



ROUTE 108 GATEWAY CORRIDOR STUDY
for
STRATHAM, NEW HAMPSHIRE



November 2016

Prepared By:



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TABLE OF CONTENTS

ACKNOWLEDGEMENTS

PROJECT BACKGROUND 1

FINDINGS 5

REASONS TO PROVIDE INFRASTRUCTURE 7

IMPLEMENTATION STRATEGIES 11

CONCLUSION 15

APPENDICES 17

EXHIBIT A: DEVELOPMENT OPPORTUNITIES WITHIN THE GATEWAY CORRIDOR

EXHIBIT B: ROUTE 101 EXIT ANALYSIS

EXHIBIT C: MARKET RESEARCH AREA

EXHIBIT D: PORTSMOUTH LEAKAGE REPORT TABLE

EXHIBIT E: PORTSMOUTH LEAKAGE REPORT - PIE CHART

EXHIBIT F: POPULATION CENTER OF NEW HAMPSHIRE (1950-2010)

EXHIBIT G: PROJECTED HOUSING DEMAND IN 2020

EXHIBIT H: 2020 RENTAL DEMAND PROJECTION BY AGE GROUP

EXHIBIT I: ROUTE 108 STRATHAM/EXETER CORRIDOR COMPARISON

ATTACHMENTS 29

MARKET RESEACH: METHODOLOGIES & SOURCES

2015 ROCKINGHAM COUNTY REGIONAL MASTER PLAN - HOUSING RECOMMENDATIONS

RSA 162-K:1 MUNICIPAL ECONOMIC DEVELOPMENT AND REVITALIZATION DISTRICTS

RSA 31:134 WATER AND/OR SEWER UTILITY DISTRICTS

RSA 52-A SPECIAL ASSESSMENT DISTRICTS

ACKNOWLEDGEMENTS

The Arnett Development Group wishes to acknowledge the time, effort and curtesy extended to us by the following public officials and community leaders:

Selectboard Members:

Joe Lovejoy,
David Canada
Bruno Federico

Town Administrator

Paul Deschaine

Town Planner

Tavis Austin

We commend them for their committment to Statham's better future.

Arnett Development Group, LLC
Concord, New Hampshire
November, 2017

PROJECT BACKGROUND

The Assignment:

The Leadership Team has requested that ADG offer a proposal to help it realize a successfully developed Rte. 108 Corridor and specifically to provide answers to the questions that were raised at, and after the 2016 Town Meeting.

Timetable:

The timing of this effort is so that advocacy can be initiated for a successful Town Meeting vote in March 2017.

Project Approach:

As the questions and concerns raised cut across the possible impacts of several scenarios. ADG reviewed three (3) options in a comprehensive manner so that the community and its leadership will have the needed information and alternatives to make the best decision.

We will group the choices under three options based on differing financing scenarios:

- Low-No Effort Option: Other than minor actions, leave the area to continue as is.
- Medium Effort Option: By recognizing market and demographic trends, take less expansive and less-expensive actions to best anticipate trends without significant public infrastructure investment.
- High Effort Option: To encourage and enable higher-density (and higher-quality) investment and development by offering access to public water and/or sewer quickly.

Methodology:

Research included:

- All provided previous studies and reports
- Industry, commercial real estate and demographic data
- Town information, as well as state, UNH and national GIS mapping for boundaries, slopes, wetlands, soils, existing infrastructure, zoning, traffic, tax rates, existing plans and policies
- The effects of utilizing tools such as the new Public Utility statute, Tax-Incremental Financing Districts, Economic Recovery Zones and RSA 79-e Village Redevelopment.
- NH-DOT plans and studies

Presentation of Options:

Options will be presented using data and visual representations. This will provide the Leadership Team with the tools they need to present to the public the possible effects – positive and negative – of each strategy forward.

Working Definitions:

A. The Study Area:

- Generally, we first looked at the southern section of Rte. 108, from Frying Pan Lane to Rte.101. However, the research is not limited to that portion, as the Town may find that there are positive development opportunities further along Rte.108. (See Exhibit A - Development Opportunities Map)
- Our market research for Stratham is based upon the 03885 zip code, which is the smallest unit measurable with any reliability. It is the same research methodology that is used by many regional and national “chain” real-estate development entities.
- The expanded market research areas are assembled by including additional zip codes and driving times.
- While we realize that Rte. 108 extends to the town line, well beyond the study area, we use the terms the Rte. 108 corridor to mean just that portion from Rte. 101 to Bunker Hill Avenue. We have placed more emphasis on the sections closer to Rte. 101. We have used the terms “Rte. 108 corridor” and “the Gateway” interchangeably.

B. Development Financing Options:

In developing our low-medium-high effort options, we have considered these financing options:

- Town-issued General Obligation bonds and/or Notes
- Private sector cost-sharing of the infrastructure capital costs, and the possible formulas that would be determined to set their contribution.
- The new state Utility Statute (Statute attached). As it is new and untested, and there are real time constraints on the Town’s options to act, we have not included any revenue from this source into our Options. Should this become a viable source, it would add to the Town’s ability to not just seek – but require private sector cost-sharing.
- The Tax Incremental Financing District, or “TIF” District. The addition of a TIF District does not affect any tax rate or bill. It is a financing tool that, by deferring new (incremental) property-tax revenues from the General Fund, results in a faster pay-down of public infrastructure debt. A faster pay-down of bonding debt means that all tax-payers pay less in interest costs. (Statute attached)

c. Infrastructure:

- We have used the term “infrastructure” to mean publicly-owned water, sewer and related assets (note that any TIF District asset must be publicly owned per the state statute). We also recommend that any investments program for Rte. 108 also consider other infrastructure requirements such as traffic enhancements.

Infrastructure that enhances the area, such as better utilizing the significant conservation area by the construction of connecting trails, trail signage, trailheads and picnic areas should be considered as an inexpensive but value-added investment. Significant public facilities such as future public safety stations could also result from significant growth, and any demand for new facilities should be reviewed before any public decisions on investment are made.

FINDINGS

1. There is no immediate reason why the Town must do anything about Rte. 108 Gateway infrastructure. The route functions “as is”, and our research indicates that a unique niche of this corridor- the premium auto-dealership- still has unmet regional demand for additional facilities. Fortunately, there are no court or administrative orders to remove pollutants or pre-treat water supplies. The community has the good fortune of considering what it should do for the best interests of the community, versus what it must do to meet the terms of a decree or judgment.
2. There are conflicting scenarios that the town leadership and residents have faced for some time, which our research reinforces:
 - To not provide infrastructure along the Gateway Corridor exposes the community to risks of tax and job losses, and lowers the possibility of positioning Stratham for future, positive economic trends.
 - To commit to several millions in public investment in the expectation that “if we build it, they will come” also carries with it risks. The financing costs are known, the resulting business development and tax-base growth is less certain.
3. For the Town to not continue to lose ground to competing sites and communities, and to meet other community goals (see inset below), the research shows that water and sewer will be eventually required within the Gateway to retain and attract significant commercial investment and encourage economic vitality.
4. By presenting the low-medium-high effort options, we have sought a method whereby the risks of doing nothing are negated, while the financial-tax risk of a municipal system(s) not utilized and potentially paid for by private investment is also minimized.

Identified Community Goals:

- *Master Plan designates Gateway as growth corridor*
- *Business Retention for jobs and tax base*
- *Minimize tax rate increases*
- *Shift tax burden from Residential to Commercial*
- *Increase private sector reinvestment*
- *Decrease traffic concerns*
- *More community amenities*
- *Community center or meeting space(s)*
- *Attract and retain younger workers in growth industries*
- *Better retail opportunities for residents*

REASONS TO PROVIDE WATER AND SEWER INFRASTRUCTURE

1. Retention of Existing Tax Base and Commercial Vitality:

Existing and future businesses may choose from many competing sites within the general region, and along Rte. 101 specifically. Many of these sites either offer municipal water, sewer or both. (Exhibit B - 101 Exits Analysis)

Sewer and water supply serviced sites are attractive to developments and businesses as it allows for:

- Lower costs:
 - The maintenance and repeated repair/replacement of ground water and ground treatment systems is eliminated.
 - The business can better focus on its operations without the distractions of water and/or sewer maintenance and regulatory reporting.
 - Insurance for both fire protection (water pressure) and disruption of business would be lower. Buildings connected to a functional municipal system will experience lower costs for these coverages.
- Less Liability:
 - Privately operated systems increase the risk of legal actions from residents, clients or regulatory agencies.
- Greater re-sale, and refinance ability:
 - An owner of a property connected to a municipal system need not discount the property's value due to system depreciation for sale or reinvestment. If the sale or reinvestment includes any regulated lender-bank, a private system "re-fi" will make that refinancing more expensive and harder to secure, as lenders seek to avoid real-estate risks in their portfolios.

2. Improve Stratham's Competitive Position for Retaining Business and Encouraging New Favorable Developments:

As the research shows, there are many alternatives to the Gateway in this market place, so a retention strategy should consider making the Gateway either equal to – or preferably better – than the competition.

- Retaining Business
 - There are many areas that also offer non-serviced sites at prices similar to Stratham non-serviced sites. This limits the Gateway's market appeal, and exposes it to significant regional and Rte. 101 competition.

- For the strong economic markets of the Manchester area and Southern New Hampshire, the Rte. 108 Gateway in Stratham is at the “end of the pipeline.”
 - The Town and land owners can anticipate ever-increasing on-site septic treatment requirements for future and renewal permitting for non-residential properties.
 - The existing conditions require site owners or the tenants to operate – and receive permitting for – public water systems and/or commercial sewage disposal systems, an added cost and a diversion from their core business.
 - Without new market demand for goods and services, and with the added costs of operating on-site water or sewer services, and with significant availability of undeveloped sites at other exits, there is little incentive for existing owners to reinvest into existing commercial sites.
- Recruitment Issues “As Is”:
 - There are many sites along Route 101 and in the region that also offer non-serviced (public water or sewer) sites that are competitive to Stratham’s non-serviced sites. (see enclosed map of Rte 101 exits). A high supply equates to lower valuations, unless the site can offer unique, positive attributes.
 - For developments seeking to capture the growing economic markets of the Manchester area and Southern New Hampshire, the Rte. 108 Gateway in Stratham is at the furthest end of Route 101.
 - There are not many significant land-tracks available in the Corridor, due to on-site sewage and/or water requirements, zoning designations and conservation designations and easements.

3. Community Benefits:

The business or developer is not the only entity that gains. A serviced site also has potential value to the community:

- Higher tax assessments – Failed or questionable systems can negatively affect a property-tax assessment. A connection to an approved municipal system removes that issue, and allows for greater density and property value.
- Enhanced public safety – The positioning of municipal water will provide access for fire fighters to utilize in the case of a fire along the route.
- Regulatory Assurance
 - As noted earlier, there is not an existing environmental requirement for the community to provide infrastructure for the Corridor. However, the regulatory trend has been toward ever-higher requirements for both water quality and ground-based sewage treatment discharges. The connection to either an approved municipal water or sewer system will alleviate this future concern and its high remedial costs.

- Better land use planning and environmental safeguards:
 - Provided municipal water and sewer systems allow for better land uses, including the clustering of building, enhanced views, conservation space, and shared (less) paved parking.
 - Conversely, the soil-determined model for regulating land use requires that significant portions of a site are reserved for uses such as septic systems. This requires larger development sites than land with municipal services, resulting in less density and higher development costs. Once sewer and water systems are in place, the Planning Board will be able to reissue its regulation to reflect “best practices” with reduced lot-size options.
 - Greater density that is permissible with municipal systems also reduces the cost per unit, making housing more affordable for workforce level residents.
 - Greater density can be abused if it is not controlled by thoughtful and enforced land-use regulation. If systems are built, the current land use and zoning regulation for the Rte. 108 Gateway should be revised.

4. Greater accountability to the public:

- A municipal system allows the local government a way of deciding what is – and what is not – permissible for either water drawn-down and the disposal of sewage wastes. Private systems that are abused are usually not discovered until the system is failed, and the contamination is in-ground and spreading. Failed systems are also difficult to remedy when the violating owner abandons or sells the property, which leaves the municipality “holding the bag” with the cleanup.

5. New opportunities to attract sought investments, including:

- Skilled younger workforce
- Commercial and public amenities including better retail and dining
- Diversity and affordability of housing choices
- Better entertainment and recreation

6. The current opportunity for new resident and residential wealth:

- While Exit 11 is at the end of the pipeline for the markets west and south, it is the closest exit with services and amenities to the strong Portsmouth, Durham, Newmarket and Exeter markets that surround Stratham. The market analysis shows there are several goods or services being consumed within this Stratham-Seacoast area, but provided outside of the area.
(See Exhibit C: Market Analysis Area)

- Two market opportunities are strategic for the development of the Rte. 108 Gateway and Stratham:
 - Providing a range of diverse mid-to-high market rate housing options for multiple work-life stages that also offer high resident and public-access amenities.
 - Professional and technology-sector office and related space – again in high amenity settings – that can attract the UNH-technology business, as well as other professional services that seek to be in the Seacoast market but at lower per-square-foot costs.
- Positioning the Rte. 108 Gateway as an attractive location for these growing markets has several community-wide benefits:
 - High assessed value tax base.
 - Accessible amenities, such as restaurants, bike paths, dog parks and “pocket parks” will be sought and built into developments.
 - The attraction of needed mobile, younger and educated individual workers and early-stage families will add community and economic viability.
 - Municipal water and sewer services make the development of higher-end professional spaces, and mid-to-high end rentals more likely, and affordable. These new professional workers, and these new residents can provide the new markets needed to justify private sector reinvestment into the Corridor.

IMPLEMENTATION STRATEGIES

Assessments of the Options at four risk-reward levels:

1. Low-No Effort Option- Put TIF district in place and begin to accumulate funds toward cash payment for future utility installations
2. Moderate Effort Option – Put TIF district in place; secure bond for installation of public water line but make conditional on getting private investment for 20-40% of bond(s)
3. High Effort Option – Put TIF district in place; secure bond for installation of public water and sewer with scheduled hook-up fees when infrastructure is in place
4. Highest Risk – Bond and build the full system without private cost-sharing.

| |
|---------------------------------------|
| LOW EFFORT (\$0-\$500,000) |
|---------------------------------------|

| PROS/CONS | ACTION REQUIRED | COMMENTS |
|---|---|---|
| Lowest risk No or deferred effect Competitive position may worsen while waiting Slowest to materialize actual development Could lose three-year window to connect to Exeter | Adopt TIF District Plan with not-to exceed \$ cap No bonding authorization Collect TIF increment until enough to construct phase(s), or until approached by private sector ===== Up to \$500,000 ± for planning and engineering to be ready with specific answers, bid-ready Adopt a three-factor cost-sharing formula for calculating private capital requirements. | A Town vote to adopt the enabling statute is required. Once the statute is adopted, a District can be adopted by the Council without a town vote as long as the District does not authorize any spending. Any subsequent borrowing or spending would be authorized as usual, by vote at Town Meeting. Town Warrant required. Debt is eligible for TIF reimbursement “Sunk cost” without gain if no system is ever built Keeps Town from losing another year, allows Town to exercise – or not – third year of Exeter option with confidence |

**MEDIUM EFFORT
\$12M (+ \$6M PRIVATE)**

| PROS/CONS | ACTION REQUIRED | COMMENTS |
|---|--|--|
| Complexity of Memorandums of Understanding (MOU) and timing | Adopt TIF District Plan with not-to-exceed \$ cap | TIF revenues plus private cost sharing |
| | AND | |
| Faster, but stops until private sector commitment “in hand” | Get bond authorization conditional IF Town receives commitments from private sector of 20%-40% | Commitments “in-hand” before start of construction |

**HIGH EFFORT
\$18M (- \$6M PRIVATE)**

| PROS/CONS | ACTION REQUIRED | COMMENTS |
|--|---|---|
| Fast but requires reimbursement from private sector; risk of “no pays” | Adopt TIF District Plan with not-to-exceed \$ cap | TIF revenues plus private cost sharing |
| | AND | |
| Complexity of Fund Management | Bond authorization “up to” max needed, but drawn-down IF private cost-sharing is probable (versus cash-in-hand) | Construction starts and is completed. Committed funds received upon hook-up |

**HIGHER EFFORT
\$18M (NO PRIVATE SECTOR COST SHARING)**

| PROS/CONS | ACTION REQUIRED | COMMENTS |
|--|--|---|
| <p>Simple</p> <p>Fastest to offer benefits for development</p> | <p>Adopt TIF District Plan with not-to-exceed \$ cap</p> <p>Bond Authorization up to the maximum needed, draw-down in stages as determined by engineering and developer interest</p> <p>No cost-sharing, Town recovers the costs from new TIF revenues over time</p> | <p>New developments are enough to pay for bonding with new incremental property tax (TIF)</p> |

CONCLUSION:

The Town leadership has worked to discover better ways to improve the commercial vitality of the Gateway corridor, and the community's future. To this end, they have asked ADG to review information and present options that might accomplish the community's goals.

We have reviewed past planning and design information, and conducted extensive marketing analysis. We have also looked at the corridor sites as well as those of the Town's competition. We have had the comprehensive list of community questions in mind, and hope we have provided either answers, or information so the community can make good decisions.

We find that there is no reason to believe that the current demographic and economic realities of Stratham and the Gateway will significantly improve without specific public actions. These trends include an aging population, a greater reliance on out-of-town or regional sources for goods and services, increased competition for desired investment, key workers and populations, and a growing residential share of the tax burden.

Several actions can be taken if this course is not satisfactory. In addition to infrastructure, it includes better land-use regulations, business outreach and advocacy, Gateway branding and promotion, and on-going economic development and business recruitment. The focus of our research on infrastructure should not be at the elimination of these other, important efforts.

We find that -sooner or later – publicly owned infrastructure along Rte 108 will be required to both retain key businesses and attract new investments.

We recognize that any public investment involves a degree of risk, but suggest that by doing the following the Town will be in the position to proceed with needed public support if the new markets and the private interest are proven:

- Adopting a TIF District before April 1, 2017.
- Getting ready by authorizing at Town meeting the needed planning and design work in the next year.
- Adopting a fair and transparent public-private cost-sharing formula to help pay for this new infrastructure.
- Using the next year to see if the private sector will pledge to cost-share and,
- Returning to the voters in 2018 with a definitive package of bonding, costs, phases, and cost-sharing commitments.

If these new markets and private interests *are not* identified or interested in cost-sharing for water or sewer over the next 18 months, then the Town can reasonably conclude that the infrastructure is not needed, and stop further efforts before a significant investment is made.

APPENDICES

EXHIBIT TITLES

EXHIBIT A: DEVELOPMENT OPPORTUNITIES WITHIN THE GATEWAY CORRIDOR

EXHIBIT B: ROUTE 101 EXIT ANALYSIS

EXHIBIT C: MARKET RESEARCH AREA

EXHIBIT D: PORTSMOUTH LEAKAGE REPORT - TABLE FORMAT

EXHIBIT E: PORTSMOUTH LEAKAGE REPORT - PIE CHART

EXHIBIT F: POPULATION CENTER OF NEW HAMPSHIRE (1950-2010)

EXHIBIT G: PROJECTED HOUSING DEMAND IN 2020

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DEVELOPMENT OPPORTUNITIES

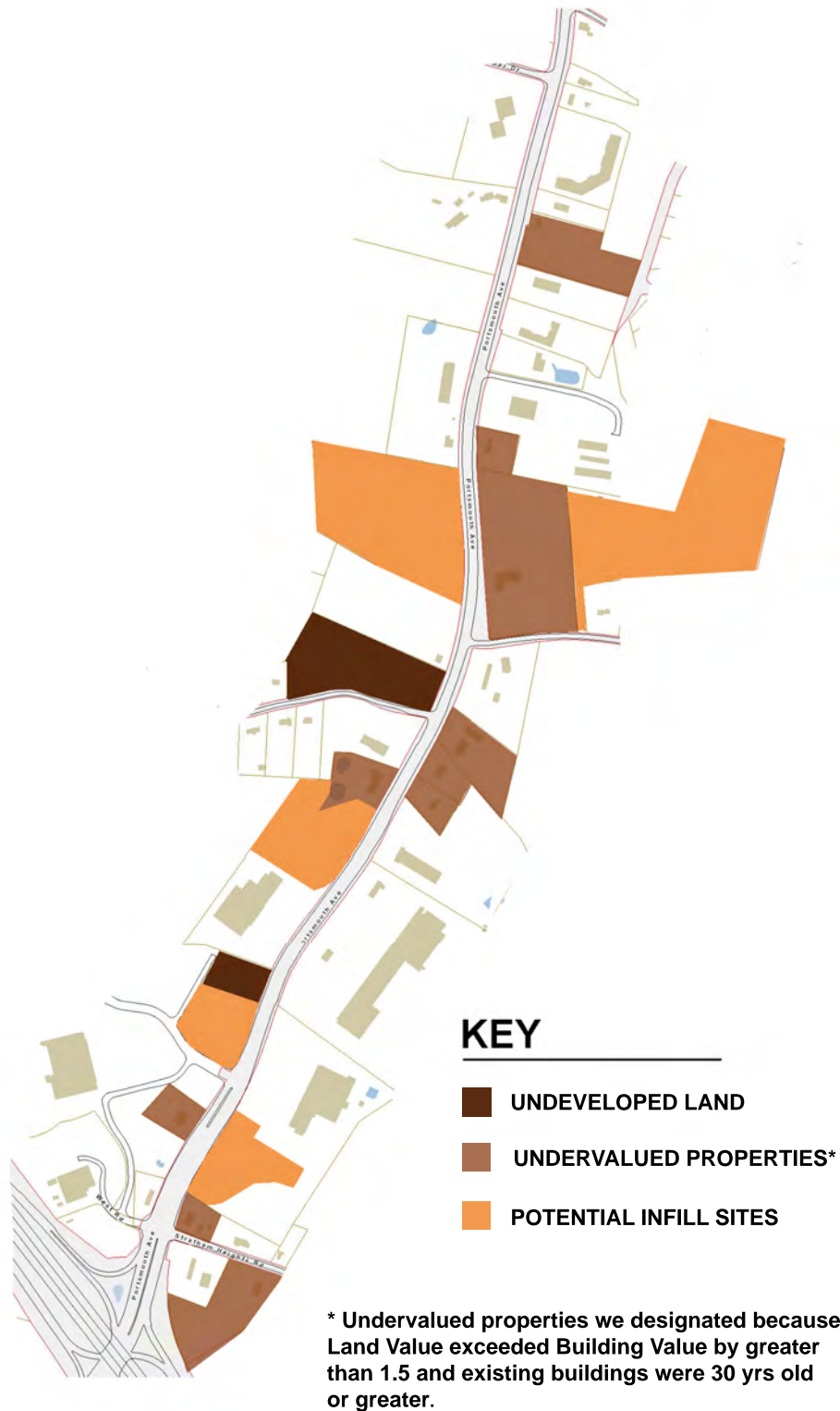


EXHIBIT A: DEVELOPMENT OPPORTUNITIES WITHIN THE GATEWAY CORRIDOR

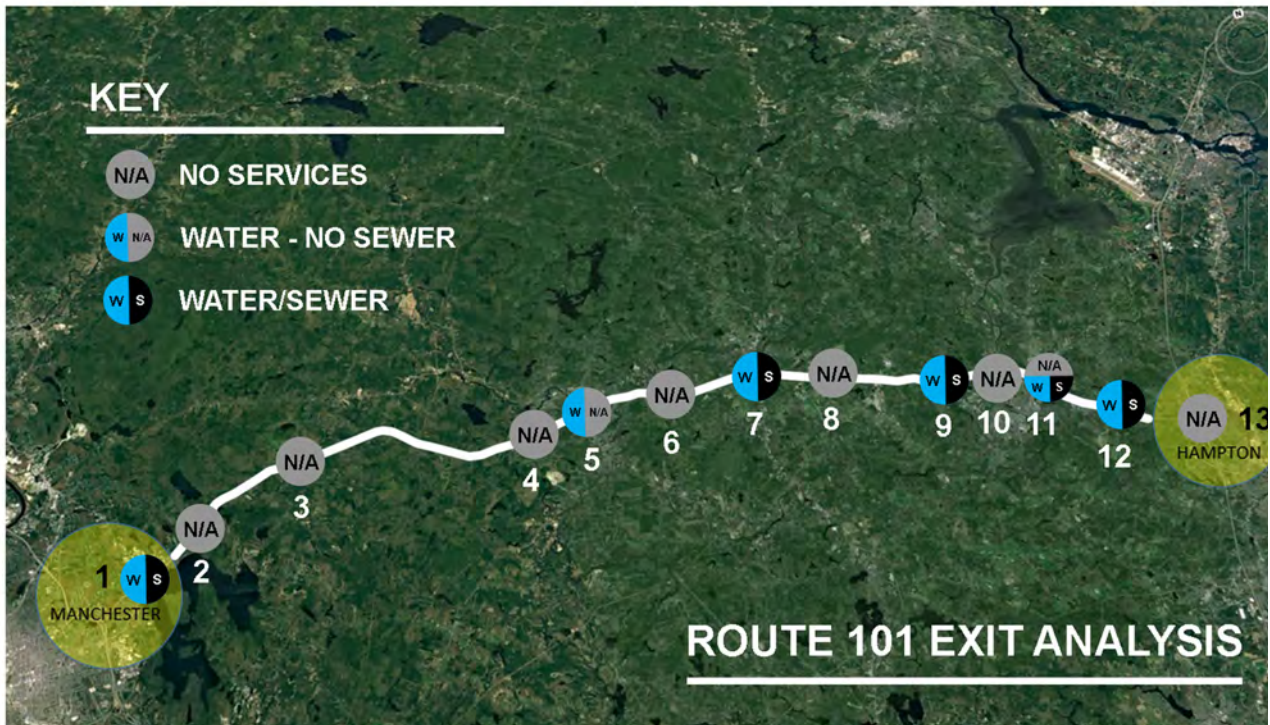


EXHIBIT B: ROUTE 101 EXIT ANALYSIS

| Exit # | Exit Name | Services Available |
|---------|------------------------|--|
| Exit 1 | Auburn/Hooksett | Water/Sewer |
| Exit 2 | Auburn/Chester | No Services |
| Exit 3 | Candia/Deerfield | No Services |
| Exit 4 | Old Manchester Road | No Services |
| Exit 5 | Raymond/Freemont | Water/No Sewer |
| Exit 6 | Depot Road/Beede Road | No Services |
| Exit 7 | Epping/Kingston | Water/Sewer |
| Exit 8 | North Road | No Services |
| Exit 9 | Exeter | Water/Sewer |
| Exit 10 | Exeter/Newfields | No Services |
| Exit 11 | Stratham/Exeter | Exeter (Water/Sewer) Stratham (No Services) |
| Exit 12 | Exeter/North Hampton | Water/Sewer |
| Exit 13 | I-95 Portsmouth/Boston | No Services |

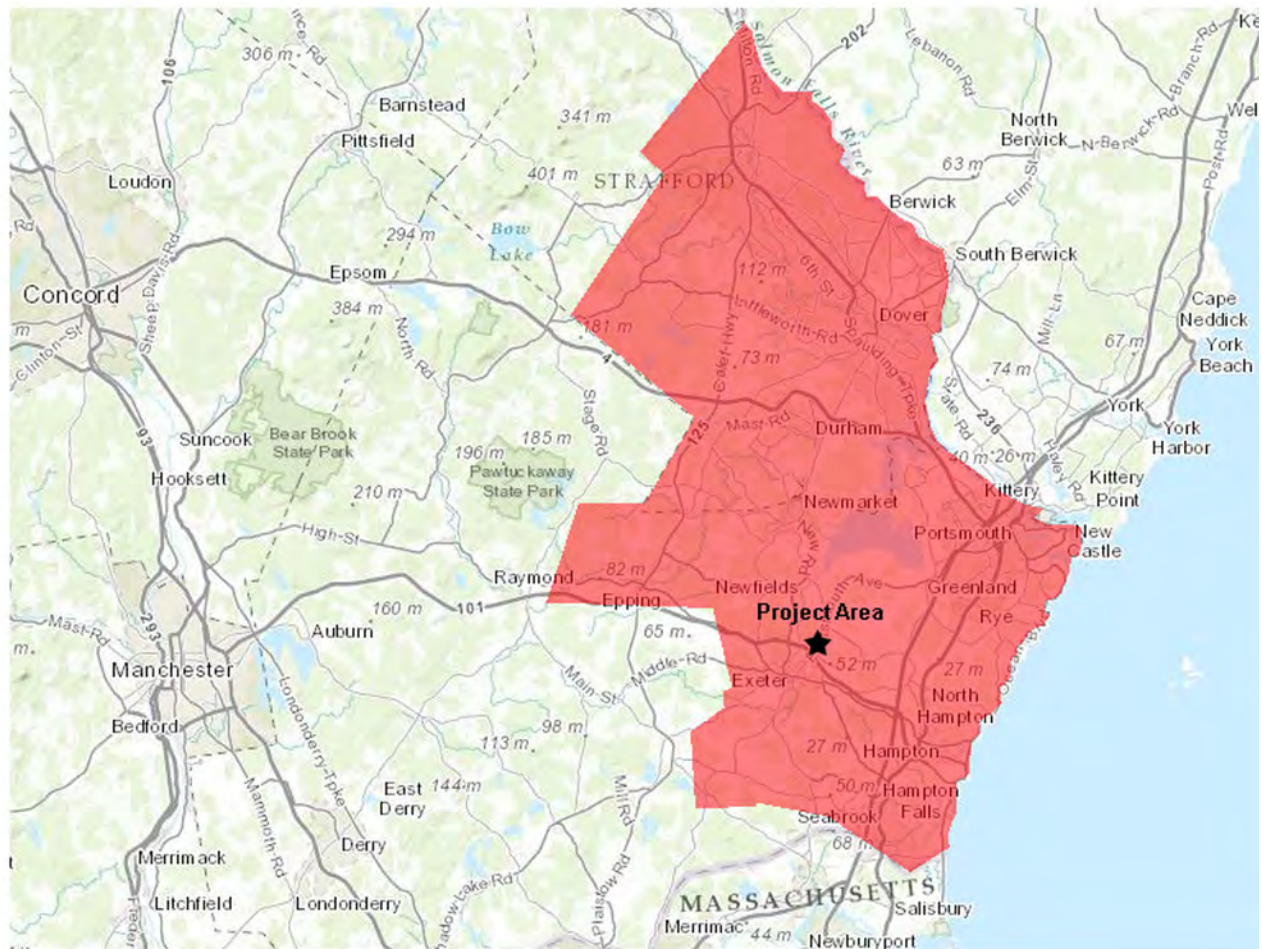


EXHIBIT C: MARKET RESEARCH AREA

The area highlighted in red above represents the specified market research area defined for this report. The star represents the location of the Project Area, the Route 108 Gateway Corridor. Market Demand for various goods and services was measured within this area using software programs developed by the EMSI company, an economic research firm.

Portsmouth 30 Mile Drive

| Demand | Leakage | % Leakage | Total Demand |
|--|-----------------|-----------|-----------------|
| Finance and Insurance | \$1,694,487,295 | 68.8% | \$2,461,912,511 |
| Health Care and Social Assistance | \$636,670,817 | 36.6% | \$1,738,233,766 |
| Professional, Scientific, and Technical Services | \$873,949,420 | 64.6% | \$1,353,405,913 |
| Retail Trade | \$545,452,800 | 46.1% | \$1,183,484,205 |
| Information | \$738,205,987 | 67.0% | \$1,101,172,050 |
| Real Estate and Rental and Leasing | \$615,499,048 | 56.6% | \$1,087,841,877 |
| Wholesale Trade | \$846,637,409 | 79.2% | \$1,068,416,378 |
| Construction | \$558,567,686 | 67.3% | \$830,164,803 |
| Accommodation and Food Services | \$273,174,309 | 37.7% | \$725,326,784 |
| Transportation and Warehousing | \$563,193,360 | 84.4% | \$667,032,504 |
| Administrative and Support and Waste Management and Remediation Services | \$349,879,889 | 52.7% | \$663,585,506 |
| Management of Companies and Enterprises | \$404,313,500 | 76.0% | \$531,792,601 |
| Other Services (except Public Administration) | \$282,703,974 | 59.5% | \$475,102,344 |
| Utilities | \$154,062,884 | 47.8% | \$322,049,436 |
| Educational Services | \$207,326,839 | 77.4% | \$268,017,030 |
| Arts, Entertainment, and Recreation | \$171,651,079 | 75.6% | \$227,182,215 |
| Mining, Quarrying, and Oil and Gas Extraction | \$202,081,934 | 97.3% | \$207,699,049 |
| Crop and Animal Production | \$144,216,398 | 93.4% | \$154,452,221 |

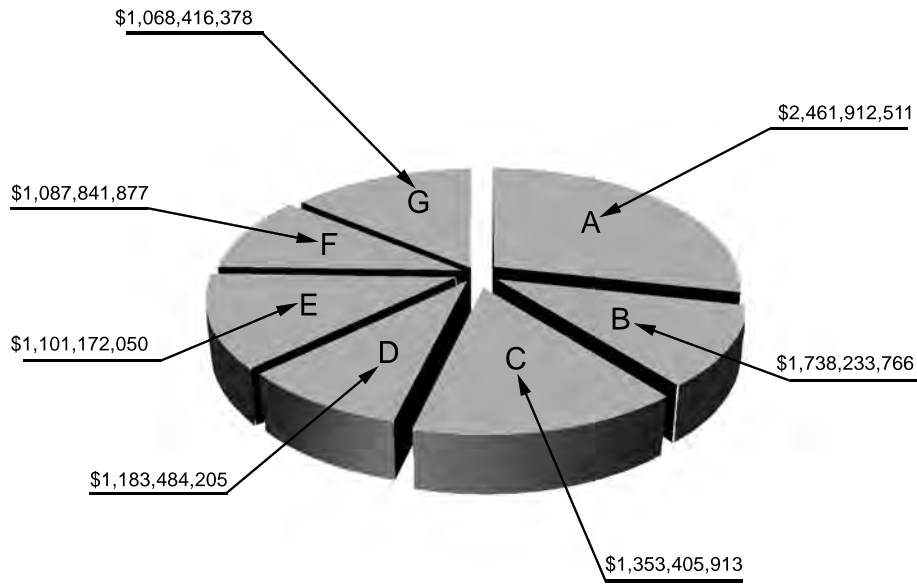
EXHIBIT D: PORTSMOUTH LEAKAGE REPORT - TABLE FORMAT

Market Demand reports measure the total amount of consumer dollars spent for selected goods and services within a specified, measured area. A Leakage Report measures the percentage of those dollars that are spent outside the specified area. In other words, what percentage of demand for a particular good or service is being spent — or has “leaked” — outside of the “local” market area.

For example, the table above shows the dollars spent for various goods and services within the market area highlighted in red, in Exhibit C. Within that specified area consumers spent \$1,183,484,205 in Retail Trade. However, \$545,452,800 (46.1%) of those dollars were spent in markets outside the “local” market (the area highlighted in red).

The dollars “leaking” to other market areas may indicate a possible market opportunity if the good or service can be equally supplied locally. A more comprehensive explanation, as well as the methodologies and sources used - can be found in Attachment A.

Portsmouth (30 Mile) Leakage



- A - Finance and Insurance
- B - Health Care and Social Assistance
- C - Professional, Scientific, and Technical Services
- D - Retail Trade
- E - Information
- F - Real Estate and Rental and Leasing
- G - Wholesale Trade

The pie-chart above graphically represents the data shown in Exhibit D.

EXHIBIT E: PORTSMOUTH LEAKAGE REPORT - PIE CHART

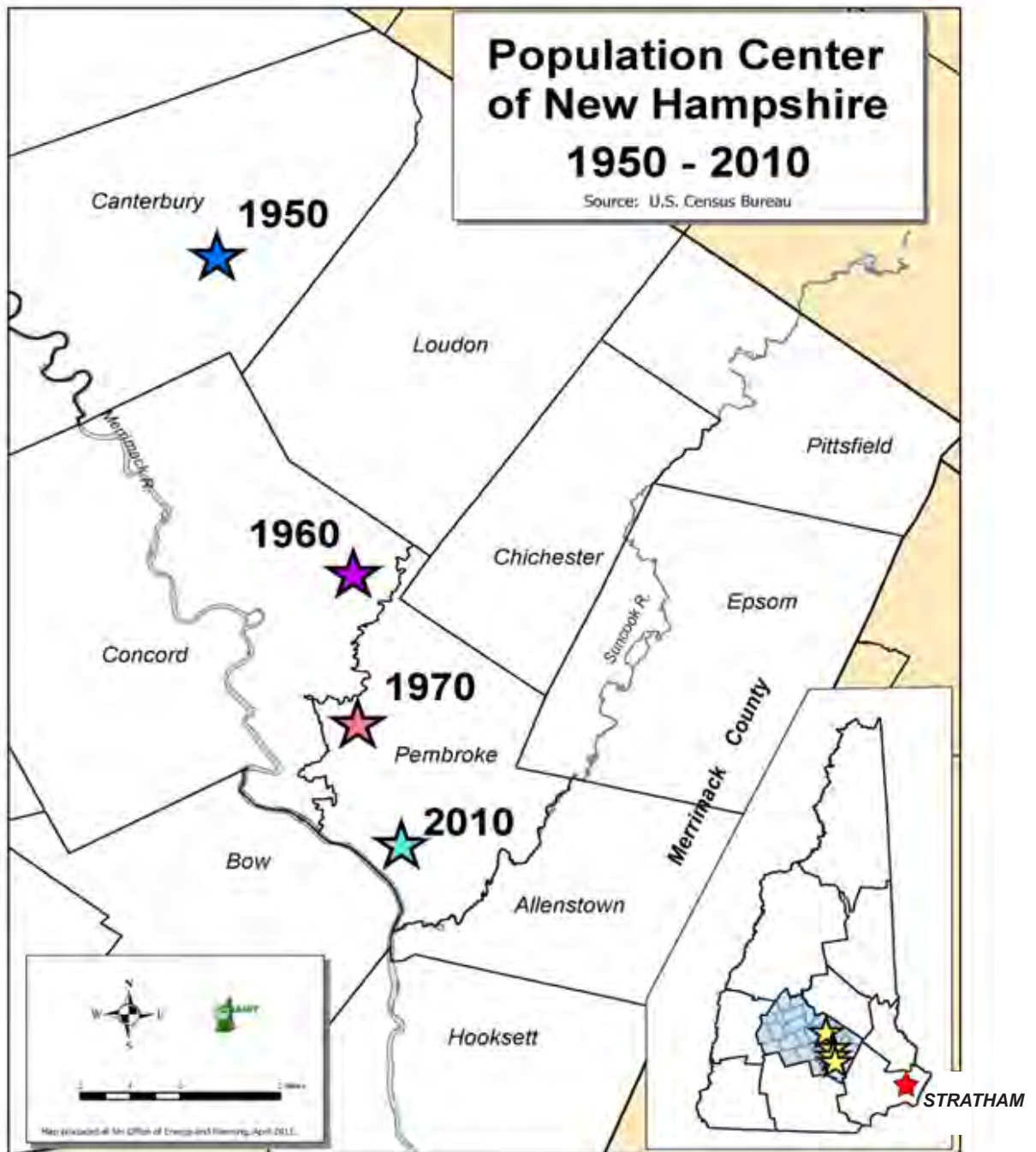


EXHIBIT F: POPULATION CENTER OF NEW HAMPSHIRE (1950-2010)

Over the past sixty years the population center of New Hampshire has been shifting toward the Southeast part of the state. This shift is expected to continue in the coming decades.

| Projected Housing Demand 2020 | | | | |
|--|--------------------------|-----------------------------|----------------------|------------------------------|
| Household Type (MAI = Median Area Income) | 2010 Total (existing) | 2020 Projected Demand | 2010 % (existing) | 2020 Projected Demand- |
| Homeowners | | | | |
| Under 30% MAI | 6,243 | 7,063 | 7.0% | 7.4% |
| Under 50% MAI | 14,526 | 16,435 | 16.2% | 16.3% |
| Under 60% MAI | 18,979 | 21,472 | 21.1% | 21.4% |
| Under 80% MAI | 27,917 | 31,584 | 31.1% | 32.8% |
| Under 100% MAI | 36,875 | 41,719 | 41.1% | 45.1% |
| Under 120% MAI | 45,618 | 51,611 | 50.9% | 57.5% |
| All Homeowners | 89,626 | 101,400 | 100.0% | 100.0% |
| Renters | | | | |
| Under 30% MAI | 6,345 | 7,819 | 25.3% | 21.7% |
| Under 50% MAI | 10,790 | 13,297 | 43.0% | 40.0% |
| Under 60% MAI | 13,113 | 16,159 | 52.2% | 48.8% |
| Under 80% MAI | 17,019 | 20,972 | 67.8% | 64.9% |
| Under 100% MAI | 20,505 | 25,266 | 81.7% | 76.0% |
| Under 120% MAI | 21,956 | 27,055 | 87.4% | 86.0% |
| All Renters | 25,108 | 30,939 | 100.0% | 100.0% |
| Total Households | | | | |
| Under 30% MAI | 12,588 | 14,882 | 10.7% | 11.2% |
| Under 50% MAI | 23,317 | 29,731 | 20.3% | 22.5% |
| Under 60% MAI | 32,092 | 37,630 | 27.9% | 28.4% |
| Under 80% MAI | 44,936 | 52,556 | 39.1% | 39.7% |
| Under 100% MAI | 57,381 | 66,967 | 50.0% | 50.6% |
| Under 120% MAI | 67,574 | 70,666 | 58.9% | 59.4% |
| All Households | 114,734 | 132,339 | 100.0% | 100.0% |

Rockingham Regional Planning Commission Regional Plan Chapter 6 Housing - Housing Needs Assessment

A

Workforce at 60% - 80% of MAI are seeking rental units versus homeownership

B

2020 projected rental demand is 9,680 units below existing rental supply for those workers making 100% - 120% of MAI

EXHIBIT G - PROJECTED HOUSING DEMAND IN 2020

| Age Group | Total Population | Total Households | Ownership Tenure | Rental Tenure | % Own | % Rent |
|--------------|------------------|------------------|------------------|---------------|--------------|--------------|
| Under 15 | 30,912 | - | - | - | - | - |
| 15-24 | 19,763 | 1,364 | 241 | 1,123 | 17.7% | 82.3% |
| 25-34 | 17,305 | 7,170 | 3,270 | 3,900 | 45.6% | 54.4% |
| 35-44 | 25,399 | 13,165 | 9,844 | 3,321 | 74.8% | 25.2% |
| 45-54 | 33,131 | 18,649 | 15,062 | 3,587 | 80.8% | 19.2% |
| 55-64 | 25,396 | 14,918 | 12,532 | 2,386 | 84.0% | 16.0% |
| 65-74 | 14,414 | 8,916 | 7,484 | 1,432 | 83.9% | 16.1% |
| 75-84 | 8,537 | 5,557 | 4,393 | 1,164 | 79.1% | 20.9% |
| 85 & Older | 3,526 | 2,188 | 1,407 | 781 | 64.3% | 35.7% |
| Total | 178,383 | 71,927 | 54,233 | 17,694 | 75.4% | 24.6% |

Rockingham Regional Planning Commission Regional Plan, Chapter 6 Housing

EXHIBIT H - RENTAL PROJECTIONS BY AGE GROUP

The table above shows projected age groups within Rockingham County for the year 2020. It anticipates a high demand in rental housing in the age groups 15-44, the primary age groups for affordable workforce housing.

OBSERVATIONS:

- Stratham’s corridor is 1.5 times longer than Exeter (1.28 mi/.84 mi approx.)
- Total acreage in Stratham’s corridor is 4 times that of Exeter (435.5 ac/107 ac approx.)
- Average Land Value per acre in Exeter is 2.75 times greater than Stratham (\$265,482/\$96,260)
- Average Building Value per property in corridor is approximately the same (S= \$462,233; E=498,670)
- Average Total Assessed Value per property is 1.25 times greater in Stratham (\$1,066,421/prop; \$836,092/prop)
- Approximately six (6) types of businesses in Stratham compared to ten (10) in Exeter

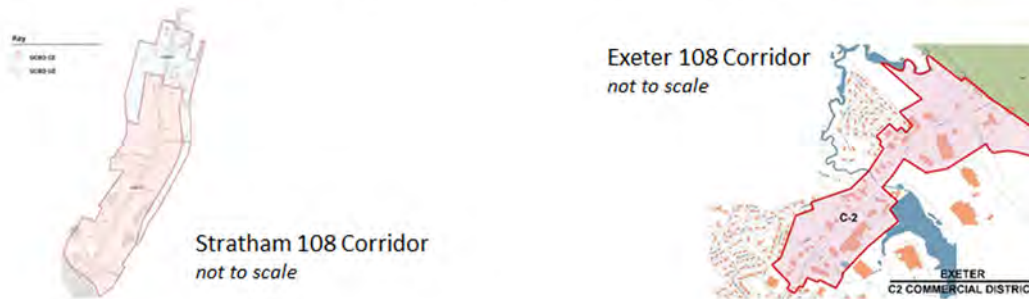


EXHIBIT I: STRATHAM - EXETER COMMERCIAL CORRIDOR COMPARISON

Stratham’s commercial corridor is one-and-a-half times longer than Exeter’s and is comprised of four times the acreage. While the Building Values are similar, the Land Value is two-and-three-quarters greater in Exeter, resulting in a total Assessed Value of one-and-a-quarter greater in Exeter. Exeter’s commercial strip is also more diverse than Stratham’s and is comprised of ten business types compared to Stratham’s six. Stratham on the other hand, has a strong concentration of auto dealerships, which significantly influences the perceived character of the commercial corridor. (see table below)

| Item | Stratham Commercial Corridor | Auto Dealerships | |
|-------------------------|------------------------------|------------------|-----|
| | | Total | % |
| Total Acreage | 407 | 52 | 13% |
| Total Number of Parcels | 42 | 7 | 17% |
| Total Land Value | \$37,143,263 | \$11,453,300 | 31% |
| Total Building Value | \$27,680,800 | \$9,529,500 | 34% |
| Total Assessed Value | \$67,468,063 | \$21,247,200 | 31% |
| Existing Building SQFT | 422,256 | 136,290 | 32% |

ATTACHMENTS

- A. MARKET RESEACH: METHODOLOGIES & SOURCES
- B. 2015 ROCKINGHAM COUNTY REGIONAL MASTER PLAN - HOUSING RECOMMENDATIONS
- C. RSA 162-K:1 - 15
MUNICIPAL ECONOMIC DEVELOPMENT AND REVITALIZATION DISTRICTS
- D. RSA 31:134-139
WATER AND/OR SEWER UTILITY DISTRICTS
- E. RSA 52-A
SPECIAL DISTRICTS ASSESSMENT

MARKET RESEARCH: METHODOLOGIES & SOURCES

“So, where do multipliers come from?”

Regional multipliers arise naturally out of regional IO models, so we need to review the process of creating a regional IO model.

First, because of the lack of comprehensive local data, all regional models are created by “regionalizing” national values calculated by the Bureau of Economic Analysis. So models primarily come from (a) the BEA’s national input-output accounts, and (b) regional purchase coefficients (RPCs). Using the national input-output accounts we can create a table that quantifies, for each major industry, how much of the outputs from other industries is needed in order to produce its own output. There are additional non-industry entities in this table too, like household consumption, profits, and taxes, which are used to complete the balance sheet. Every major model uses these national IO accounts in some way. Before applying it to a specific region, we have to generalize it by converting total national dollar amounts to percentages of total output, as well as account for the region’s actual industry mix. Then regional purchase coefficients (RPCs) are applied to each transaction to translate each industry’s “total inputs” to “only inputs purchased locally.”

RPCs represent the percentage of local demand that is satisfied by local supply. If your local construction industry has a \$500 million total demand for ready-mix concrete, and it purchases \$450 million of it locally, then that particular RPC would be 90%. If your local agriculture industry has a \$500 million demand for tractors, but satisfies none of it from local manufacturers (which is quite common since there are relatively few places where tractors are manufactured), then that particular RPC would be 0%. High RPCs will result in higher multiplier effects since money spent on input requirements is being retained locally. RPCs can be estimated in several ways by looking at each region’s industry mix (how much demand could possibly be supplied locally, and how much of that is actually likely to be supplied locally). While the details are beyond the scope of this document, suffice to say that EMSI uses a variation of the well-known Stevens technique* for estimating RPCs, which has been widely discussed in the academic literature of regional IO for more than 20 years.

* Stevens, B.H., G.I. Treyz, D.J. Ehrlich, and J.R. Bower, 1983. “A New Technique for the Construction of Non-Survey Regional Input-Output Models,” *International Regional Science Review*, 8(3), 271-286.

This whole accounting system tracks many links in the supply chain. As one dollar goes to one industry, portions of it are passed off to other local industries and another portion “leaks out” of the region completely. Then we look at all the other industries that got a piece of the original dollar and look at how much of those pieces go to other regional industries or leak out. We continue this indefinitely until the portion of the original dollar still remaining in the region approaches zero. At each step, we sum up the amount that stayed in the region during that step. The grand total (plus the original dollar) is the final multiplier. In EMSI’s IO models, we use an earnings multiplier as our foundational multiplier. This dollar-based earnings multiplier can also be converted to jobs or sales by using the jobs-to-earnings and sales-to-earnings ratios in each industry.”

<http://www.economicmodeling.com/2009/04/02/io-guidebook-sec-iii-understanding-multipliers/>

Housing Recommendations

Recommendation 1

Encourage the availability of diverse housing opportunities for all citizens of the region. Work toward growth in housing to match growth in employment, and advocate for the allowance of a balance of housing styles, densities, and a distribution of prices that are affordable to a range of income levels.

Recommendation 2

Develop programs to educate the public about the economic effects of local regulations and the importance and value of adequate affordable housing for a sustainable economy.

Recommendation 3

Encourage communities to consider areas of town suited for mixed-use and incorporate land use ordinances and regulations that will allow this. The concepts included in these ordinances would include allowances for higher densities, more diverse permitted uses, reduced setbacks, etc.

Recommendation 4

Encourage the construction of single family homes and multi-family dwellings which are energy efficient in their design and use construction materials that are energy efficient in their design.

Recommendation 5

Encourage municipalities to consider expanding existing water and sewer service areas. Encourage communities without such systems to consider constructing them. Alternatively, municipalities should consider allowing community water or septic systems in appropriate areas of town. These are small systems, often development-based and maintained by an association of homeowners that allow the project developer to realize a diminished land development cost thereby enabling the construction of affordable units.

Recommendation 6

Balance the need for additional housing development with the need to preserve open space and identify and protect green belts, wildlife habitats and other linkages with existing open space and conservation lands.

Recommendation 7

Provide visual examples of a range of alternative, affordable housing developments, highlighting quality architecture, design and integration into the community.

Recommendation 8

Promote the development of infill housing and, where appropriately sited, the redevelopment of brownfield sites for residential and supporting land uses.

Recommendation 9

Collaborate with not-for-profit housing organizations, government agencies, developers and builders in pursuing options and solutions for meeting the housing needs of the region.

Recommendation 10

Promote the development of mixed-income multi-family housing at appropriate locations along major corridors and near employment centers.

Recommendation 11

Encourage communities to use incentive programs such as low income or historic preservation tax credits to support the development of workforce housing.

Recommendation 12

Encourage the creation of residential use of downtown second and third story spaces above commercial.

Recommendation 13

Evaluate the potential for zoning ordinance models that support the preservation or replacement of affordable housing affected by redevelopment.

Recommendation 14

Work with larger communities and the New Hampshire Housing Finance Authority to help preserve affordability in existing subsidized rental housing by monitoring the expiration of subsidy commitments and income or rent limitations in the developments.

Recommendation 15

Encourage and facilitate the use of Community Development Block Grant (CDBG) and other funds to rehabilitate and improve housing stock serving low to moderate income homeowners and renters.

Recommendation 16

Assist communities in evaluating their compliance with state statutes regarding workforce housing and continue to maintain and update the regional housing needs assessment per RSA 36:47 II.

Recommendation 17

Encourage and support the Pease Development Authority to consider amending its land use plan to allow mixed residential use in appropriate locations.

TITLE XII

PUBLIC SAFETY AND WELFARE

CHAPTER 162-K

MUNICIPAL ECONOMIC DEVELOPMENT AND REVITALIZATION DISTRICTS

Section 162-K:1

162-K:1 Local Option. – Any city or town may adopt this chapter and shall thereafter have all the authority, powers, duties and responsibilities set forth in this chapter.

I. A city may adopt this chapter by majority vote of the legislative body of the city after notice and hearing as set forth in RSA 162-K:4.

II. A town may adopt this chapter by majority vote of the voters present and voting at any legal town meeting under a proper article and after notice and hearing as set forth in RSA 162-K:4.

Source. 1979, 175:2, eff. Aug. 5, 1979.

Section 162-K:2

162-K:2 Definitions. – In this chapter:

I. "Budget submission date" has the meaning set forth under RSA 273-A:1, III.

II. "Development district" means a specific area within the corporate limits of any municipality which has been so designated and separately numbered by the legislative body of said municipality acting under this chapter.

III. "Development program" means a statement of objectives of the municipality for improvement of a development district established under RSA 162-K:6.

IV. "District administrator" means the head of the department, office agency, municipal housing and redevelopment authority or corporation designated under RSA 162-K:13.

V. "Governing body" means the board of aldermen or city council in the case of a city and the board of selectmen in the case of a town.

VI. "Legislative body" means the board of aldermen or city council in the case of a city and the town meeting in the case of a town.

VII. "Maintenance and operation" means all activities necessary to maintain facilities after they have been developed and all activities necessary to operate the facilities including but not limited to informational and educational programs, and safety and surveillance activities.

VIII. "Municipality" means a city or town.

IX. "Parking structure" means any building the principal use of which is designed for and intended for parking of motor vehicles, and includes open air parking on parking lots.

IX-a. "Public use" means:

(a)(1) The possession, occupation, and enjoyment of real property by the general public or governmental entities;

(2) The acquisition of any interest in real property necessary to the function of a public or private utility or common carrier either through deed of sale or lease;

(3) The acquisition of real property to remove structures beyond repair, public nuisances, structures unfit for human habitation or use, and abandoned property when such structures or property constitute a menace to health and safety; and

(4) Private use that occupies an incidental area within a public use; provided, that no real property shall be condemned solely for the purpose of facilitating such incidental private use.

(b) Except as provided in subparagraphs (a)(2) and (4) of this paragraph, public use shall not include the public benefits resulting from private economic development and private commercial enterprise, including increased tax revenues and increased employment opportunities.

X. "Substantially residential development district" means any development district in which 40 percent or more of the land area, exclusive of streets and open space, is used for residential purposes at the time the district is designated.

XI. "Tax increment" means the amount of taxes raised in a development district due to increases in assessed value over the assessed value of the district at the time of its establishment.

Source. 1979, 175:2. 2006, 324:1, eff. Jan. 1, 2007.

Section 162-K:3

162-K:3 Authorization; Initial Adoption. – A municipality which adopts this chapter shall thereafter be authorized to establish one or more development districts. For each such district, the municipality shall establish a development program and a tax increment financing plan. A municipality that has not previously adopted this chapter may carry out the planning and hearing procedures for establishment of one or more development districts at the same time it is conducting the planning and hearing procedures on initial adoption of this chapter; provided that any vote on establishing a particular development district shall not be taken until after the legislative body shall have voted on the question of adopting this chapter.

Source. 1979, 175:2, eff. Aug. 5, 1979.

Section 162-K:4

162-K:4 Hearing. – Prior to adopting this chapter or designating any development district, a hearing on the subject shall be conducted in the municipality. The hearing shall be conducted by the governing body. The hearing shall be held at least 15 days prior to the date on which action on the proposal is scheduled to take place. Notice of the hearing, including a description of any proposed district, shall be posted in 2 appropriate places in the municipality or published in a newspaper of general circulation in the municipality at least 7 days prior to the hearing.

Source. 1979, 175:2, eff. Aug. 5, 1979.

Section 162-K:5

162-K:5 Establishment of Districts; Limitations. – Upon a finding that such action will serve public purposes, the legislative body of the municipality may create, within its jurisdiction, development districts. The area of a district may be enlarged following the date of designation of the district. Municipalities establishing development districts shall comply with one of the following limitations:

I. The total acreage included in any one development district when designated shall not exceed 5 percent of the total acreage of the municipality, and when added to the total current acreage within the development districts for which bonds remain outstanding shall not exceed 10 percent of the total acreage of the municipality.

II. The total assessed value of taxable real property of any one development district when designated shall not exceed 8 percent of the most recent total assessed value of taxable real property in the municipality, and when added to the current total assessed value of taxable real property within development districts for which bonds remain outstanding, shall not exceed 16 percent of the most recent total assessed value of taxable real property in the municipality.

Source. 1979, 175:2. 1985, 135:1. 1991, 362:10. 1998, 9:1. 2004, 181:1, eff. July 31, 2004.

Section 162-K:6

162-K:6 District Establishment and Development Programs. – A municipality which has adopted this chapter and which intends to establish a development district shall, in addition to establishing the district, establish a development program under this section and a tax increment financing plan under RSA 162-K:9 and 10.

I. The development program shall contain a complete statement as to the public facilities to be constructed within the district, the open space to be created, the environmental controls to be applied, the proposed reuse of private property, and the proposed operations of the district after the capital improvements within the district have been completed.

II. The development program shall also provide for carrying out relocation of persons, families, business concerns, and others displaced by the project, pursuant to a relocation plan, including the method for the relocation of residents in decent, safe and sanitary dwelling accommodations, and reasonable moving costs, determined to be feasible by the municipality.

III. In conformity with the development program, within the district, the municipality may:

(a) Acquire, construct, reconstruct, improve, alter, extend, operate, maintain or promote developments aimed at improving the physical facilities, quality of life and quality of transportation;

(b) Acquire real property or easements through negotiation or through powers of eminent domain, except that property acquired through powers of eminent domain shall be put to public use, as defined in RSA 162-K:2, IX-a;

(c) Adopt ordinances regulating the use of public parking structures and other facilities constructed within the development district and access to them and the conditions under which such access is allowed. Traffic regulations may include, but shall not be limited to, direction and speed of traffic, kinds of service activities that will be allowed in arcades, parking structures and plazas, and rates to be charged in the parking structures;

(d) Require construction of buildings within the district so as to accommodate and support pedestrian systems which are part of the program for the development district. When the municipality requires for the public benefit the construction of columns, beams or girders with greater strength than required for normal building purposes, the municipality shall reimburse the owner for the added expense from development district funds;

(e) Install lighting systems, street signs and street furniture, landscaping of street and public property, and snow removal systems compatible with the character of the district;

(f) Acquire property for the district;

(g) Lease air rights over public property and spend public funds for constructing the foundations and columns in the public buildings strong enough to support the buildings to be constructed on air rights;

(h) Lease all or portions of basements, ground and second floors of the public buildings constructed in the district; and

(i) Negotiate the sale or lease of property for private development if the development is consistent with the development program for the district.

Source. 1979, 175:2. 2006, 324:2, eff. Jan. 1, 2007.

Section 162-K:7

162-K:7 Grants. – A municipality may accept grants or other financial assistance from the government of the United States, the state of New Hampshire or any other entity to do studies and to construct and operate the public improvements authorized by this chapter.

Source. 1979, 175:2, eff. Aug. 5, 1979.

Section 162-K:8

162-K:8 Issuance of Bonds. – The municipality may authorize, issue and sell general obligation bonds, which shall mature within 30 years from the date of issue, to finance the acquisition and betterment of real and personal property needed to carry out the development program within the development district together with all relocation costs incidental thereto. Bonds issued under authority of this chapter shall be payable in annual

payments which shall be so arranged that the amount of annual payment of principal and interest in any year on account of any bond shall not be less than the amount of principal and interest payable in any subsequent year by more than 5 percent of the principal of the entire bond. The total amount of such payments shall be sufficient to extinguish the entire bond on account of which they are made at maturity. The first payment of principal on any bond shall be made no later than 5 years and the last payment not later than 30 years after the date thereof. Each authorized issue of bonds shall be a separate loan. All dedicated tax increments received by the municipality pursuant to RSA 162-K:10 shall be pledged for the payment of these bonds and used to reduce or cancel the taxes otherwise required to be extended for that purpose, and the bonds shall not be included when computing the municipality's net debt under RSA 33.

Source. 1979, 175:2. 2000, 280:1, eff. Aug. 20, 2000.

Section 162-K:9

162-K:9 Tax Increment Financing Plan. – The municipality shall adopt a tax increment financing plan for any development district established under this chapter. The plan shall allocate use of tax increments for retirement of bonds and notes, operation, maintenance and improvements in the district and for general municipal purposes.

I. A tax increment financing plan shall contain a statement of objectives of a municipality for improvement of a development district. Such plan shall be incorporated into the development program for the district. It shall contain estimates of the following: cost of the development program; sources of revenues to finance those costs including estimates of tax increments; amount of bonded indebtedness to be incurred; and the duration of the program's existence. The plan shall also contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the district is located.

II. Before approving any tax increment financing plan, a public hearing shall be held as part of the hearing on the development district under RSA 162-K:4.

III. Before formation of a development district, the municipality shall provide a reasonable opportunity to the county commissioners of any county in which any portion of the development district is located and to the members of the school board of any school district in which any portion of the development district is located to meet with the governing body. The governing body shall fully inform the county commissioners and the school boards of the fiscal and economic implications of the proposed development district. The county commissioners and the school boards may present their recommendations at the public hearing. A municipality's tax increment financing plan may include agreements with the county commissioners and the school boards in which the district is located to share a portion of the captured tax increments of the district.

IV. A tax increment financing plan may be modified provided such modification shall be approved by the legislative body upon such notice and hearing and agreements as are required for approval of the original plan. In a case where the financing plan calls for the appropriation of a specific sum of money, the sum of money appropriated thereunder may be decreased or increased by the vote of the legislative body, provided that in a town under the municipal budget act no increase shall be valid which would violate the provisions of RSA 32:18, except as provided in RSA 32:18-a. Any modification shall maintain use of dedicated tax increments for retirement of bonds and notes as required.

Source. 1979, 175:2, eff. Aug. 5, 1979. 2015, 167:1, eff. Aug. 25, 2015.

Section 162-K:10

162-K:10 Computation of Tax Increments. –

I. Upon formation of a development district, the assessors of the municipality in which it is situated shall determine the current assessed value of the real property within the boundaries of the development district. The current assessed value so determined shall be known as the "original assessed value." Property exempt from taxation at the time of the determination shall be included at zero, unless it later becomes taxable, in which case its most recently determined assessed valuation shall be included. Each year thereafter, the assessors shall determine the amount by which the assessed value has increased or decreased from the original assessed value.

The assessors shall also determine the proportion which any increase or decrease bears to the total assessed value of the real property in that district for that year.

II. Any amount by which the current assessed value of a development district exceeds the original assessed value is referred to as the captured assessed value. The assessors shall determine the amount of the captured assessed value each year.

(a) The tax increment financing plan shall designate the portion of captured assessed value which will be dedicated for retirement of bonds and notes and the portion of captured assessed value which will be dedicated to the operation and further development of the tax increment financing district.

(b) The portion of captured assessed value which is not used either for the purpose of retirement of bonds and notes or for the purpose of the operation and development of the tax increment financing district shall be deemed excess captured assessed value. Excess captured assessed value shall be returned to the tax lists.

III. (a) Each subsequent year the assessors shall determine current assessed valuation, and tax increments and shall report them to the commissioner of the department of revenue administration according to the following method:

(1) If the municipality retains the full captured assessed value for the development district the assessors shall certify to the commissioner of revenue administration, for the purposes of the report required by RSA 41:15, the current assessed value, as the basis to equalize annually the valuation of property throughout the state, and the full captured assessed value, to be deducted from the current assessed valuation for the calculation of the property tax rate. The assessors shall extend all rates as established by the commissioner of revenue administration under the provisions of RSA 41:15 against the current assessed value, including all captured assessed value. In each year for which the current assessed value exceeds the original assessed value, the municipal tax collector shall remit to the municipality that proportion of all taxes paid that year on real property in the district which the captured assessed value bears to the total current assessed value. The amount so remitted each year is referred to in this section as the tax increment for that year.

(2) If the municipality retains only a portion of the captured assessed value for the development district and returns the remaining portion to the tax lists, the assessors shall include the current assessed value, to be used as a basis to equalize annually the valuation of property throughout the state, and that portion of the captured assessed value which the municipality does retain, to be deducted from the current assessed valuation for the calculation of the property tax rate. The assessors shall extend all rates against the total current assessed value. In each year for which the current assessed value exceeds the original assessed value, the municipal tax collector shall remit to the municipality that proportion of all taxes billed on real property in the district that the retained captured assessed value bears to the total current assessed value in the district. The amount so remitted each year is referred to as the tax increment.

(b) The general court finds that municipalities that have adopted a tax increment financing plan and issued tax increment financing plan bonds under this chapter before April 29, 1999, or which have adopted a tax increment financing plan and entered into contracts and incurred liabilities in reliance upon the tax increment plans under this chapter before April 29, 1999, have incurred obligations which must be honored. The general court recognizes also that in accordance with the intent of this chapter, such obligations were entered into in order to accomplish a public purpose and for the improvement of development in municipalities. Accordingly, the provisions of subparagraph III(a) shall not apply to tax increment financing plan districts which authorized and issued tax increment bonds under this chapter before April 29, 1999 or which adopted a tax increment financing plan under this chapter and entered into contracts and incurred financial liabilities in reliance upon such tax increment plan before April 29, 1999. This subparagraph shall only apply to tax development districts as they existed as of April 29, 1999. To the extent such tax increment financing plan is amended to increase the amount of bonded indebtedness, to increase the cost of the development program, or to extend the duration of the program's existence, this subparagraph shall not apply. The assessors shall determine assessed valuation and tax increments according to the following method:

(1) If the municipality retains the full captured assessed value for the development district, the assessors shall certify to the commissioner of revenue administration for the purposes of the report required by RSA 21-J:34, no more than the original assessed value of the real property in the development district. The assessors shall extend all rates as established by the commissioner of revenue administration under the provisions of RSA 21-J:35 against the current assessed value, including all captured assessed value. In each year for which the current assessed value exceeds the original assessed value, the municipal tax collector shall remit to the municipality that proportion of all taxes billed that year on real property in the district which the captured

assessed value bears to the total current assessed value. That amount is referred to in this section as the tax increment for that year.

(2) If the municipality retains only a portion of the captured assessed value for the development district and returns the excess to the tax lists, the assessors shall certify to the commissioner of revenue administration for the purposes of the report required by RSA 21-J:34 the original assessed value and that portion of the captured assessed value which is shared with all the affected taxing districts for the purposes of determining the assessed value for computing property tax rates. The commissioner of revenue administration shall compute the rates of all taxes levied by the state, county, municipality, school district and every other taxing district in which the district is located on this aforementioned assessed value. The assessors shall extend all rates against the total current assessed value, including that portion of the captured assessed value which the municipality is retaining for the development district only. In each year for which the current assessed value exceeds that original assessed value, the municipal tax collector shall remit to the municipality that proportion of all taxes paid on real property in the district that the retained captured value bears to the total current assessed value in the district. That amount is referred to as the tax increment for that year.

(c) In any year in which the current assessed value of the development district is equal to or less than the original assessed value, the assessors shall compute and extend taxes against the current value. Taxes shall be distributed from the affected property to each of the taxing authorities as determined by the current levy and there is no tax increment.

IV. The municipality shall expend the tax increments received for any development program only in accordance with the tax increment financing plan. Tax increments shall be used only to pay off costs and administrative expenses incurred in developing the district.

Source. 1979, 175:2. 1999, 303:13. 2000, 222:1-3, eff. April 1, 2000.

Section 162-K:11

162-K:11 Annual Report. – The municipality's annual report shall contain a financial report for any development district in the municipality. The report shall include at least the following information: the amount and source of revenue of the district, the amount and purpose of expenditures, the amount of principal and interest on any outstanding bonded indebtedness, the original assessed value of the district, the captured assessed value retained by the district, the tax increments received and any additional information necessary to demonstrate compliance with the tax increment financing plan.

Source. 1979, 175:2, eff. Aug. 5, 1979.

Section 162-K:12

162-K:12 Maintenance and Operation. – Maintenance and operation of the systems and improvements constructed under this chapter shall be under the supervision of the district administrator. The cost of maintenance and operation of the non-revenue-producing facilities together with excess of costs of operation and maintenance of revenue-producing facilities, if any, shall be charged against the development district in which it is located. The charges against each property within the district shall be in proportion to the benefit to the properties within the district 60 days before the budget submission date. The district administrator shall submit to the governing body of the municipality the maintenance and operating budget for the following year, and the prorated share of the budget to be charged to each property in the district. The budget for the district as approved by the municipality, and pursuant to RSA 32, shall contain necessary appropriations and provisions for collecting charges against affected properties in the district.

Source. 1979, 175:2. 2012, 186:5, eff. June 11, 2012.

Section 162-K:13

162-K:13 Administration. – The municipality may create a department or designate an existing department or office or agency or municipal housing and redevelopment authority, or form a corporation under RSA 292, to administer development districts. The district administrator may, subject to such rules and limitations as may be adopted by the governing or legislative body, be granted the power to:

- I. Acquire property or easements through negotiations;
- II. Enter into operating contracts on behalf of the municipality for operation of any of the facilities authorized to be constructed under this chapter;
- III. Lease space to private individuals or corporations within the buildings constructed under this chapter;
- IV. Lease or sell land and lease or sell air rights over structures constructed under this chapter;
- V. Enter into contracts for construction of several facilities or portions thereof authorized under this chapter;
- VI. Contract with the housing and redevelopment authority of the municipality for the administration of any or all of the provisions of this chapter;
- VII. Certify to the governing body of the municipality, for acquisition through eminent domain, property that cannot be acquired by negotiation, but is required for implementation of the development program;
- VIII. Certify to the governing body of the municipality the amount of funds, if any, which must be raised through sale of bonds to finance the program for development districts;
- IX. Apply for grants from the government of the United States or other source.

Source. 1979, 175:2, eff. Aug. 5, 1979.

Section 162-K:14

162-K:14 Advisory Board. –

I. The legislative body of the municipality shall create an advisory board for each development district. The board shall consist of such number of members appointed or elected as determined by the legislative body. A majority of members shall be owners or occupants of real property within or adjacent to the development district. In a substantially residential development district, however, the board shall consist solely of owners or occupants of real property within or adjacent to the district.

II. The advisory board shall advise the governing body and district administrator on planning, construction and implementation of the development program and on maintenance and operation of the district after the program has been completed.

III. The governing body shall by resolution delineate the respective powers and duties of the advisory board and the planning staff or agency. The resolution shall establish reasonable time limits for consultation by the advisory board on the phases of the development program, and provide a mechanism for appealing to the governing body for a final decision when conflicts arise between the advisory board and the planning staff or agency, regarding the development program in its initial and subsequent stages.

Source. 1979, 175:2, eff. Aug. 5, 1979.

Section 162-K:15

162-K:15 Relocation. – Unless they desire otherwise, provision shall be made for relocation of all persons who would be displaced by a proposed development district prior to displacement in accordance with the provisions of RSA 162-K:6. Prior to undertaking any relocation of displaced persons, the municipality shall insure that housing and other facilities of at least comparable quality be made available to the persons to be displaced.

Source. 1979, 175:2, eff. Aug. 5, 1979.

TITLE III

TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 31

POWERS AND DUTIES OF TOWNS

Water and/or Sewer Utility Districts

Section 31:134

31:134 Statement of Purpose. – The establishment of water and/or sewer utility districts will enable municipalities to provide property services at a more intensive level than is provided in the balance of the municipality; provide funds for capital expenditures towards constructing and maintaining those utilities; provide funds for the operation and maintenance of those utilities; and authorize the establishment of charges to owners and users of property within such water and/or sewer utility districts in an amount not to exceed the costs to the municipality of providing such utility services at levels over and above those provided in the balance of the municipality.

Source. 2013, 214:1, eff. Sept. 8, 2013.

TITLE III
TOWNS, CITIES, VILLAGE DISTRICTS, AND
UNINCORPORATED PLACES

CHAPTER 31
POWERS AND DUTIES OF TOWNS

Water and/or Sewer Utility Districts

Section 31:135

31:135 Definition. – In this subdivision, "water and/or sewer utility" means an entity established for the acquisition, operation, and management of water and sewer infrastructure.

Source. 2013, 214:1, eff. Sept. 8, 2013.

TITLE III

TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 31

POWERS AND DUTIES OF TOWNS

Water and/or Sewer Utility Districts

Section 31:136

31:136 Water and/or Sewer Utility Authorized; Intermunicipal Agreement. –

I. For the purposes of this subdivision, the legislative body of any city or town shall have the authority by a majority vote to establish one or more water and/or sewer utility districts and designate a water and/or sewer utility commission to be the governing body to manage the activities of the district.

II. In the case where a utility district encompasses land within more than one municipality, the district may be authorized by majority vote of the legislative bodies within each affected jurisdiction in accordance with the terms of an intermunicipal agreement under RSA 53-A:3. Such agreement shall be contingent upon approval of the legislative bodies of each of the parties to the agreement, and shall, in addition to the requirements of RSA 53-A:3, II, specify the following:

(a) The source of the water.

(b) The disposition of sewage.

III. For a water and/or sewer utility that encompasses more than one municipality, the intermunicipal agreement shall create the water and/or sewer utility commission and representation on such commission shall be proportional to the number of the owners or users, or both, of properties in the water and/or sewer utility district as defined by the intermunicipal agreement.

Source. 2013, 214:1, eff. Sept. 8, 2013.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 31 POWERS AND DUTIES OF TOWNS

Water and/or Sewer Utility Districts

Section 31:137

31:137 Commissioners. – For the convenient management of any water and/or sewer utility district, a municipality shall vest the construction, management, control, and direction of such district in a board of commissioners to consist of 3, 5, or 7 citizens of each municipality, the commissioners to have such powers and duties as the municipality may prescribe. Their term of office shall be for 3 years and until their successors are elected and qualified. The first board of commissioners may be chosen for terms of one, 2, and 3 years, respectively.

Source. 2013, 214:1, eff. Sept. 8, 2013.

TITLE III
TOWNS, CITIES, VILLAGE DISTRICTS, AND
UNINCORPORATED PLACES

CHAPTER 31
POWERS AND DUTIES OF TOWNS

Water and/or Sewer Utility Districts

Section 31:138

31:138 Election or Appointment. –

I. The board of commissioners may be elected by the legal voters of the municipality at any meeting or election at which the provisions of this subdivision are accepted, or at any special meeting or election thereafter called for that purpose, and their successors shall be elected at each annual meeting or election thereafter in the manner or form as the municipality may determine.

II. The board of commissioners may be appointed by the mayor and board of aldermen or city council or by the selectmen of the town in the manner or form as the municipality may determine.

Source. 2013, 214:1, eff. Sept. 8, 2013.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 31 POWERS AND DUTIES OF TOWNS

Water and/or Sewer Utility Districts

Section 31:139

31:139 Services Provided; Cost. –

I. The services provided by a water and/or sewer utility district under this subdivision may include property-related services, including but not limited to providing public drinking water and water for domestic uses; water for fire suppression; and wastewater management; related construction, operation, and maintenance of capital facilities needed in the performance of these services; and other business development services and activities related to the maintenance of an attractive, useful, and economically viable business environment within the district. These services and activities may be either those of a routine nature provided for all properties, or may be particular to those in the water and/or sewer utility district.

II. The legislative body of each municipality shall define the water and/or sewer utility district, select specific services and levels of services to be provided, and, subject to RSA 31:137, authorize the department, agency, or other party that is to undertake the work.

III. The costs of providing services in the water and/or sewer utility district shall be those accruing to the municipality, which result exclusively from the provision of services in the district, and which exceed those being provided in the balance of the municipality.

Source. 2013, 214:1, eff. Sept. 8, 2013.

TITLE III

TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 52-A

SPECIAL ASSESSMENT DISTRICTS

Section 52-A:1

52-A:1 Definitions. – In this chapter:

I. "Improvement plan" means the plan for the special assessment district which sets forth the supplemental public services and facilities to be provided in the district and a plan for providing such services and facilities, including a budget and fee structure, which is approved by the municipal governing body as part of the creation of the special assessment district. An improvement plan shall be updated at least once every 3 years by the governing body.

II. "Proportionate share of the benefits" means that share, or portion, of the value of the total public facilities and service which specially and peculiarly benefits the property upon which they are imposed, as determined under RSA 52-A:3, III.

III. "Public facilities" means capital improvements, including but not limited to transportation, sanitary sewer, solid waste, drainage, potable water, communication infrastructure, and parks and recreational facilities that have a life expectancy of 3 or more years.

IV. "Public services" means the performance by employees, consultants, or agents of functions, operations, design, engineering, planning and maintenance, and repair activities in order to provide public facilities.

V. "Special assessment" means a charge imposed upon properties located within a designated special assessment district by a town or city to pay for public facilities and services which specially benefit the properties upon which they are imposed.

VI. "Special assessment district" means the district in which public facilities and services are to be provided and in which special assessments and charges may be levied and collected pursuant to this chapter to pay for those public facilities and services.

Source. 2015, 240:2, eff. Sept. 11, 2015.

Section 52-A:2

52-A:2 Authority. –

I. Consistent with the provisions of this chapter, any town or city may establish special assessment districts for a part of the area of the town or city, within which may be provided public facilities and services from funds derived from service charges, special assessments, or other charges within the special assessment district.

II. For the purpose of providing public facilities and services within any special assessment district, the town or city may levy and collect service charges, special assessments, or other charges within the district, and borrow and expend money, and issue bonds, notes, and other obligations of indebtedness, which powers shall be exercised in the manner and subject to the limitations provided by this chapter and by the general laws of the state.

III. The provisions of this chapter shall not affect or limit any other provisions of law authorizing or providing for the furnishing of public facilities and services or the raising of revenue for these purposes. A town or city may use the provisions of this chapter instead of, or in conjunction with, any other method of financing part or all of the cost of providing the public facilities and services authorized under this chapter.

Source. 2015, 240:2, eff. Sept. 11, 2015.

Section 52-A:3

52-A:3 Requirements for Special Assessment Districts. – A special assessment district shall meet the following requirements:

I. Public facilities and services for which special assessments are levied and collected must peculiarly and specially benefit the properties upon which the special assessments are imposed.

II. Special assessments levied and collected pursuant to a designated special assessment district shall not exceed a proportionate share of the benefits received by the property upon which the special assessments are imposed.

III. The proportionate share of the benefits received by the properties upon which a special assessment is imposed shall be calculated and apportioned by using any equitable means of assessment and apportionment which the governing body of the municipality may prescribe, including but not limited to square footage, front-footage, increased value, number of dwelling units, distance from the public facility, traffic generation, or other impact generation factors, or any combination thereof.

Source. 2015, 240:2, eff. Sept. 11, 2015.

Section 52-A:4

52-A:4 Procedures for Initiation of Special Assessment Districts. –

I. Proceedings for the establishment of a special assessment district may be instituted by a petition filed with the governing body. The petition shall:

(a) Describe the boundaries of the territory which is proposed for inclusion in the special assessment district and include a map clearly delineating the boundaries.

(b) Contain a proposed improvement plan, as defined in RSA 52-A:1, I, for the special assessment district.

(c) Be signed by the owners of at least 50 percent of the lots within the proposed district, representing at least 65 percent of the assessed valuation within the proposed district. The name of each property owner signing the petition shall be indicated clearly on the petition, along with a listing by street address or lot number of all properties owned. In the case of any property that is owned jointly or in the name of a corporation, partnership, trust, or other legal entity, the signature and authority of any person purporting to represent the owner or owners shall be presumed valid for that purpose, subject to challenge. In the event of any dispute about the validity of such a signature or the authority of the person purporting to represent the entity, the decision of the governing body shall be conclusive.

(d) Designate a representative of the petitioners solely for the purpose of payment of mailing costs under RSA 52-A:5, I.

II. If the governing body finds that the petition is signed by the requisite number of petitioners under subparagraph I(c), that finding shall be final and conclusive.

Source. 2015, 240:2, eff. Sept. 11, 2015.

Section 52-A:5

52-A:5 Establishment of District. –

I. Within 15 days after receipt of a petition that satisfies the requirements of RSA 52-A:4, the governing body shall notify the petitioners' representative that it has determined the petition to be sufficient and shall request payment of the cost of mailing notice under paragraph II.

II. Within 60 days after receipt of payment under paragraph I, the governing body shall hold a hearing on the establishment of the special assessment district. Written notice of the date, time, and location of the hearing, together with a copy of the proposed improvement plan, or a summary of the plan, and a description of the proposed boundaries of the district, shall be posted in 2 public places in the municipality, one of which may be on the municipality's Internet website. Written notice shall also be sent by first-class mail at least 30 days before the hearing to the owner of each property within the boundary of the proposed district. For each property, notice shall be sent to the person and address listed in the municipality's property tax records. In the case of property

under a condominium or similar form of collective ownership, notice shall be sent to the officers of the collective or association, as defined in RSA 356-B:3, XXIII. In the case of property under a manufactured housing park form of ownership as defined in RSA 205-A:1, II, notice shall be sent to the manufactured housing park owner. In the case of 2 or more properties owned by the same person or persons, a single notice shall be sufficient.

III. At the public hearing, the proposed improvement plan shall be presented in writing. The governing body shall obtain public comment regarding the plan and the effect that creation of the proposed special assessment will have on the property owners, tenants, and others within the district. Any proposed changes to the improvement plan shall be submitted in writing at the hearing. The hearing may be continued one or more times, and additional notice shall not be required if the date, time, and location of the continued hearing are announced at the hearing and are included in the minutes of the hearing.

IV. Within 45 days after the conclusion of the public hearing, the governing body, in its sole discretion, shall either approve or disapprove establishment of the special assessment district. Approval shall be based upon the improvement plan presented at the hearing, subject only to changes that were presented in writing at the hearing and other minor technical changes. If the governing body approves establishment of the district, it shall declare the district organized and describe the boundaries and service area of the district. Upon such declaration, the district may commence operations and the municipality may impose and collect special assessments as provided in the improvement plan and in this chapter.

V. In establishing the boundaries of a special assessment district, the governing body may alter the exterior boundaries of a special assessment district to include less territory than that described in the notice of the public hearing, but it may not include any territory not described in the notice of the public hearing.

VI. In designating the types of public facilities and services to be provided in a special assessment district, the governing body may eliminate one or more of the types of public facilities or services specified in the improvement plan, but it may not include any types of public facilities or services not specified in the improvement plan.

Source. 2015, 240:2, eff. Sept. 11, 2015.

Section 52-A:6

52-A:6 Method of Appropriation. – The municipality shall adopt a budgetary appropriation for capital and operating expenditures in a special assessment district as part of its budget process. The expense of constructing and maintaining the public facilities and performing public services described in the improvement plan, or paying off any capital debt or interest incurred in constructing or maintaining the public facilities on an annual basis, shall be included in the budgetary appropriation. At the end of each fiscal year, a full accounting of expenditures shall be made.

Source. 2015, 240:2, eff. Sept. 11, 2015.

Section 52-A:7

52-A:7 Assessment and Collection of Special Assessments. – Upon adoption of the budgetary appropriation, the municipality may levy assessments in an amount necessary to fund the appropriation, net of other revenues applied to the appropriation. The assessments shall be made against the owners of properties in the special assessment district based on their proportionate shares of the benefits as determined by the governing body. Government property and nonprofit organizations within the district shall be subject to the assessments. The special assessments shall be assessed and collected in the same manner as property taxes under RSA 76 and RSA 80 and be subject to the same penalties and the same procedure and sale in case of delinquency. The town or city shall commit a special assessment to the tax collector with a warrant signed by the appropriate municipal officials requiring the tax collector to collect them. The tax collector shall have the same rights and remedies, including a lien on the real estate, and be subject to the same liabilities in relation thereto as in the collection of taxes as provided in RSA 80.

Source. 2015, 240:2, eff. Sept. 11, 2015.

Section 52-A:8

52-A:8 Use of Proceeds. – Any special assessments collected pursuant to this chapter shall be used, in whole or in part, only for public facilities and services authorized by this chapter or for the payment of the principal and interest of bonds and other obligations of indebtedness for such public facilities and services.

Source. 2015, 240:2, eff. Sept. 11, 2015.

Section 52-A:9

52-A:9 Issuance of Bonds and Other Indebtedness. –

I. A municipality may borrow money and issue bonds or notes to finance the public facilities and services of a special assessment district, provided that bonds or notes may be issued only for the purposes authorized under RSA 33:3 or RSA 33:3-c. All bonds or notes authorized in accordance with this section shall be issued under the procedures in RSA 33, provided that the payments on the bond and note shall be made only from special assessment district revenues.

II. Any such debt shall at no time be included in the net indebtedness of the municipality for the purpose of ascertaining its borrowing capacity under RSA 33.

Source. 2015, 240:2, eff. Sept. 11, 2015.

Section 52-A:10

52-A:10 Priority of Lien. – A special assessment shall be payable at the same time and in the same manner as property taxes assessed under RSA 76 and shall remain a lien, co-equal with the lien of all state, county, district, and municipal taxes, superior in dignity to all other liens, titles, and claims until paid.

Source. 2015, 240:2, eff. Sept. 11, 2015.

Section 52-A:11

52-A:11 Assessment Funds. –

I. The funds received from the collection of special assessments shall be kept as a separate fund to be known as the special assessment fund. The fund shall be allowed to accumulate from year to year, shall not be commingled with municipal tax revenues, and shall not be deemed part of the municipality's general fund accumulated surplus. The fund shall be expended only for the purposes of this chapter.

II. Except when a capital reserve fund is established pursuant to paragraph III, all special assessment funds shall be held in the custody of the municipal treasurer. Estimates of anticipated assessments and anticipated expenditures from the assessment funds shall be submitted to the governing body under RSA 32:6 if applicable, and shall be included as part of the municipal budget submitted to the legislative body for approval. The treasurer shall pay out amounts from the assessment funds only upon order of the governing body. Expenditures shall be within amounts appropriated by the legislative body.

III. All or part of any surplus in the special assessment fund may be placed in one or more capital reserve funds under RSA 35 and placed in the custody of the trustees of trust funds. If such a reserve fund is created, the governing body may expend such funds pursuant to RSA 35:15 without prior approval or appropriation by the local legislative body.

Source. 2015, 240:2, eff. Sept. 11, 2015.

Section 52-A:12

52-A:12 Dissolution of District. – A special assessment district created under this chapter may not be dissolved until all debt incurred with respect to the district is finally discharged and all special assessments

levied for the purpose of paying the debt have been paid or otherwise satisfied. Upon satisfaction of those conditions, the municipality's governing body may dissolve the district, and it shall dissolve the district upon receipt of a petition signed by the number of property owners specified in RSA 52-A:4, I(c). Upon dissolution of the district, all amounts remaining in the special assessment fund shall become part of the municipality's general fund accumulated surplus.

Source. 2015, 240:2, eff. Sept. 11, 2015.