

Resolution No. 8376  
**CITY OF CONCORD**

---

*In the year of our Lord two thousand and ten*

**RESOLUTION     ADOPTING THE PENACOOK VILLAGE TAX INCREMENT  
FINANCE DEVELOPMENT PROGRAM AND FINANCING PLAN  
AND ESTABLISHING THE PENACOOK VILLAGE TAX  
INCREMENT FINANCE DISTRICT**

*The City of Concord resolves as follows:*

**WHEREAS,**            by Resolution No. 6761, adopted October 20, 1997, the City Council adopted the provisions of NH RSA 162-K, as amended, for the purposes of establishing one or more tax increment financing districts within the City of Concord; and,

**WHEREAS,**            the City of Concord has adopted an economic development master plan intended to preserve and broaden the municipality's tax and employment bases, as well as foster redevelopment of vacant, underutilized, or blighted properties; and,

**WHEREAS,**            the City of Concord has determined that Penacook Village is worthy of special redevelopment initiatives and incentives in order to implement the City's economic development and land-use goals and objectives as articulated within the City's 2030 Master Plan; and,

**WHEREAS,**            it is appropriate to create incentives which encourage private reinvestment in Penacook Village that will generate new tax revenues for the City; preserve and enhance the City's employment base; improve the transportation and pedestrian amenities and aesthetic qualities of the Penacook Village and the City's Opportunity Corridor; clean-up blighted areas; and enhance the surrounding historical, architectural, and environmental elements of the community; and,

**WHEREAS,**            per Resolution #8345, the City has entered into a Purchase and Sales / Development Agreement with DEW Crescent Street Properties, L.L.C. concerning the sale and redevelopment of a blighted tract of land located at 4 Crescent Street, Penacook, by leveraging private financing with public investment; and,

**WHEREAS,**            DEW Crescent Street Properties, L.L.C. has committed to construct a 14,800 +/- square foot office building, with the first phase consisting of 9,500 +/- square feet of medical office space; and,

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**WHEREAS,**                    to support redevelopment of 4 Crescent Street and other surrounding properties, as well as to leverage private real estate investment within Penacook in order to maintain and further expand the City's employment and tax base, the City desires to create a Tax Increment Financing District in accordance with the provisions of RSA 162-K.

***NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Concord that:***

1. After holding a public hearing and taking public testimony, the City Council hereby finds that the establishment of the Penacook Village Tax Increment Finance District and the construction of associated public improvements described within the development program and financing plan serve a public purpose pursuant to NH RSA 162-K:5; specifically the preservation and expansion of the City's employment and tax base, as well as redevelopment of vacant, underutilized or blighted properties; and,
2. The City of Concord herein creates the Penacook Village Tax Increment Finance District comprised of the properties as depicted on the map labeled "Penacook TIF District" dated May 1, 2009 (Exhibit 2) and as described in the Legal Description (Exhibit 1), both in the Penacook Village Development Program and Finance Plan, as attached; and
3. In accordance with NH RSA 162-K:6, 162-K:9, and 162-K:10, the City Council herein adopts the Penacook Tax Increment Finance District Development Program and Finance Plan attached; and,
4. In accordance with NH RSA 162-K:13, the administrator of the Penacook Village Tax Increment Finance District shall be the City Manager who shall make an annual finance report to the City Council; and,

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5. In accordance with NH RSA 162-K:14, the City Council hereby creates the Penacook Village Tax Increment Finance District Advisory Board consisting of five people, the majority of whom are landowners or tenants within or adjacent to the tax increment district, as appointed by the City Manager and confirmed by the City Council. Such Board shall meet as deemed necessary by either the City Manager or the Advisory Board membership to examine the operations and maintenance of the project and to make policy recommendations to the City Council as occasion requires; and
6. In accordance with NH RSA 162-K:14, the Penacook Village Tax Increment Finance District Advisory Board shall have thirty (30) days to appeal any decision by the District Administrator to the City Council, which shall be the final authority in any matter or conflicts which may arise between the Advisory Board and the District Administrator regarding the development program.
7. This resolution shall take effect upon passage.

*In City Council*

**June 14, 2010**

*Passed*

*Janice Bottefalo*  
City Clerk

# PENACOOK VILLAGE TAX INCREMENT FINANCE DISTRICT DEVELOPMENT PROGRAM AND FINANCING PLAN

Adopted by Resolution #8376 on June 14, 2010

- 1 **Introduction:** The Penacook Village Tax Increment Financing District Development Program and Financing Plan is designed to encourage the redevelopment of 47.09 +/- acres of land within the vicinity of the former Allied Leather Tannery and Rivco Complexes, as well as Penacook's Central Business District through the construction and reconstruction of infrastructure to support the private redevelopment of the several public and privately owned properties, including, but not limited to, the following:
- the Former Allied Leather Tannery Complex at #35 East Street and #4 Crescent Street;
  - Vacant land at #5-11 East Street;
  - Vacant land at #4-10 Walnut Street;
  - The Former Guinard Gas / Service Station at #336 Village Street; and,
  - The Former Rivco Complex located at #77 and #82 Merrimack Street;

The components of the Development Program and Financing Plan include:

- Statement of Objectives;
- District Boundaries;
- Development Program;
- Financing Plan;
- District Administration; and,
- Advisory Board Responsibilities.

- 2 **Statement of Objectives:** The City Council has identified the following economic development activities within Penacook Village as top priority goals for the past several years:

- Short and long-term expansion of the property tax base;
- Business retention and recruitment;
- Preservation and expansion of employment opportunities;
- Redevelopment of certain Brownfields sites as well as other vacant, underutilized, or blighted properties; and,
- Revitalization of vacant upper floors in historic buildings.

The adoption of the Penacook Village Tax Increment Financing District Development Program and Financing Plan provides a valuable tool for implementing redevelopment activities to address these stated priorities. The initiative of creating the Penacook Village Tax Increment District aggressively pursues the following objectives:

- Creation and incentivizing of redevelopment opportunities;
- Improvement of the aesthetic character of Penacook Village;
- Expansion of the property tax base;
- Construction, expansion, and rehabilitation of public parking areas, streets, utilities, and pedestrian ways to provide improved access and

expanded capacities required to encourage private investment in property within the District;

- Construction or rehabilitation of parks, public walks and scenic pathways (including “river walks”), and other public spaces in order to reinforce and promote Penacook’s unique sense of place and quality of life;
- Removal of blighted land uses; and,
- Improvement of transportation components to permit the efficient use of land for redevelopment.

**3 District Boundaries:** The boundaries of the Penacook Village Tax Increment Finance District are hereby established as follows:

- Beginning at a point at the intersection of the westerly sideline of Village Street with the municipal boundary line of Concord and Boscawen, said point also being the northeast corner of Map P001, Block 5, Lot 4; thence
- Easterly along the municipal boundary line of Concord and Boscawen to the most northerly corner of Map P003, Block 1, Lot 10, said point also being on the westerly line of the Merrimack River; thence
- Southeasterly, easterly, and then southwesterly along Map P003, Block 1, Lot 10 and the westerly line of the Merrimack River to a point on the westerly line of Map P003, Block 1, Lot 3; thence
- Southwesterly along Map P003, Block 1, Lot 3 and Map P003, Block 1, Lot 4 to the most westerly corner of Map P003, Block 1, Lot 4; thence
- Southeasterly along Map P003, Block 1, Lot 4 to the northerly sideline of Merrimack Street; thence
- Southwesterly along the northerly sideline of Merrimack Street to the most easterly corner of Map P003, Block 1, Lot 6; thence
- Northwesterly along Map P003, Block 1, Lot 6 to the most northerly corner of Map P003, Block 1, Lot 6; thence
- Southwesterly along Map P003, Block 1, Lot 6 and Map P003, Block 1, Lot 7 to the most westerly corner of Map P003, Block 1, Lot 7; thence
- Southeasterly along Map P003, Block 1, Lot 7 and the southerly extension of its westerly line to its intersection with the southerly sideline of Merrimack Street; thence
- Westerly along the southerly sideline of Merrimack Street to the most westerly corner of Map P004, Block 2, Lot 10; thence

- Southeasterly, southwesterly, westerly, and then northwesterly along the perimeter of Map P005, Block 2, Lot 11 to the most northerly corner of Map P005, Block 2, Lot 9; thence
- Southwesterly along Map P005, Block 2, Lot 9 and the southwesterly extension of its northerly line to its intersection with the westerly sideline of Rolfe Street; thence
- Northwesterly along the westerly sideline of Rolfe Street to its intersection with the southerly sideline of Merrimack Street; thence
- Southwesterly along the southerly sideline of Merrimack Street to its intersection with the southeasterly extension of the southerly sideline of MacCoy Street; thence
- Northwesterly along the extension of the southerly sideline of MacCoy Street to its intersection with the northerly sideline of Merrimack Street; thence
- Continuing northwesterly along the southerly sideline of MacCoy Street to its intersection with the southerly sideline of Walnut Street; thence
- Southerly and southwesterly along the southerly sideline of Walnut Street to the northeasterly corner of Map P002, Block 3, Lot 12; thence
- Southeasterly along the easterly line of Map P002, Block 3, Lot 12 to the southeasterly corner of Map P002, Block 3, Lot 12; thence
- Southwesterly along the southerly line of Map P002, Block 3, Lot 12 and Map P002, Block 3, Lot 11 to the easterly sideline of Community Drive; thence
- Southeasterly along the easterly sideline of Community Drive to its intersection with the northerly sideline of Merrimack Street; thence
- Southwesterly across Community Drive and Merrimack Street to the intersection of the westerly sideline of Community Drive with the southerly sideline of Merrimack Street; thence
- Southwesterly along the southerly sideline of Merrimack Street to the most westerly corner of Map P001, Block 10, Lot 3; thence
- Northwesterly along the southerly extension of the westerly line of Map P001, Block 9, Lot 4 to the southwesterly corner of Map P001, Block 9, Lot 4; thence

- Northwesterly along the westerly line of Map P001, Block 9, Lot 4 to the southwesterly corner of Map P001, Block 9, Lot 8; thence
- Easterly along the southerly line of Map P001, Block 9, Lot 8 to the southeasterly corner of Map P001, Block 9, Lot 8; thence
- Northwesterly along the easterly line of Map P001, Block 9, Lot 8 to the southerly sideline of Sanders Street; thence
- Westerly along the southerly sideline of Sanders Street to the intersection of the westerly extension of the southerly sideline of Sanders Street with the westerly sideline of Village Street; thence
- Northerly along the westerly sideline of Village Street to its intersection with the municipal boundary line of Concord and Boscawen and the point of beginning.

Meaning and intending to describe a Tax Increment Finance District within the Village of Penacook, City of Concord, Merrimack County, State of New Hampshire, as shown on a plan entitled Penacook TIF District, City of Concord, New Hampshire, with a printed date of May 1, 2009, prepared by the Concord Community Development Department, Engineering Services Division, included as Exhibit 1 of this document.

In cases where the District boundaries are shown on the centerline of any street, the boundary of the District shall be interpreted to extend to include the entire road right-of-way.

- 4 **Determination of Compliance with RSA 162-K:5 District Limitations:** In Accordance with RSA 162-K:5, the City has conducted an analysis of the Penacook Village Tax Increment Financing District as well as the North End Opportunity Corridor Tax Increment Financing District (NEOCTIF) and the Sears Block Tax Increment Financing District (Sears TIF) to insure that the Penacook Village TIF District will not cause the City to exceed the following statutory limitations:

- A. Land Area: Per RSA 162-K:5, the total acreage included in any one development district when designated shall not exceed five percent (5%) of the total acreage of the municipality, and when added to the total current acreage within the development districts for which tax increment financing bonds remain outstanding shall not exceed ten percent (10%) of the total acreage of the municipality. An analysis of these requirements is presented in the table below:

**Table 1: Land Area Calculations**

	Data	Notes
Total Land Area in Concord (Acres)	41,100.00	
5% of City's total land area (Acres)	2,055.00	
10% of City's total Land area (Acres)	4,110.00	
NEOCTIF District (Acres)	42.85	City of Concord Engineering Dept
Sears Block TIF District (Acres)	11.00	City of Concord Engineering Dept
Penacook Village TIF District (Acres)	47.09	City of Concord Engineering Dept
Combined Total (Acres)	100.94	

B. Assessed Value: The total assessed value of taxable real property of any one development district when designated shall not exceed eight percent (8%) 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 sixteen percent (16%) of the most recent total assessed value of taxable real property in the municipality. An analysis of these requirements is presented in the table below:

**Table 2: Assessed Value Calculations**

	Data	Notes
Taxable Real Property Value in Concord	\$4,321,396,542	City Assessing Dept 4/2/2009
8% of total taxable real property	\$345,711,723	
16% of total taxable real property	\$691,423,447	
NEOCTIF District	\$50,223,600	City Assessing Dept as of April 1, 2008
Sears Block TIF District	\$24,496,300	City Assessing Dept as of April 1, 2008
Penacook Village TIF District	\$11,149,600	City GIS Query, May 2008
Combined Total	\$85,869,500	

**FINDING:** Based upon this information, the City has determined that the Penacook Village Tax Increment Financing District, in combination with the other existing tax increment financing districts, shall not exceed the taxable value or land area limitations set forth within RSA 162-K:5 at the time of adoption. In addition, there remains a significant capacity, both in terms of allowable value and allowable land area, for the creation of additional tax increment finance districts as deemed necessary by the City Council.

**5** **Development Program:** In accordance with RSA 162-K:6, the following shall serve as the City's Development Program for the Penacook Village Tax Increment Financing District.

A. **Public Facilities To Be Constructed Within District:** In accordance with RSA 162-K:6,I, the City may construct the following public facilities within the District:

- Reconstruction of existing public roads, as follows:
  - ✓ East Street (roughly between Boscawen Town Line and Community Drive);
  - ✓ Crescent Street (roughly between Boscawen Town Line and East Street); and,
  - ✓ Realignment and reconstruction of the Walnut Street, East Street, Crescent Street intersection, including removal of the Walnut Street slip lane.
- Reconstruction or construction of sidewalks along public roadways within the District, as follows:
  - ✓ Crescent Street, between the municipal boundary and East Street; and,
  - ✓ East Street, between MacCoy Street and Community Drive.
- Relocation, reconstruction, or construction of utilities, as follows:
  - ✓ Replacement of an existing water main within Crescent Street (360 +/- LF);
  - ✓ Replacement of an existing water main within East Street (240 +/- LF);
  - ✓ Replacement of an existing water main within Walnut Street (200 +/- LF);
  - ✓ Consolidation and relocation of aerial utilities at 4 Crescent Street to the south side of East Street (between MacCoy and Walnut Streets); and,
  - ✓ Reconstruction and replacement of drainage systems associated with East, Crescent, and Walnut Streets.
- Construction of streetscape amenities, including street trees and gateway signage along portions of East Street.
- Any other facilities permitted by RSA 162-K.

- B. Environmental Remediation of Municipally Owned Property & Acceptance of Grants: In addition to public facilities to be constructed, the City may also complete environmental cleanup, remediation, and monitoring of municipally owned real estate within the District, including, but not limited to, the former Allied Leather Tannery Complex at 4 Crescent Street and 35 East Street. The City shall have the authority to accept grants from the Federal government, State of New Hampshire, or other entities to finance remediation activities.
- C. Open Space Created Within District: In accordance with RSA 162-K:6,I, development and redevelopment within the Penacook Village Tax Increment Finance District will enhance open space elements of the City of Concord by providing redevelopment opportunities for commercial and residential uses on previously developed and, in some cases, contaminated properties thereby reducing development pressure on so-called "green field sites" (or virgin, undeveloped lands) to fulfill the demand for commercial and residential development with the City.

Beyond these global benefits, it is anticipated that redevelopment of the Former Allied Leather Tannery property at 35 East Street will include a new public park / "river walk" along the Contoocook River. In addition, in the future, the City may amend this Development Program and Financing Plans to make improvements to the so-called Walnut Street Park, a 2 +/- acre undeveloped passive recreational area bounded by East Street, Walnut Street, and MacCoy Street.

- D. Environmental Controls to be Applied: In accordance with RSA 162-K:6,I development or redevelopment which occurs within the Penacook Village Tax Increment Financing District shall to comply with all applicable environmental regulatory controls to assure development and redevelopment activities do not harm the health, safety, and general welfare of the community.

Applicable environmental controls which shall govern development and redevelopment activity within the District shall include, but not be limited to, the following:

- City of Concord Subdivision Regulations;
- City of Concord Large Scale Development Regulations (a.k.a. Site Plan Review Regulations);
- City of Concord Code of Ordinances;
- City of Concord Zoning Ordinance;
- City of Concord Building and Life Safety Codes;

- State and Federal Laws, Codes, Rules, Regulations, and Standards related to abatement of hazardous materials and environmental contamination (if applicable); and,
- Any other applicable State or Federal Laws, Codes, Rules, Regulations, or Ordinances.

E. Proposed Reuse of Private Property: In accordance with RSA 162-K:6,I private property within the District shall be developed or redeveloped in accordance with the goals, objectives, or standards as set by the following City documents, as amended: City of Concord's Master Plan, Zoning Ordinance, Subdivision Regulations, and Site Plan Review Regulations.

F. Operations and Maintenance of the District: When redevelopment within the District is concluded, the City shall maintain the following:

- 1,460 +/- linear feet of reconstructed roadways (East, Crescent, Walnut, and MacCoy Streets), including street trees and gateway signage on the north side of East Street between Crescent and the City's municipal boundary with the Town of Boscawen;
- 1,830 +/- linear feet of new or reconstructed sidewalks along East, Crescent, and Walnut Streets; and,
- 800 +/- linear feet of reconstructed water line within East, Crescent, and Walnut Streets.

In accordance with RSA 162-K:6,I, the City shall operate and maintain all newly constructed or renovated public infrastructure to the same standard as all other municipally owned infrastructure located elsewhere within Concord. Maintenance shall include, but not be limited to the following as resources allow:

1. Snow plowing, sweeping, paving, and patching of City streets, sidewalks, and municipal parking lots;
2. Painting of cross walks and pavement markings;
3. Maintenance of street and gateway signage;
4. Cleaning of storm drains and catch basins;
5. Mowing, trimming, pruning, or replacement of landscaping;
6. Replacement of street lights;

7. Maintenance of water and sewer mains; and,
8. Any other activities permitted by Law for the operation and maintenance of the District.

The cost of maintenance and operation of the improvements within the District shall be charged against the incremental revenues generated by the new development within the TIF, or as necessary or appropriate, such costs shall become an obligation of the General Fund, Water Fund, Sewer Fund, or other appropriate City fund.

G. Reporting: In accordance with RSA 162-K:11, the City will maintain records of financial activity of the District in accordance with Generally Accepted Accounting Principles. 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 other additional information necessary to demonstrate compliance with the tax increment financing plan.

The City will include the financial reporting requirement in the Comprehensive Annual Financial Report (CAFR).

H. Acquisition of Property and Easements: In accordance with RSA 162-K:6,III, the City shall have the authority to acquire real estate, either in fee or by easement and subject to available funds, in order to facilitate development or redevelopment activities within the Penacook Village Tax Increment Financing District.

The City shall acquire (or, as required, convey) temporary construction easements and permanent utility easements as may be needed. The construction easements shall expire upon completion of construction.

If necessary, permanent easements shall be retained for future upgrades and maintenance of utilities.

I. Relocation and Displacement: In accordance with RSA 162-K:6,II, the City does not anticipate the need to relocate persons, families, business concerns, or others due to publicly financed development activities within the Penacook Village Tax Increment Financing District. However, in the event relocations of residences or businesses becomes necessary, the City shall undertake such relocations as follows:

- Households and Businesses: In the event relocation of households or businesses becomes necessary as a result of improvements to publicly owned property and infrastructure, the City shall make reasonable efforts to relocate such households or businesses through negotiation. In the event relocation is necessitated through an eminent domain action, the City shall facilitate required relocations in accordance with the Uniform Relocation Act.
- Utilities: Relocation of some privately owned public utility poles and wires is anticipated as a result of development within the District. All relocations are intended to remain as aerial. However, the City shall have the ability to bury such utilities underground pending available funds. Relocation of all such utilities shall be conducted in conjunction with the affected utility companies. In the case of utility relocations to accommodate private development, the City or private developers shall finance such relocations. In the case of utility relocations to facilitate highway improvements, the private utilities shall be required to finance such relocations at their cost in accordance with laws of the State of New Hampshire.

J. Other Program Activities:

- Streetscape Improvements:
  - a. Streetscape Amenities: During redevelopment of the former Allied Leather Tannery site, the sidewalks and edges of pavement on East Street, Crescent Street, Walnut Street, MacCoy Street, Community Drive, and others might be disturbed due to the construction of the new private development and associated public improvements. The amenities on those sidewalks and streets will be reconstructed to meet contemporary standards including lighting systems, street furniture, landscaping of streets and public property, and other systems compatible with the character of the District. The cost of constructing these improvements shall be derived from the TIF bond proceeds and other funds as described within the Financing Plan.

- b. Streets: Streets shall be reconstructed, as necessary, to meet contemporary standards. The cost of reconstructing these improvements shall be derived from the TIF bond proceeds and other funds as described within the Financing Plan.
- Property Disposition: The City shall convey all or portions of the former Allied Leather Tannery parcels at 4 Crescent Street and 35 East Street, at prices approved by the City Council, to private developers in order to promote redevelopment of these properties. As part of these conveyances, the City shall retain whatever easements or other rights it may require for public improvements at those properties.

**6 Financing Plan (Exhibit 3)**

- A. Statement of Objectives – See Section 2.
- B. Estimated Costs of the Public Improvements: The City anticipates approaching the public improvements in multiple phases as each City supported private development within the District progresses.

The summary below represents the anticipated costs and source of funds for the initial phase of improving public facilities and infrastructure necessary to support redevelopment of property located at 4 Crescent Street and “0” East Street. As additional phases of improvements are proposed, the City shall amend this Financing Plan in accordance with the applicable provisions of RSA 162-K.

**Table 3: Proposed Development Program Costs**

Item	Estimated Cost
Roads, Sidewalks, Drainage, and Streetscape Improvements	\$538,450
Utility Pole Consolidation & Relocation	\$64,165
Water Main Improvements	\$329,000
Sewer Main Improvements	\$13,000
Survey, Design, Permitting, Construction Oversight	\$132,935
Bond Costs & Capitalized Interest	\$31,900
<b>Total Project Cost</b>	<b>\$1,109,450</b>

**Table 4: Proposed Sources and Uses of Development Financing**

<b>Funding Source</b>	<b>Resolution # 1 (Water Appropriation)</b>	<b>Resolution # 2 (TIF Appropriation)</b>	<b>Resolution #8347 February 8, 2010</b>	<b>Total</b>
<b>General Obligation Bonds</b>				
1. Tax Increment Finance (TIF) Supported G.O. Bond	\$0	\$285,000	\$0	\$285,000
2. Water Fund Supported G.O. Bond	\$250,000	\$0	\$0	\$250,000
<b>Capital Closeout</b>				
<b>Water Fund Closeout</b>				
1. CIP 84/2008; Water Fund Supported G.O. Bond	\$57,226	\$0	\$0	\$57,226
2. CIP 84/2009; Water Fund Capital Transfer	\$4,000	\$0	\$0	\$4,000
3. CIP 85/2009; Water Fund Supported G.O. Bond	\$5,000	\$0	\$0	\$5,000
4. CIP 372/2009; Water Fund Supported G.O. Bond	\$10,181	\$0	\$0	\$10,181
5. CIP 121/2008; Water Fund Supported G.O. Bond	\$4,052	\$0	\$0	\$4,052
6. CIP 321/2008; Water Fund Supported G.O. Bond	\$74	\$0	\$0	\$74
<b>Sewer Fund Closeout</b>				
1. Pleasant Street Sewer Project; Sewer Fund Supported G.O. Bond	\$11,110	\$0	\$0	\$11,110
2. CIP 93/2004; Sewer Fund Supported G.O. Bond	\$1,173	\$0	\$0	\$1,173
<b>Transportation Closeout (Sidewalks)</b>				
1. CIP 17/2008; General Transportation Improvement Fund	\$0	\$42,656	\$0	\$42,656
2. CIP 17/2008; Highway Block Grant Funds	\$0	\$14,668	\$0	\$14,668
<b>Sewer Fund Capital Outlay</b>	\$1,000	\$0	\$0	\$1,000
<b>Economic Development Reserve Fund (Appropriated in February 2010)</b>	\$0	\$0	\$225,000	\$225,000
<b>Supplemental EDR Fund Appropriation (June 2010)</b>	\$65,000	\$92,900	\$0	\$157,900
<b>Impact Fees (Traffic Impact Fee District 1)</b>	\$0	\$40,000	\$0	\$40,000
<b>TOTAL</b>	<b>\$408,816</b>	<b>\$475,224</b>	<b>\$225,000</b>	<b>\$1,109,040</b>

C. Estimated Annual TIF District Revenues: TIF revenues shall be generated by property taxes levied against new incremental assessed valuation associated with new development within the District after the date of the District's creation.

For the purpose of this Development Program and Financing Plan, the only anticipated revenues will be associated with redevelopment at 4 Crescent Street which shall entail the construction of a 9,500 SF medical office building. The estimated incremental assessed value of this development is \$1.6 million.

Using this information, the calculation for anticipated gross and net operating income for the District is as follows:

**Table 5: Calculation of TIF District Gross and Net Revenues & Supportable Debt Service**

<b>Input</b>	<b>Amount</b>	<b>Notes</b>
Projected Incremental Assessed Value	\$1,600,000	9,500 SF single tenant medical office building per DEW Development Agreement. Excludes potential future development.
Minus Existing Assessed Value of Property	\$0	Property owned by City; results in no base value.
Net Incremental Assessed Value	\$1,600,000	
<b>Tax Rate – Penacook (MVSD Rate)</b>		
City	\$7.49	
County	\$2.69	
School District	\$11.41	
State Education	\$2.42	
Total Tax Rate	\$24.01	Merrimack Valley School District Rate
Gross Annual Tax Increment Revenues	\$38,416	
Debt Service Coverage Ratio (DSCR)	1.2	
Net Tax Increment Revenues After DSCR	\$32,013	
Annual Operating Expenses	(\$10,000)	Preliminary estimate for snow removal, sweeping, landscape maintenance.
Net Operating Income (NOI)	\$22,013	
Bond Yield	4.50%	
Bond Term (Years)	20	
<b>Supportable Debt</b>	<b>\$286,348</b>	<b>Reduced to \$285,000; City only issues bonds to nearest \$5,000.</b>

- D. Estimated Annual Cost of Development District: The estimated annual operating cost of the District is as follows:

Annual Average Debt Service – TIF Bond:        \$22,013\*

\*Represents amounts expected to be available after 1.2 debt service coverage ratio is applied and \$10,000 / year is reserved for TIF District operating expenses. Based solely upon incremental tax revenues from redevelopment of 4 Crescent Street, assuming 9,500 SF medical office building with an assessed value of \$1.6 million and tax rate of \$24.01 / \$1,000 Assessed Valuation. Assumes financing for 20 years at 4.5% interest rate. See Table 5 for calculation.

The amounts of supportable principal are estimated and shall be determined by the actual annual average debt service stipulated in the table below and the actual interest rate payable on the bonds.

- E. Duration of the Program's Existence: It is estimated the tax increment district will exist until the purposes for which it has been created are fulfilled. This includes the repayment or legal defeasement of the debt issued as well as repayment of appropriations from the City's Economic Development Reserve Fund used to fund the development program which are not otherwise repaid through the sale of properties comprising the former Penacook Tannery Complex located at 4 Crescent Street or 35 East Street.
- F. Sale of Municipal Real Estate Within TIF District: As part of the Development Program for the TIF District, the City plans on completing environmental remediation of certain City owned properties; specifically the former Allied Leather Tannery properties at 4 Crescent and 35 East Street. Upon completing remediation activities, the City intends to convey these properties to private entities for the purpose of redevelopment. Revenues generated from the sale of these parcels shall be used to reimburse the City's Economic Development Reserve Fund for previous investments at the Allied Leather Tannery site dating from 2002 by the City prior to creation of this TIF District.
- G. Reimbursement of Previous City Expenditures: Since 2002, the City has invested significant financial resources to foster clean-up and redevelopment of the former Allied Leather Tannery Complex. These appropriations included moneys from the City's Economic Development Reserve Fund as well as a General Obligation Bond. A summary is as follows:

- Economic Development Reserve Fund Appropriations: A total of \$1,189,900 has been appropriated from the City's Economic Development Reserve since 2002 for improvement of municipally owned real estate now incorporated in the Penacook Village TIF District. A summary of such appropriations is as follows:

<u>Resolution</u>	<u>Amount</u>
Resolution # 7330 (June 17, 2002)	\$100,000
Resolution # 7392 (December 9, 2002)	\$100,000
Resolution # 7403 (January 13, 2003)	\$100,000
Resolution # 7506 (August 11, 2003)	\$400,000
Resolution # 7856 (January 9, 2006)	\$107,000
Resolution # 8347 (February 8, 2010)	\$225,000
Resolution # 8366 (May 10, 2010)	\$65,000
Resolution # 8377 (June 14, 2010)	\$92,900
Total	\$1,189,900

These appropriations financed acquisition and improvement of properties now incorporated into the Penacook Village Tax Increment Finance District. As such, TIF revenues generated by the District, beyond those required for TIF supported General Obligation bonds, annual maintenance and operating expenses of the District, and those dedicated to a reserve fund for District, **shall** be allocated to the repayment of all previously appropriated moneys from the City's Economic Development Reserve Fund (listed above); **except** those moneys (if any) deposited into the City's Economic Development Reserve Fund which are generated from the sale of the former Allied Leather Tannery parcels located at 4 Crescent Street and 35 East Street as set forth in Section 6F.

- General Obligation Bond: Secondly, on March 10, 2008 the City Council approved Resolution #8147 which appropriated the sum of \$375,000 in General Fund supported bonds and notes to finance demolition of the former Penacook Mill and other activities pertaining to the redevelopment of the former Allied Leather Tannery Complex. This appropriation was later reduced to \$300,000 by Resolution #8264, approved on April 13, 2009. Because these funds were expended upon City property now currently located within the Penacook Village TIF District, the City may allocate TIF revenues, beyond those required for TIF supported General Obligation bonds, annual maintenance and operating expenses of the District, and those dedicated for District reserve, may be allocated to the repayment of remaining principal and interest payments on said bond, at the sole discretion of the District Administrator.

Prioritization of use of TIF revenues to reimburse the City's Economic Development Reserve Fund or support principal and interest payments for the \$300,000 General Fund supported bond shall be in accordance with Section 6J of this Development Program and Financing Plan.

- H. Estimated Tax Increment Financing Impact on All Related Taxing Jurisdictions: In accordance with RSA 162-K:10, tax revenues generated by the "original assessed value" (also referred to as the "base value") of the District shall continue to accrue to the City's General Fund, as well as the Merrimack Valley School District, the County, and State of New Hampshire. However, all property tax revenues (including those customarily collected for the Merrimack Valley School District, the County, or State of New Hampshire) associated with the "captured assessed value" resulting from development within the District after the District's inception shall be dedicated to defeasement of debt incurred for improvements within the District, or other costs associated with operation and maintenance of the District rather than supporting the City's General Fund, the Merrimack Valley School District, the County, or State of New Hampshire.

Because all property tax revenues associated with taxable property in existence on or before the date the TIF District is enacted will continue to accrue to the Merrimack Valley School District and the County, no direct negative financial impact to these entities will result from the creation of the TIF District. Further, as market conditions warrant, the so-called "original" or "base" assessed value of taxable property within the District shall be adjusted. Assuming long-term appreciation or background growth within the local real estate market, all additional property tax revenues generated by background growth on the original value of real estate within the TIF District shall accrue to the City's General Fund, as well as the Merrimack Valley School District, the County, and State of New Hampshire.

Once all debt issued for public improvements within the District is paid in full and all appropriations from the City's Economic Development Reserve Fund set forth in Section 6G are paid in full (excluding those Economic Development Reserve funds which might be recouped from the sale of the former Allied Leather Complex at 4 Crescent Street or 35 East Street), all property tax revenues generated by new development within the TIF District shall be allocated to the City's General Fund, Merrimack Valley School District, and County at such millage rates which might be in existence at such time as the TIF District is dissolved.

Temporarily diverting incremental tax revenues associated with new development within the TIF District to support the improvements associated therewith is in the best long-term financial interests of the City, Merrimack Valley School District, as well as the County or the State of

New Hampshire because without the incentives for new development created by the TIF District, blighted or vacant properties would not be redeveloped by the private sector. Consequently, any additional incremental long-term tax revenues associated with said potential redevelopment of property within the TIF District would never be realized.

- I. Captured Value Dedicated Towards Retirement of Bonds and Notes: One hundred percent (100%) of the captured value of the District shall first be dedicated for the payment of the tax increment supported bonds and notes in accordance with NH RSA 162-k:10,II,a, as well as any other legal purpose as set forth within State Law as well as this Development Program and Financing Plan.
  
- J. Annual Allocation of Captured Value: Any annual Tax Increment Revenues from the Penacook Village Tax Increment District, together with any unexpended balances of such Revenues from prior years, that exceed the amount necessary annually to meet (i) current debt service payments on the portion of the bonds designated in TIF Plan as payable from Tax Increment Revenues, (ii) costs of maintenance and operation of the District in excess of available revenues and (iii) debt service payments on the Bonds to be due in the next fiscal year shall be used to reimburse the following funds of the City in the following order for project costs, or debt service related thereto, heretofore or hereafter paid from such funds, plus interest:
  1. The General Fund, to reimburse any payments from such Fund required for debt service on bonds issued for the project due to insufficient Tax Increment Revenues;
  2. A reserve fund established for the Penacook Village TIF District for the purpose of satisfying existing or future debt service or operation and maintenance costs; or,
  3. To repay the City's Economic Development Reserve Fund for moneys previously allocated to the redevelopment of the former Allied Leather Tannery Complex (CIP 508) as set forth in Section 6E which are not otherwise recouped through the sale of former Allied Leather Tannery properties located at 4 Crescent Street or 35 East Street; or,
  4. To repay bonds issued by Resolution #8147 in the amount of \$375,000, later revised and reduced by Resolution #8264 to \$300,000 for demolition of the Penacook Mill in 2008 (CIP 508); if so desired by the District Administrator and the City Council,

- K. Ability to Accept, Appropriate, and Administer Grant Funds: Per RSA 162-K:7, the City shall have the ability to accept, appropriate, and administer grants or other financial assistance from the government of the United States, the state of New Hampshire or any other entity to finance design or construction of public improvements (including environmental remediation of municipally owned property within the District) as well as annual operating and maintenance costs.

As of the date of adoption of this TIF Development Program and Financing Plan, the City had a \$380,586 ARRA "Stimulus" Brownfields Cleanup Grant pending for environmental clean-up of municipally owned property within the TIF District located at 4 Crescent Street and 35 East Street.

Acceptance of grants shall not require amendment of the District's Development Program or Financing Plan.

- 7 **District Administration:** The administration of the District shall be by the City Manager who shall make an annual financial report to the City Council.
- 8 **Advisory Board Responsibilities:** In accordance with RSA 162-K:14, the City Council shall pass a resolution which shall create an Advisory Board for the District. The same resolution shall incorporate the provisions of RSA 162-K:14 and stipulate the powers and authority of the Advisory Committee.

The Advisory Board shall have thirty (30) days to appeal any decision of the District Administrator to the City Council for review and appropriate action. The Advisory Board shall meet only as needed, either as determined by the Chair of the Advisory Board, the Mayor, or the City Manager, to examine the operations and maintenance of the project.

The Advisory Board shall advise the governing body and the District Administrator on planning, construction, and implementation of the development program and on the maintenance and operation of the District, after the program has been completed, until such time as the bonds and notes have been paid off and the district is dissolved.

- 9 **Conflicts with RSA 79-E Community Revitalization Tax Relief Program:** The City Council and the Tax Increment Advisory Board recognize that portions of the Penacook Village Tax Increment Financing District overlap with the RSA 79-E Community Revitalization Tax Relief program area. The City Council and the TIF Advisory Board further recognize that Tax Increment Financing as permitted by RSA 162-K and the Community Revitalization Tax Relief Program as permitted by RSA 79-E are separate and independent economic development tools which have been created by the State of New Hampshire and adopted by the City of Concord.

In accordance with RSA 79-E:5, qualifying structures within the RSA 79-E Community Revitalization Tax Relief District which are substantially rehabilitated or demolished and replaced so as the cost of the improvements is at least fifteen percent (15%) of the qualifying structure's pre-rehabilitation assessed valuation or \$75,000 (whichever is less) are eligible to receive tax abatement relief for a minimum period of up to 5 years on the value of said renovations. Further, the period of tax abatement relief on the value of the renovations may be extended by the City Council for a period not to exceed 15 years from the date renovations are completed, pending compliance with certain criteria set forth within RSA 79-E:5. The City's participation within the RSA 79-E program is strictly optional. Further, the City is under no obligation to grant any tax abatement relief under the 79-E program.

The City desires rehabilitation, redevelopment, and development of real estate within the Penacook Village TIF District as these activities create "captured assessed value". The property tax revenues generated by such "captured assessed value" can be used to support additional improvements to public infrastructure as well as operations and maintenance activities within the District. Granting of tax abatement relief in accordance with RSA 79-E for properties located within the Penacook Village TIF District hampers the TIF District's ability to support debt service for improvements constructed by the City as well as the District's capacity to finance operational or maintenance activities.

Therefore, the following policy shall govern granting of tax abatement relief in accordance with RSA 79-E to eligible properties within the Penacook Village Tax Increment Finance District until such time as the TIF District expires or is rescinded:

- A. In accordance with RSA 79-e:4,VI, the City shall not grant RSA 79-E benefits when it determines in its sole discretion that the granting of tax relief will impede, reduce, or negatively affect:
  - i. The Penacook Village TIF District development program or financing plan; or,
  - ii. The ability to satisfy or expedite repayment of debt incurred by the Penacook Village TIF District; or,
  - iii. The ability to satisfy program administration, operating, or maintenance expenses within the Penacook Village TIF District.
- B. Approval of RSA 79-E tax abatement relief applications by the City Council for properties within the Penacook Village TIF District shall be generally discouraged, except in cases whereby the applicant can demonstrate to the City Council's satisfaction that the granting of such relief is necessary in order to make a rehabilitation project financially viable and that the applicant's project will further the goals and objectives

of the City's Master Plan. To demonstrate this need, the applicant supply detailed comprehensive financial proformas for its proposed 79-E project, as well as any other information or supporting documentation as required by the City Manager.

- C. For cases whereby the applicant can successfully demonstrate that granting of such tax abatement relief is necessary to make a project financially viable, and the City Council finds that the project results in at least one of the public benefits set forth in RSA 79-E:7, the City Council may, but shall not be obligated to, grant such relief provided the City Council finds that such abatement will not impede the City's ability to satisfy minimum annual payments on existing TIF debt service or cover the annual maintenance and operation costs of the District. If the Council makes such a finding, the City Council shall limit the period of tax abatement relief to the minimum amount necessary and shall discourage 79-E benefits with durations longer than five (5) years.
- D. RSA 162-K:8 stipulates that the first payment on principal for any bonds issued for the improvements within a Tax Increment Finance District shall be no later than five (5) years from the date of issuance of said bond. Therefore, should the City plan any bond issuances to be solely financed by tax revenues from the captured assessed value of a specific property benefiting from a RSA 79-E tax abatement relief, the City shall either:
  - i. Issue said bond with an amortization schedule whereby the date of the first payment on the principal (and interest, if sufficient source of funds to cover capitalized interest payments is not available) of said bond issuance shall coincide with, or occur after, the termination of the RSA 79-E benefit; or,
  - ii. Delay issuing said bonds and undertaking such improvements until such time as the RSA 79-E tax abatement relief benefit has expired.

- 10 **Amendments:** Amendments to the boundaries of the TIF District, its Development Program, or Financing Plan shall be undertaken in accordance with the public hearing process as set forth within RSA 162-K:4, as well as reasonable notification to the Merrimack Valley School District and the Merrimack County in accordance with RSA 162-K:9,III.

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## **LIST OF EXHIBITS**

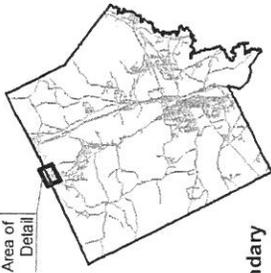
- Exhibit 1      Map of Penacook Village Tax Increment Financing (TIF) District
- Exhibit 2      List of properties within Penacook Village Tax Increment Financing District

# PENACOOK TIF DISTRICT

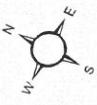
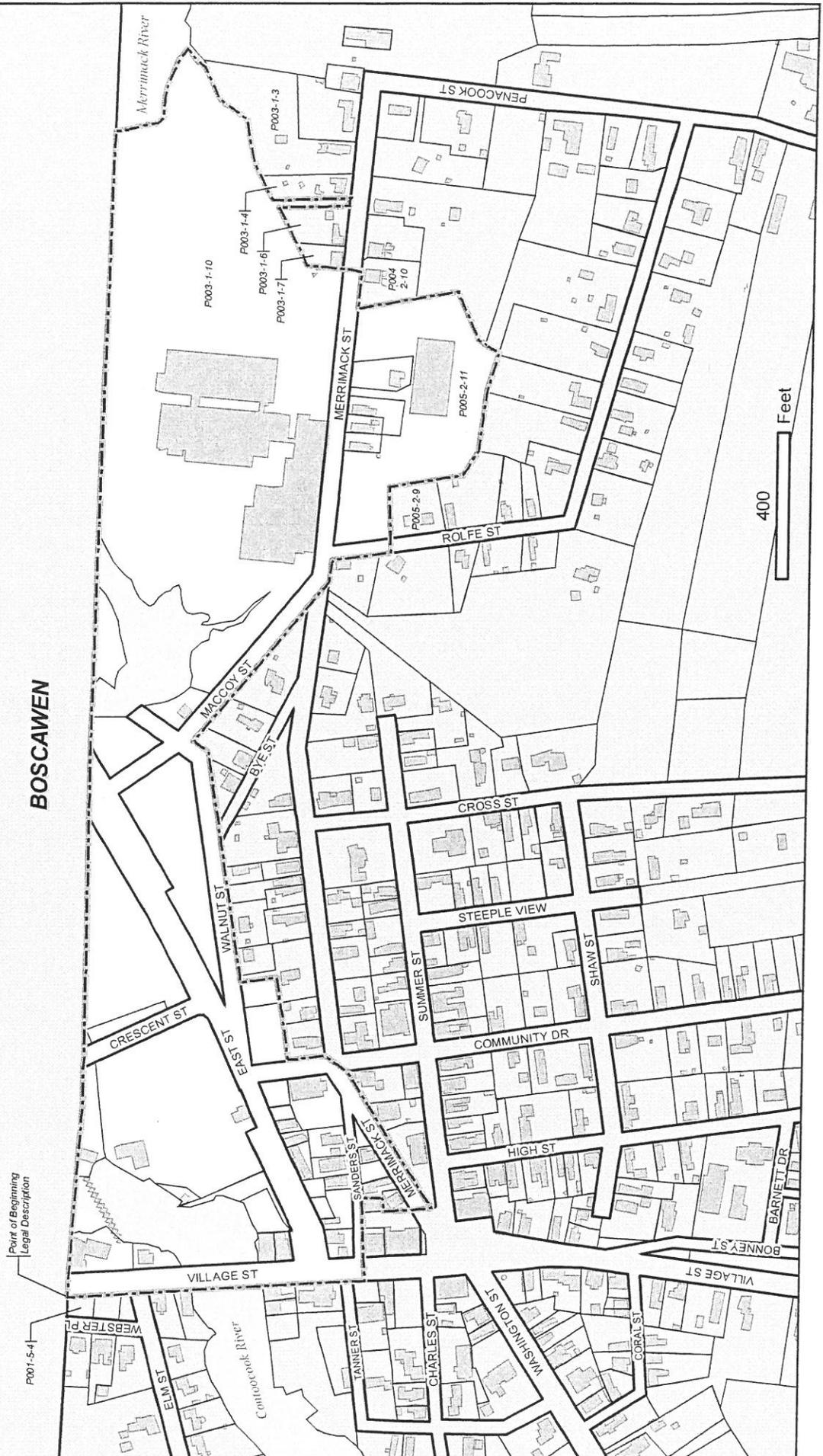
## City of Concord, New Hampshire

Printed: May 1, 2009

-  TIF District
-  Parcels
-  Buildings
-  Water Bodies
-  Outside TIF
-  Municipal Boundary



Area of Detail



## Proposed Penacook TIF District

Properties Within the District

Map-Block-Lot	Property Description	Owner	Co-owner	Value
P001-6-1	382 Village St	Penacook Fibre Co		192900
P001-6-2	378 Village St	378 Village Street Llc		241400
P001-7-1	350 Village St U-3	Dessaint Franklin N Jr & Linda		98100
P001-7-10	350 Village St U-2	Dessaint Franklin N Jr & Linda		89700
P001-7-11	350 Village St U-8	Dessaint Franklin N Jr & Linda		98100
P001-7-12	350 Village St U-4	Dessaint Franklin N Jr & Linda		97300
P001-7-13	350 Village St U-5	Dessaint Franklin N Jr & Linda		98600
P001-7-14	350 Village St U-6	Dessaint Franklin N Jr & Linda		97500
P001-7-15	350 Village St U-7	Dessaint Franklin N Jr & Linda		96900
P001-7-2	346-348 Village St	Amazon Realty Llc		263800
P001-7-3	350 Village St U-1	Dessaint Franklin N Jr & Linda		88800
P001-7-4	11 East St	Amazon Realty Llc		56100
P001-7-5	East St	Amazon Realty Llc		45300
P001-7-6	35 East St	City Of Concord		488000
P001-7-8	Crescent St	Briar Hydro Associates	C/o Essex Hydro Associates	90900
P001-7-9	4 Crescent St	City Of Concord		72100
P001-7-999	350 Village St	River Crossing		0
P001-8-1	21 Merrimack St	United Church Of Penacook		1285500
P001-8-10	18-20 East St	Dusty Apartments Llc		329000
P001-8-11	24-26 East St	Heffernan John P		107700
P001-8-12	28 East St	Heffernan John P		99100
P001-8-13	30 East St	United Church Of Penacook		47600
P001-8-14	East St	United Church Of Penacook		68000
P001-8-3	19 Sanders St	Luba Ronald & Marcia		237300
P001-8-4	15 Sanders St	Perkins Joseph A & Rand Megan J		229600
P001-8-5	13 Sanders St	Kum Kwok W		152500

Map-Block-Lot	Property Description	Owner	Co-owner	Value
P001-8-6	Sanders St	Guinard Shirley Ann		79400
P001-8-7	336 Village St	Guinard Shirley		241600
P001-8-8	12 East St	Guinard Shirley Ann		44100
P001-8-9	16 East St	Dusty Apartments Llc		62200
P001-9-1	Sanders St	City Of Concord	Triangular Shape Piece	15300
P001-9-2	11 Merrimack St	Roberts James T & Diane A		146400
P001-9-3	5 Merrimack St	Rosen David B & Laurie Haney		186900
P001-9-4	3 Merrimack St	City Of Concord	City Hall	335800
P001-9-9	Merrimack St	Champney Karen S		14400
P002-1-1	East St	City Of Concord		359200
P002-1-2	Walnut St	City Of Concord	Triangular Shape Lot	68900
P002-3-11	4-10 Walnut St	United Church Of Penacook		74200
P002-3-12	Walnut St	Morse Arthur H		6700
P003-1-10	77 Merrimack St	77 Merrimack Street Llc &	South Union Realty Trust	3241100
P003-1-11	3 Maccoy St	Dlubac Erwyn J & Arline D &	Bennett Deanna L	122800
P003-1-8	East St	Briar Hydro Associates	C/o Essex Hydro Assoc Llc	614000
P005-2-11	82 Merrimack St	77 Merrimack Street Llc &	South Union Realty Trust	125900
P005-2-12	86 Merrimack St	Wachovia Bank Na	C/o Ocwen Loan Servicing Llc	170100
P005-2-13	88 Merrimack St	Tewksbury Gary R Sr		169000
P005-2-14	90 Merrimack St	Hardy Beatrice I		161300
P005-2-15	92 Merrimack St	Tatham Michael E & Rayelle K		138500
<b>Sum of Value</b>				
				11149600