

# The Gateway Vision Stratham's Opportunity

PREPARING THE NEXT STEP



# Tonight's Presentation

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1. Purpose
2. The Opportunity
3. Why are we doing this?
4. The Tax Increment Financing Tool
5. Next steps and Discussion



# Our Purpose

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This Master Plan, guided by the **Town meeting actions**; input received throughout this **master plan process** from the public and business owners; and the results of the **Route 108 Study Committee's 2018 community survey**, firmly places the **full implementation of the Gateway Vision up front** in this Master Plan's list of key commitments for the future.

# The Opportunity

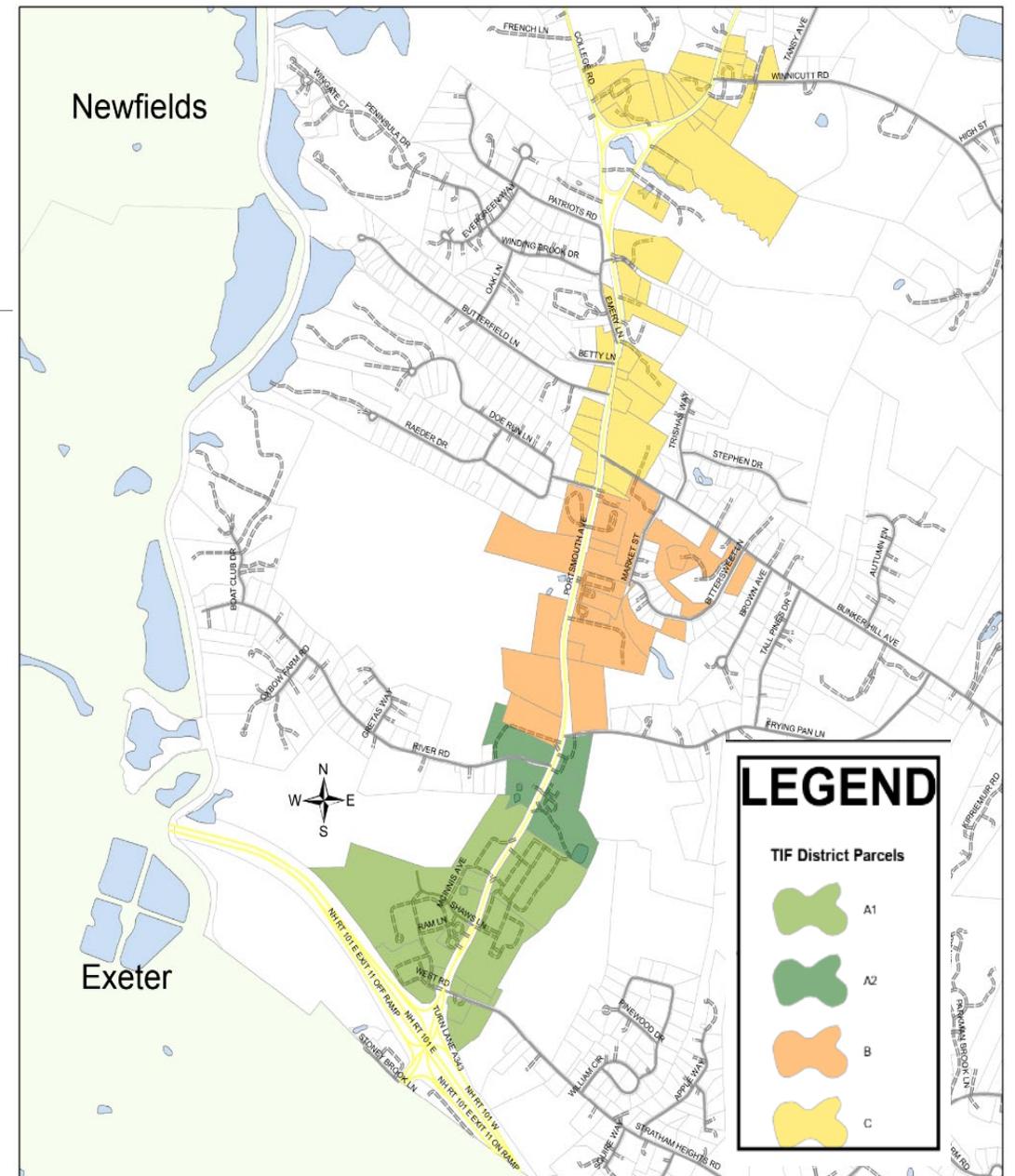
- Upgraded amenities
- New services and uses and gathering spaces
- Diversified housing options
- Modern site development
- Facilities for pedestrians and bicyclists

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

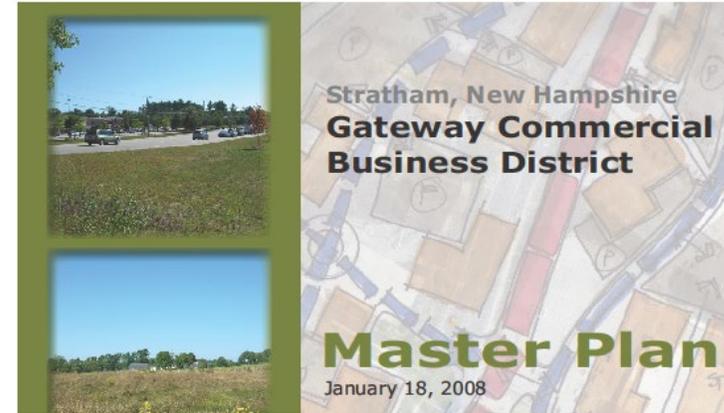


# The Next Step

1. Adopt a Tax Increment Financing District as a tool for realizing the Gateway Vision
2. Ask you: Learn about this opportunity, share and discuss with your friends and networks and show your support at Town meeting



# ..... Studies and Analysis



## 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
<b>Recent Past Efforts to Implement the Gateway Vision</b>	
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 Vision	2018
Route 108 Corridor Study Committee September Survey Data Presentation slides	2018
Video of Public Information Session on 2018 Survey	
<b>Past Studies</b>	

- Capital Improvements Program
- Forms & Documents
- Gateway Implementation
- Past Studies
- Proclamations
- Public Notices
- Smyk Study Committee
- Social Media Policy
- Town Administration
- Town Budgets
- Town Government
- Town Profile
- Understanding Your Tax Rate

### Gateway Implementation

The vision for the Gateway articulated in the Town's draft Master Plan (2019) was adopted by the Planning Board in 2008. The Gateway refers to the commercial/mixed use zones along Portsmouth Avenue beginning at the edge of Town near Route 101 and ending approximately at Raeder Drive. This district has a clearly articulated vision in The Gateway Commercial Business District Master Plan (District Master Plan), which states the district will... "Enhance the economic vitality, business diversity, accessibility, and visual appeal of Stratham's Gateway Commercial Business District, in a manner that is consistent with the landscape and architecture of the Town's agricultural tradition."

Why we are doing this?

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# The Vision of Gateway Zoning

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The Gateway Commercial Business District is designed to move Stratham toward a higher density mix of commercial, professional, and residential buildings and features that return the highest value to the town for both **quality of life** and **property tax revenue** that supports vital municipal services.

Enabling new development in the Gateway District will diversify and strengthen Stratham's tax base while preventing sprawl that would further harm the rural character of our outlying Residential/Agricultural community.

# 2018 Community Survey

- 611 participants (11.3 % of the population)

Question	Total Survey Population (agree/strongly agree)	Town Meeting Voters (agree/strongly agree)
Investment in water and sewer infrastructure will pay off over the next 10-15 years	59%	57%
Taxpayers will benefit in the long term from town infrastructure investment	65%	58%
So long as developers pay their share, some investment from the town makes sense	74%	68%
No town funds should go toward water and sewer infrastructure	39%	44%

# Economic Development Assets to Build on....

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Stratham has said this is the place to pursue development

- Pease and seacoast area and workforce expansion (ex. Lonza), Manchester
- Transportation network
- Housing demand (various housing options)
- Developable land (relatively flat and dry)
- Stratham is a willing community to partner with

**A major missing asset needed to realize the vision is infrastructure  
(water and sewer service)**

# ....Quality of Life

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- Gathering spaces and new services
- Upgraded amenities
- Diversified housing options for seniors and people at all stages of life
- Modern development that better cares for the environment
- Side and interior roads that invite pedestrians manage traffic pressure

AND

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



- LEGEND**
- COMMERCIAL
  - MIXED-USE
  - RESIDENTIAL
  - EXISTING WETLAND
  - 50' WETLAND BUFFER
  - OPEN SPACE CONNECTION









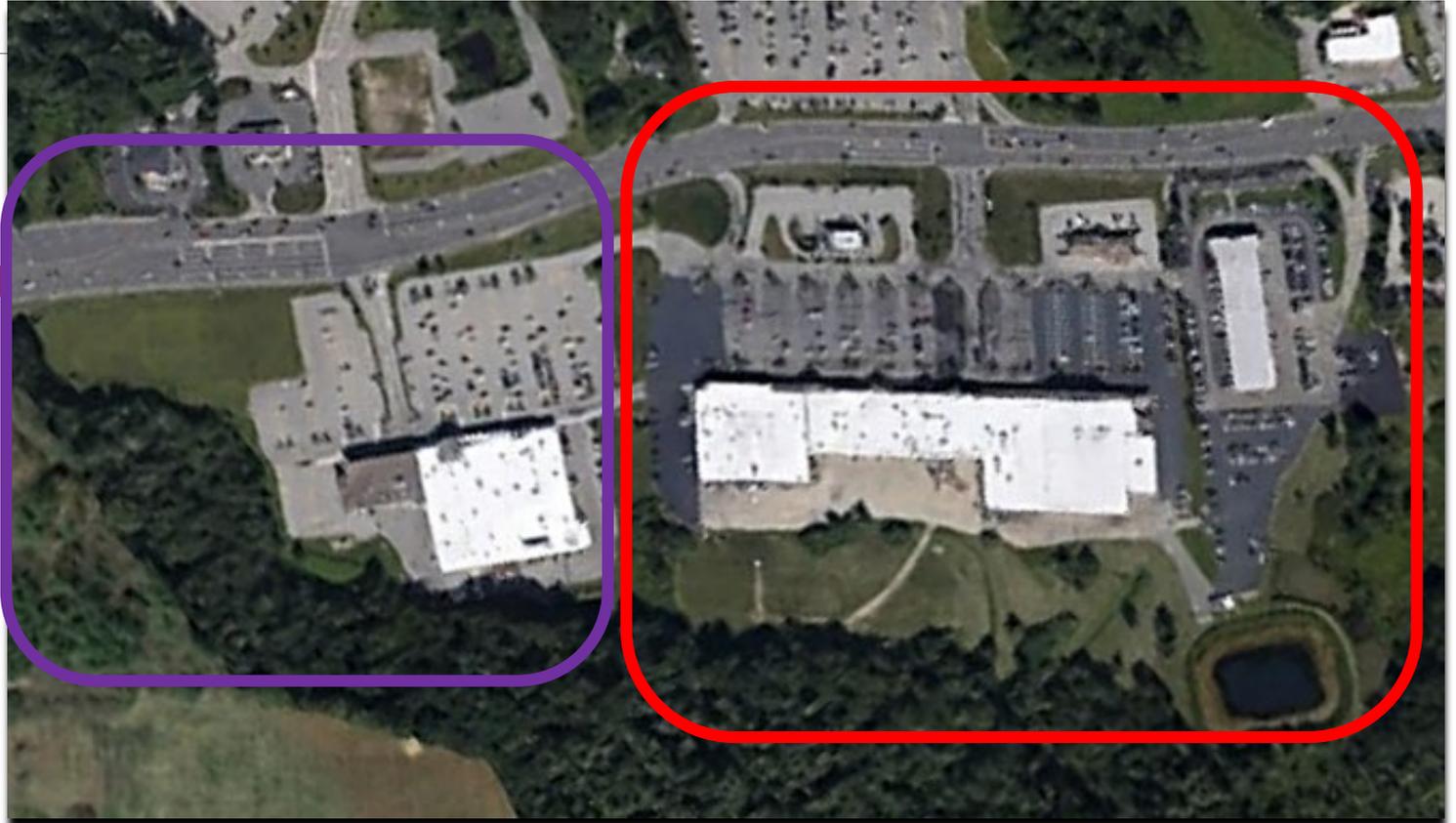
# Four Realities about Taxes

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1. Pressure on the property tax payer will continue and build:
  - Limited remaining developable land outside of the commercial corridor
  - Costs of doing business will rise, regulatory requirements
  - Demand for services; emergency services and serving an aging population
    - (4% increase in service calls for Fire Department year over year for the past five years)
2. Robust commercial development lessens the residential property tax burden
  - Using 2019 Values and the 2018 Tax Rate (\$21/\$1,000 AV), the taxes paid by Lindt & Sprungli, USA are equal to that born by 109 houses having a median value of \$428K.
3. Commercial taxpayers consume fewer services than residences
4. Four of the Top Ten taxpayers are located within the Gateway
  - Increasing their value through denser, mixed-use redevelopments will help manage the property tax burden.

# Top Ten Taxpayers in Stratham

1. Lindt & Sprungli
2. Timberland
3. **Shaws**
4. **Kings Highway (Ocean State)**
5. **Parkman Brook (Staples)**
6. Unitil
7. Millbrook Condominiums
8. **Autofair/Nissan**
9. Eversource
10. SIP Enterprises



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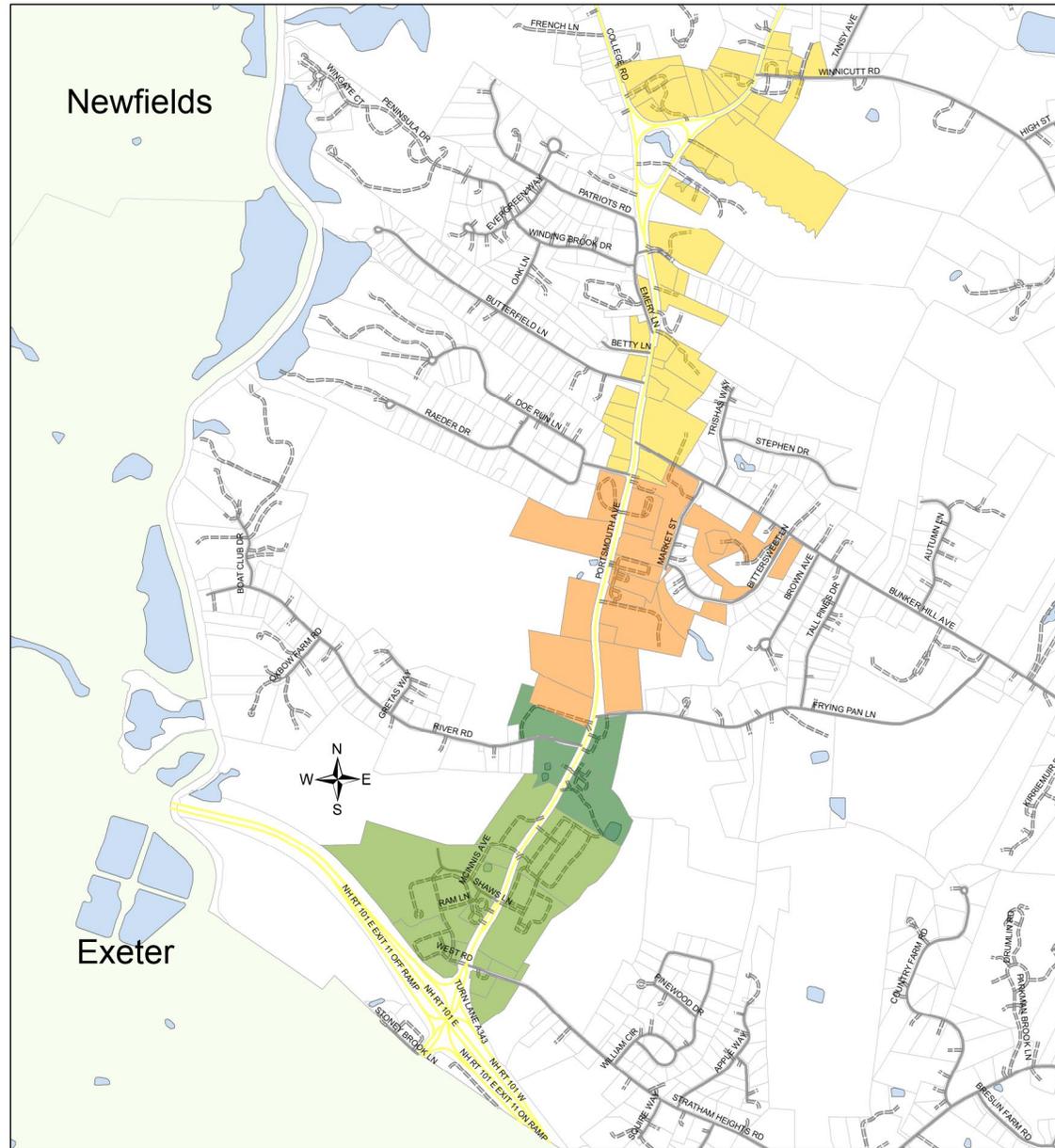
# What is a TIF District?

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Two key concepts:

A portion of tax revenue generated from a designated District are spent on improvements within that area

Private investment and public investment working hand in hand



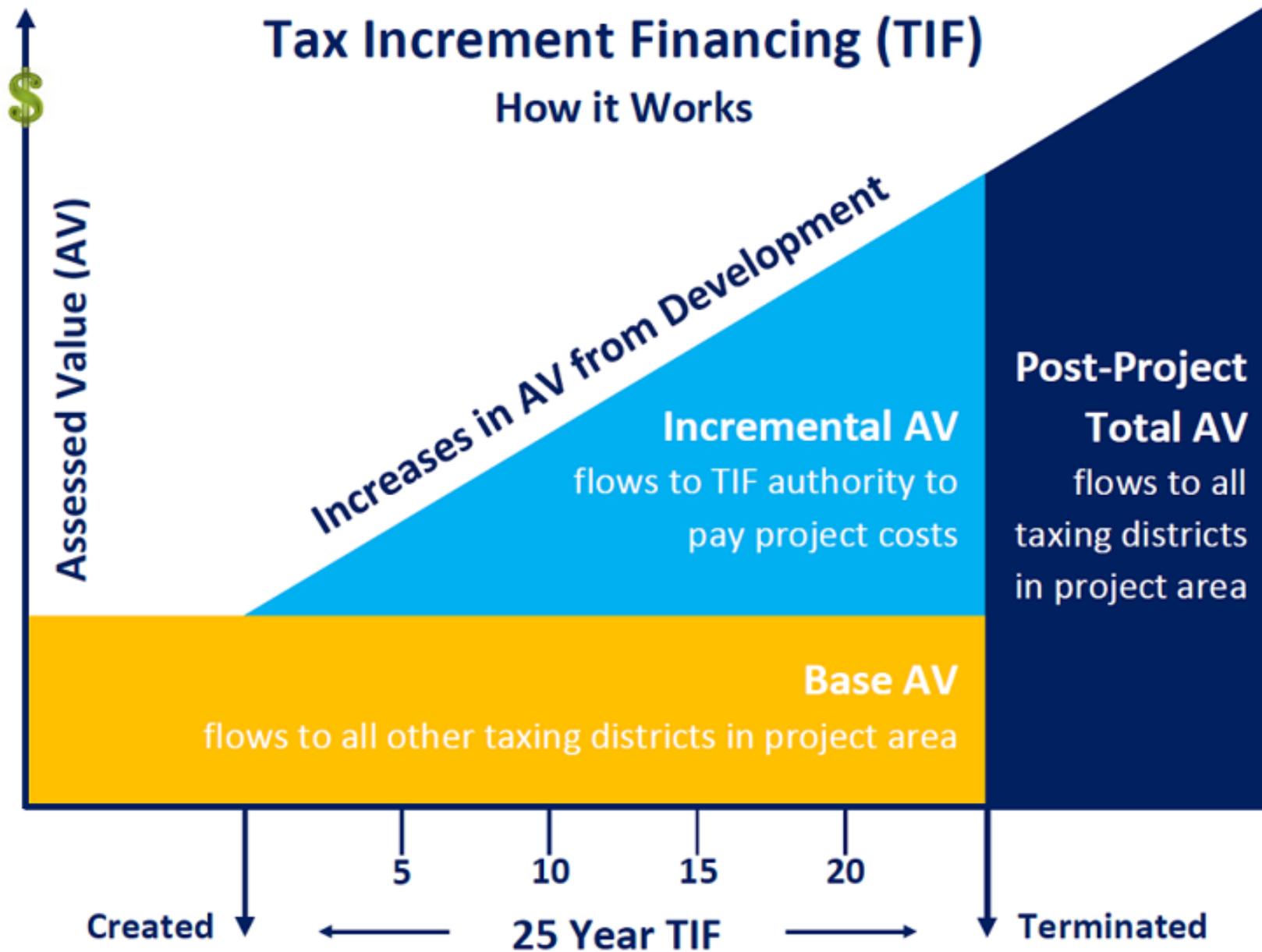
# How TIF Districts Work:

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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.

# Tax Increment Financing (TIF)

How it Works



# What is the strategy for beyond TIF Adoption?

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- **Adopt:** a TIF district and plan.
- **Attract:** redevelopment interest by developers and owners
- **Assess:** a proposed project for compliance with the vision and viability from a zoning, technical and financial perspectives; and, if warranted
- **Ask:** At a future Town meeting, seek approval for the Plan, including a financing package.

# Could other sources leveraged?

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- Private funding leveraged through partnership
- State Revolving Fund Resources
- Groundwater Protection Resources
- Infrastructure investments at Federal level (?)
- Funds associated with contamination response



THE UPS/PRATT & WHITNEY LOGISTICS FACILITY



### AIRPORT TIF DISTRICT

In 2013 the Town of Londonderry commissioned ADG to assist in the development of a TIF District Plan on land adjoining the Manchester Airport. Stu Arnett, managing partner at ADG worked closely with the town planners to identify the district boundaries and win public approval for the project.

The TIF Plan is enabling the town to extend Pettegill Road, creating a four-lane road connecting to Raymond Wieszorek Drive, the primary entrance road to Manchester-Boston Regional Airport. The new road opens up a thousand acres of land for development. In addition to the road, the TIF financed sewer and water improvements, right of way acquisition street lights, sidewalks, and trail improvements.

Since the TIF Plan was adopted in 2014, almost 2,000,000sqft of logistical warehouse space has been developed in Londonderry.

#### CLIENT

Town of Londonderry  
Londonderry, New Hampshire

#### PROJECT REFERENCE

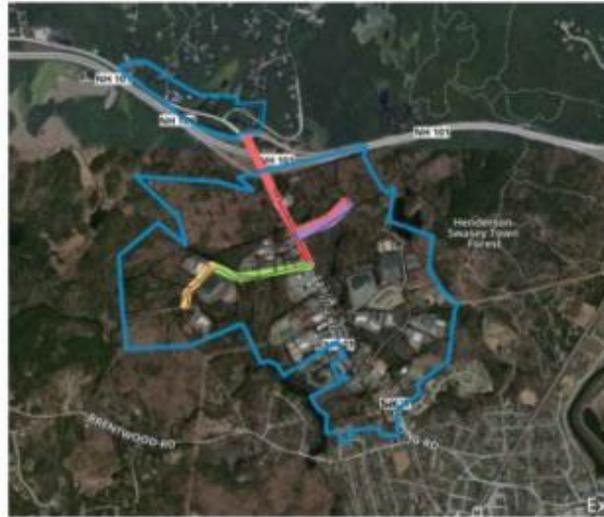
Kevin Smith  
Town Manager

(603) 432-1100

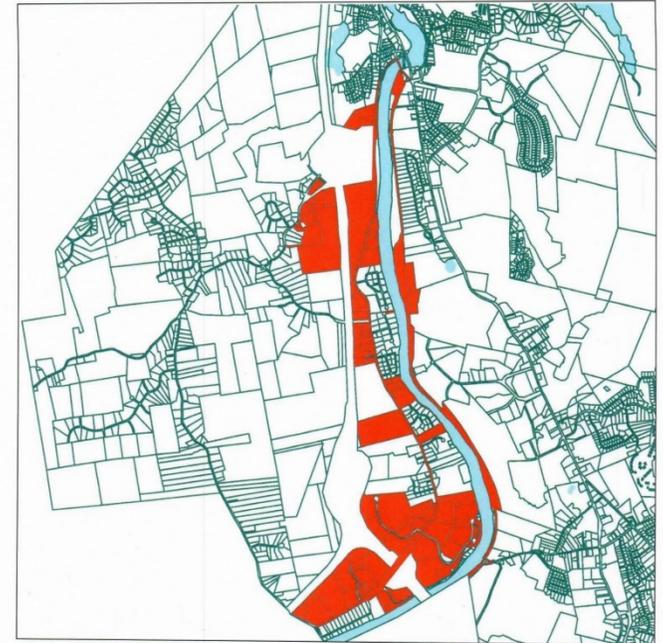


17 South State Street  
Concord, New Hampshire 03301

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www.ADG.solutions  
info@arnettdevelopmentgroup.com



Legend	
Proposed Sewer/Water	Red
Proposed Industrial Road	Blue
Existing Sewer/Water	Green
Existing Forced Main	Yellow
TIF Area	Blue outline



### Financing Commercial and Industrial Sewer Infrastructure

Prepared For:  
Town Of Hooksett  
New Hampshire

Prepared By:  
ADG - Arnett Development Group, LLC  
Concord, New Hampshire

[www.arnettdevelopmentgroup.com](http://www.arnettdevelopmentgroup.com)



# TIF has worked elsewhere, in many places

- Town of Londonderry
- Pettengill Industrial Area
- Town of Exeter, Epping Road
- Water, sewer, roads, traffic enhancements

# Conclusion and Discussion

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1. The Gateway Vision of the Town's key commercial corridor is widely supported
2. A TIF District is a financial tool to help pay for infrastructure needed to achieve a Vision.
3. Select Board is preparing to recommend TIF District Adoption at 2020 Town Meeting
4. No funding is required as part of TIF adoption
5. Following adoption, work to invite and attract interest from developers in redevelopment
6. Prepare a financing plan to fund key infrastructure (ex. water and sewer)
7. Bring financing package forward to a future Town Meeting

# The Gateway Vision Stratham's Opportunity

PREPARING THE NEXT STEP





# Resource Slides for Discussion

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Weston & Sampson Engineering Report, January 23, 2019	2019

Stratham Gateway Vision
Route 108 Corridor Study Committee September Survey D
Video of Public Information Session on 2018 Survey

Past Studies
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The screenshot shows the Town of Stratham website. The header includes the town logo, name, and year (Incorporated 1716). A navigation menu lists: Departments, Boards & Committees, Contact Us, and Town Ordinances. A search bar and a 'Find it Fast' button are also present. The main content area is titled 'Gateway Implementation' and contains the following text:

Home » Boards & Committees » Select Board

### Gateway Implementation

The vision for the Gateway articulated in the Town's draft Master Plan (2019) was adopted by the Planning Board in 2008. The Gateway refers to the commercial/mixed use zones along Portsmouth Avenue beginning at the edge of Town near Route 101 and ending approximately at Raeder Drive. This district has a clearly articulated vision in The Gateway Commercial Business District Master Plan (District Master Plan), which states the district will... "Enhance the economic vitality, business diversity, accessibility, and visual appeal of Stratham's Gateway Commercial Business District, in a manner that is consistent with the landscape and architecture of the Town's agricultural tradition."

The current zoning of the District was adopted to implement the Vision in the Gateway plan. The

# Next Steps: Private Owners and Developers:

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Acknowledge their specific redevelopment potential if infrastructure is built

Respond to the availability of municipal water and sewer with Letters of Intent.

Indicate their future use levels and acknowledgement of costs if new infrastructure provided

Provide conditional commitments for their portion of costs

Propose innovative private developments that offer “live, work and play” options to multiple generations

Support the Gateways’ betterment.

# The Development District Plan:

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States the public purpose, and limits what is permissible.

Adopts an “not-to-exceed” budget cap for any future public investment in the District

Adopts a cost-sharing target percentage with potential users

Shows possible financial scenarios

Establishes an Advisory Committee

Does NOT commit Town for any costs or spending

To Do After District is in Place:

Get private commitments for cost-sharing if built

Seek outside environmental grants

Propose the adoption of connection fees and cost-sharing

Finalize inter-municipal agreements if built

Forecast Incremental Revenues and costs

Return to citizens with a bonding request IF private owners and site-potential can pay 100% of costs over time.

# Then: Future Steps

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Public and Town Leaders Evaluates the Findings and Recommendations

Town Select board decides to recommend bonding for infrastructure at future Town Meeting, or not

Town Meeting Vote to Bond

- If “yes”
  - Pre-construction engineering, user agreements, ROW, bid process
    - Then
  - Bond is issued
  - Contractors selected
  - Agreements for water and sewer connections implemented
  - Construction and connections
  - Connection Fees are collected
  - Incremental Revenues from 2020 on are applied against any public debt annually.
  - New Commercial Investment is recruited for the District

# What have we done to prepare?

Technical requirements and feasibility assessed

Financial viability of our TIF district has been assessed by two different consulting firms

[Home](#) » [Boards & Committees](#) » [Select Board](#)



## Water / Sewer Project

Project	Year
<a href="#">Route 108 Corridor Study Committee Final Report, May 2019</a>	2019
<a href="#">Applied Economic Research-Final Report, May 2019</a>	2019
<a href="#">Weston &amp; Sampson Engineering Report, January 23, 2019</a>	2019
<a href="#">Route 108 Corridor Study Committee September Survey Data Presentation</a>	2018
<a href="#">April 19th Presentation</a>	2018
<a href="#">December 13 Presentation - Route 108 Gateway Corridor Study</a>	2018
<a href="#">Preliminary Design Summary - Water Distribution System</a>	2016
<a href="#">Preliminary Drawings</a>	2016
<a href="#">Arnett Development Group Report</a>	2016
<a href="#">Portsmouth Ave Water Main Report</a>	2016
<a href="#">Water Main Cost Memo</a>	2016
<a href="#">Water Agreement</a>	2016
<a href="#">Water Integration for Squamscott, Exeter Report</a>	2015
<a href="#">Exeter / Stratham / Portsmouth Regional Wastewater Report (Draft)</a>	2014
<a href="#">Gateway Commercial Business District Regulation Plan (2014)</a>	2014
<a href="#">Exeter / Stratham Intermunicipal Water &amp; Wastewater Systems Evaluation Final Report</a>	2012
<a href="#">Exeter / Stratham Intermunicipal Water &amp; Wastewater Systems Evaluation Draft Report Presentation (8/21/12)</a>	2012
<a href="#">Exeter / Stratham Intermunicipal Water &amp; Wastewater Systems Evaluation Draft Report</a>	2012
<a href="#">Stratham Wastewater Concept Plan</a>	2011
<a href="#">Stratham Groundwater Supply Investigation Study</a>	2011
<a href="#">Water &amp; Sewer Infrastructure Cost Analysis Assumptions</a>	2011
<a href="#">Water &amp; Wastewater Infrastructure - 20 Year Outlook</a>	2011
<a href="#">Gateway Commercial Business District Architectural &amp; Design Guidelines I-III</a>	2010
<a href="#">Gateway Commercial Business District Architectural &amp; Design Guidelines IV-V</a>	2010
<a href="#">Fire Suppression / Potable Water Study</a>	2010
<a href="#">Stratham &amp; Exeter - Water &amp; Sewer Community Discussion</a>	2010

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- 
- Upgraded amenities (i.e. modernized shopping facilities for groceries, markets)
  - New services and uses and gathering spaces (i.e. theaters and civic spaces)
  - Diversified housing options for people at all stages of life
  - Modern site development that better cares for the environment (i.e. stormwater quality)
  - Side and interior roads to invite pedestrians and bicyclists and relieve congestion and turning movements 108 and.

More viable economic structure for the Town through added property valuation