must be fixed
- If *fixed*, current interest in private investment
- If *delayed*, quality development goes to less desirable areas, or just goes away

What's at Stake?





Area known as the
"Performance Zone"

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Frequently Asked Questions

Q. Does adoption of a TIF District obligate the municipality to spend funds?

A. No. The decision to borrow funds will require a separate vote of the Town Meeting (subsequent to this Town Meeting).

Q. Why would we adopt this tool now without approving funds?

A. Establishing a District in Stratham changes the conversations with potential developers and communicates Stratham's seriousness about inviting redevelopment of this strategic corridor in accordance with long-adopted community visions and existing zoning.

Q. Isn't the TIF tool designed for "green" sites where there is no development or where there are "blighted" sites?

A. No. The TIF tool is for use anywhere a change to an existing development pattern is desired and where infrastructure investments will catalyze new investment.

Q. Does a TIF District affect zoning?

A. No, the TIF District does not impact the underlying zoning. TIF tool is a financing tool designed to help achieve the uses called for in our existing zoning.

Q. Do we know there is developer or owner interest in redeveloping lots along the corridor?

A. Yes. The Town has confirmed interest in water and sewer utilities in the corridor with large and small property owners in the corridor.

Q. What is happening with the 82 district parcels now?

A. From 2015 to 2018, an average of \$330,000 in new value per year has been added to the district overall value.

In contrast, we estimate this year that \$45 million will be added to the town-wide tax list; nearly all of that is from residential construction.

Q. What have we done as a Town to study the financial ramifications of a TIF district and any future borrowing?

A. The Town has commissioned two studies which have closely studied potential scenarios. These include the [“Route 108 Corridor Study” in November 2016 by ADG](#) and [“Stratham Route 108 Infrastructure Financial Analysis” in May 2019 by Applied Economics Research](#). Both are available on the Town’s “Gateway Implementation” website. A summary of both of these studies can be found in the [Final Report of the Route 108 Study Committee](#) from May 2019. The studies confirm the financial viability of introducing the needed utilities to realize the vision under certain conditions and assumptions.

Q. Will we need to invest more in police and fire officers to support this growth in Town?

A. New development/redevelopment in the Corridor is for mixed uses, commercial and residential. To the extent new services are needed new value on the scale possible in the TIF district will be far greater than the services needed.

Q. What impact does Gateway Growth have on schools?

A. Residential development within the Gateway corridor is not anticipated to have a significant impact on the school system. Yes, the Gateway corridor has been zoned to permit a mix of uses—primarily commercial and residential. The inclusion of residential uses, in accordance with Master Plan and Zoning Regulations, however was designed to provide a mix of one (1) and two (2) bedroom units for recent graduates and young professionals and not, specifically, for “families”, particularly—given the limited bedroom size—families with multiple children.

Q. Can other sources of income be used to fund the needed infrastructure?

A. Yes. Examples include: Private funding leveraged through development agreements; State Revolving Fund Resources; Groundwater Protection Resources; Infrastructure investments at Federal level; funds associated with contamination response

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PREPARING THE NEXT STEP

