



CITY OF DOVER, NEW HAMPSHIRE

TAX INCREMENT FINANCING

Feasibility Study

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Introduction

Dover has enjoyed a long and prosperous economic development history. This history began with the development of the river as a hub along Dover Point. Over time the economic base moved inland to what is now downtown Dover. Downtown Dover's economic base still revolves around the mills located within it. Where these mills were home to industry they now host retail, restaurants and residential units. They still generate economic development activities and still are the centerpiece of downtown Dover's vibrancy.

Economically, Dover acts as a hub for surrounding towns in Maine and New Hampshire. This is a homogeneous area, with many people working and shopping for goods and services in communities other than the one they live in. The region also attracts workers from other areas of New Hampshire, Maine and Massachusetts and serves as home for many people who commute out of the area on a daily basis.

Dover's Master Plan contains a vision that economic development efforts support continued growth of Dover's downtown. The Master Plan supports development of infill opportunities, as well as the creation of a Tax Increment Financing District to assist in the financing of public improvements to spur economic development.

On May 31st, 2013, the City of Dover was awarded a \$29,500 grant from New Hampshire Housing Finance Authority to review opportunities to designate a Tax Increment Financing (TIF) District. This grant has been used by the City to retain Monadnock Economic Development Corporation to review economic conditions and evaluate whether a TIF District is feasible for downtown Dover. Additionally, if the district is feasible, Monadnock was to develop the components required by New Hampshire RSA 162-K to implement the district.

These components include:

- A development plan
- A financing plan
- Administrative framework

This report includes proposed versions of those documents, as well as an overview of Tax Increment Financing and examples, good and bad, of other districts. Finally, this report includes a sample resolution, which can be used by the City to implement the district.

It is Monadnock's estimation that by retaining all of the incremental tax revenues from a TIF District in the downtown, the Dover City Council will be able to undertake projects

that will stimulate local economic development and pursue them at no additional tax burden for existing taxpayers. While it should be done with all due diligence and careful staff and City Council review, this is an action with long term benefits for the community.

TIF Basics

In accordance with N.H. State law (RSA 162-K), municipalities have the ability to create Tax Increment Finance Districts, commonly known as “TIF” Districts. The establishment of a District allows a municipality to capture all (or some part of) new property taxes generated by new development and new value within the District in order to finance public infrastructure improvements within the District, as well as the operation, administration, and maintenance of the improvements. TIF Districts have been authorized in New Hampshire since 1979. As noted below, they have been used successfully to fund municipal services in a number of New Hampshire communities, including Concord, Keene, Peterborough, Claremont, Laconia, Durham, Rochester and Bedford. They are under consideration in other communities, including Exeter and Farmington.

What is a TIF District?

A TIF District is a specially dedicated and described taxing district that can be used (for a specific period of time and for specifically identified public improvements) as an economic development financing tool when market conditions will not allow private investment alone to address physical impediments to desired commercial, residential, or industrial development. Dover could consider a TIF District as a tool to accomplish the Council goals of economic development and redefining the allocation of tax burden between residential and commercial uses.

What is a TIF District not?

A TIF District is not a special assessment district. A TIF district does not increase any property's taxes. It is a method of allocating where and how *new* tax revenue may be used. It is *not* a mechanism that would increase a property's tax liability. Nor does it decrease any property's taxes. Every property within the district pays taxes based on its properly assessed value the same as any other property in the community. A TIF district does not reduce or eliminate the requirement for a developer to pay taxes nor does a TIF district allow for public funds to be diverted for improving private property. A TIF District is merely a mechanism whereby a town or city may allocate where and how any *new* tax revenue may be spent.

What does a TIF District do?

A TIF District provides financing for public improvements (parking, sewer, water, roads, sidewalks, landscaping, etc.) that are deemed necessary to initiate viable economic development by capturing the new property tax revenue created by a proposed development and using that revenue to offset the cost of the public improvements needed to attract that project. The size and configuration of the district has some limits per statute, but it is basically determined by the type and nature of the economic development activity that the City wants to stimulate.

How does a TIF District work?

After defining the geographic boundaries of a TIF District, the previously existing assessed values are established as a base, and property tax revenues from that base within the TIF district continue to flow to the tax collector for fund municipal services as always. However, any future “incremental” increases in property tax revenues within the new district (through new construction, expansion, or renovations within the district) can be “captured” and all (or a *portion* of) this new revenue can be used to pay for the infrastructure improvements (parking garage, sewer, water, roads, etc.) that enabled the development within the district to move forward. The distribution of the new funds, and the uses for which the TIF revenue may be used are spelled out in a Council adopted TIF Plan. Once the improvements are paid for, then 100% of the property taxes generated in the district go to the tax collector for further distribution to the General Fund. By capturing new revenue in the short term, the TIF process generates private development and investment that will benefit the entire community in the long term.

As mentioned above, a TIF District is not a special exception district. It does not add a new tax to a property, nor does it change the look and feel of the tax bill. It operates as an accounting provision to apply revenue to pay for infrastructure improvements, which have benefited the properties around the improvement. Property owners will receive a tax bill, which will be paid. Once paid, the internal accounting separates the revenue into the accounts set up by the TIF District. Furthermore, properties will not see any tax breaks because of the TIF. The full assessed value of properties therein will be paid. A TIF District, properly adopted and managed, allows a municipality to segregate all, or some, of any new tax revenue from a TIF District to pay for new public infrastructure deemed necessary to stimulate private investment within the district.

A TIF District can be a “win-win” for residents and businesses

A TIF District can encourage desired development in specific areas of the community where it is most wanted and needed and would not otherwise occur on a timely basis. Once the public improvements in the District have been paid for, the increased tax revenue generated by the new development becomes part of the general revenue stream. With a TIF District, the improvements needed to stimulate tax base expansion are offset by that expansion at no cost to the existing tax payers in the community.

A TIF District can provide an attractive and viable mechanism to pay for the public improvements necessary to support desired business development, expansion, or renovation in specific areas targeted by a municipality. Without access to these public improvements, an otherwise desirable business may choose to locate or expand in another community, resulting in lost tax base, jobs and economic vitality locally.

Examples

Tax Increment Financing Districts have been used around the State and County to enhance economic development opportunities in communities. As part of this study the City requested that Monadnock Economic Development Corporation review TIF Districts and develop a list of issues that have arisen. In conjunction, this section will review safe guards that should be considered.

Introduction

According to the NH Office of Energy and Planning, the following communities in New Hampshire have TIF Districts:

- | | | |
|-------------|------------|----------------|
| • Bedford | • Hanover | • Newport |
| • Bradford | • Hinsdale | • Northfield |
| • Claremont | • Hooksett | • Pembroke |
| • Concord | • Jaffrey | • Peterborough |
| • Derry | • Keene | • Raymond |
| • Durham | • Laconia | • Rochester |
| • Enfield | • Milford | • Swanzey |
| • Franklin | • Nashua | |

A quick review of the above list, shows the diversity in communities that have adopted Tax Increment Financing. Some are large, such as Nashua and Concord, while others are small towns such as Swanzey and Bradford. Like Dover, there are communities with a Tax Cap, and there are communities which do not have a cap. There are communities from across the state of New Hampshire, all with different values and characteristics, but they share a common goal of enhancing their economic position.

Case Studies

As part of the review for this feasibility study, several of the above mentioned communities were reviewed. In reviewing these case studies, care was taken to focus on projects that are similar to a proposed TIF in downtown Dover. We elected to focus on Keene, Concord and Newmarket New Hampshire. Additionally, it became apparent that many in Dover are familiar with some of the issues Chicago, Illinois has experienced. A review of Chicago is also included.

Keene, NH

The City of Keene has two existing TIF Districts. The Black Brook Corporate Park TIF District, was originally established in 1995 to build a new street and extend water, sewer, and power to the site of a proposed corporate business park. The other district, known as the Wells Street Parking Facility TIF District, was originally established in 1997 to build a parking garage, but has since been used to rebuild several streets on the east side of Main Street in downtown Keene and to provide a loan to a non-profit developer to help finance the construction of a new courthouse in the downtown.

Both TIF Districts, after funding the public infrastructure needed to promote new development within the districts, are generating significant surpluses. Collectively they have led to the construction of over 500,000 square feet of new industrial buildings and the creation of over 1,000 new jobs at the Black Brook Corporate Park and the investment of \$55 million in new mixed-use buildings and the renovation/repurposing of existing blocks in downtown Keene.

To date the two TIF Districts combined have helped create \$60 million in *new* assessed value in Keene, and they are currently generating almost a \$1 million surplus, after debt service, in tax revenue for the general fund.

Concord, NH

Created in 1997, the purpose of the North-End Opportunity Corridor TIF District (NEOCTIF) was to incentivize redevelopment of the former Concord Lumber Site and surrounding properties. The district consists of 68 acres of land, primarily located at the junction of I-93 and I-393 in Concord. Today, this area is known as the Corporate Park at Horseshoe Pond. Notable developments in this TIF District include the Courtyard Marriot Hotel / Grappone Conference Center, Northeast Delta Dental Corporate Headquarters, and Concord Hospital Urgent Care.

The TIF district was created to finance \$6.5 million of infrastructure improvements, including land acquisition, reconstruction of Constitution Street and Commercial Street, as well as construction of new utilities. At the time the NEOCTIF district was created in 1997, the district had a total assessed value of \$3 million. Today, the district is valued at approximately \$50 million and generates approximately \$1.25 million in property taxes annually.

The Sears Block / Capital Commons TIF District was created in 2003 to help finance the development of the 516-space Capital Commons Parking Garage and related improvements. The district consists of 21 acres of land, primarily encompassing a seven-block area in downtown Concord along South Main Street. When created in 2003, the

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district had a gross assessed value of \$16.2 million. Today, the Sears Block / Capital Commons TIF district has a total assessed value of \$51.4 million.

Notable development projects which have been completed within the Sears Block TIF district include the following: the Capital Commons Office Building, the SMILE Building, the Mennino Place Apartments, the Bindery Redevelopment Project, the Endicott Hotel Market Rate Apartment Renovation, and the Concord Food Co-op renovation.

Newmarket, NH

Over 15 years ago in Newmarket, New Hampshire, a TIF district called the Black Bear TIF was established. Apparently the district's goal initially was to use a bond issued by the town to spur new economic development but this district was established based on a conceptual plan and subsequently, among other questionable property purchases and numerous other financial and legal issues, paid for expenditures within the district without authority from the town's voters.

While the original goals of the district in Newmarket may have been worthwhile, the district was established and maintained without the proper documentation or oversight required by New Hampshire's TIF legislation. These mistakes should have been avoided in Newmarket and will be avoided in Dover with proper planning, ongoing transparency and documentation, and appropriate oversight from the municipality's governing body and administrators.

Notably, of late Newmarket has corrected these problems and undertaken a TIF program that contributed to the successful rehabilitation of the remaining downtown mills.

Chicago, ILL

Chicago, Illinois, has over 160 TIF Districts within the city. Most of these Districts are operating successfully. However, in several instances TIF Districts have been used to divert new tax revenue, derived from new projects in wealthy neighborhoods/hot markets that would have happened without the investment of TIF revenue, into new public infrastructure, and other public purposes to fund special interest projects like large sports arenas and hotels.

Additionally, some Chicago TIF Districts relied on future sales tax revenue to pay off bonds for TIF District expenditures. Unfortunately these revenues did not materialize. This type of procedure is not permitted under NH State Law.

Fortunately this misuse of the TIF process in Chicago has recently created a great deal of public debate and a reexamination of the legislation and purpose of TIF Districts in Illinois. In fact a white paper produced by the University of Illinois has succinctly laid out the need for Illinois and Chicago to amend current Illinois legislation and adopt best practices from across the country – including, coincidentally, New Hampshire's TIF legislation that requires a public process and restricts the use of TIF funding for public improvements.

How to Avoid Problems in Dover

Establishing and maintaining a TIF District should be a very public and transparent process to ensure that public dollars are being invested wisely so as to facilitate important community and economic development goals of Dover. Learning from the examples listed from Chicago, Illinois, and Newmarket, New Hampshire, where different issues have occurred resulting from a lack of transparency and a failure to follow the most basic tenants of TIF law, is critical to the successful implementation and use of a TIF District in Dover.

Summary

TIF legislation and the use of TIF programs in New Hampshire are no longer exotic measures, but rather constitute a mature economic and community development policy tool. An important tool that Dover, like Keene and Concord and other communities throughout the State, could use to help redevelop its downtown, broaden its tax base, and create new jobs.

To be used successfully all final TIF decision making resides in the hands of the City Council. Although there is a TIF Advisory Panel that includes TIF District interested parties, this panel is advisory to the City Council just as is the case with many other citizen boards and commissions.

- The Council decides the geographic limits of any TIF District.
- The Council decides how any new tax revenues should be split between the General Fund, and any new improvements deemed necessary within the TIF District.
- The Council approves a TIF plan that outlines what types of public improvements are needed in the District and their priority and sequencing.
- If working with a private developer who is committing to create new taxable property, the Council reviews and approves (with the advice of counsel) any and all developer agreements, private escrow agreements, and any other documents that require the developer to assure the municipality that the new tax revenues will be there to cover the costs of any and all pending improvements.
- If the Council decides to bond for public improvements within the TIF District, it is the Council (with the advice of counsel) that determines the amount and term of such a bond, as it would with any other bond issued by the municipality.

Downtown Dover TIF

Dover's goal of promoting infill development in the downtown can be encouraged through the use of a Tax Increment Financing (TIF) to promote economic activity. TIF Districts are used to stimulate private investment that would not otherwise occur or would not occur in a timely fashion".

Objectives of TIF Development Program

The development program for the Downtown TIF District reflects the long term goals and objectives developed by the City of Dover, as outlined in its Master Plan, including the following:

- As outlined in the Land Use Chapter
 - Designate areas as Business Investment Districts to improve infrastructure & streetscape by taking advantage of income created by an increased tax assessment.
- The Vision Chapter includes the following element as part of Dover's long term vision:
 - The historic downtown is alive with a wide variety of retail, dining, entertainment, cultural opportunities and a mix of housing choices that make it the vibrant focal point of the community.
- The Vision chapter articulates the following theme as part of Dover's vision for a vibrant downtown:

“Dover residents and visitors enjoy and support the downtown as an attractive, vibrant focal point of the community where people readily gather and socialize. It is family friendly, pet friendly and walkable, with a diversity of locally owned retail, dining, entertainment, employment, and housing choices including lively arts and culture opportunities.”
- Specific elements include:
 - A vibrant and inviting family friendly, pet friendly, walkable focal point for the entire community.
 - A diversity of family friendly and locally owned retail, dining, entertainment and employment businesses and lively arts and culture and recreation opportunities.
 - Active and fully utilized mills and downtown buildings.

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- An abundance of attractively landscaped islands, mini-parks, street trees, and park benches with a signature, high visibility public park that is the focal point of the downtown (e.g. Upper & Lower Squares, Henry Law Park).
- Well maintained public amenities with well-developed wayfinding, public restrooms, doggy bag dispensers, underground utilities, excellent pedestrian, bicycle and handicapped accessibility.
- Stronger and enhanced historic character and architectural quality.
- Vacant lots and surface parking are redeveloped with buildings that are consistent with the downtown's historic architectural quality.
- A well designed parking garage and system that is convenient and reinforces the architectural character of the downtown and incorporates ground floor retail uses.

In addition to the above, the 2012-2013 City Council adopted four goals. Goal number 4 was to "Foster Economic Development." With that goal were five objectives:

- Support the development of the waterfront.
- Retain existing Dover businesses.
- Improve the industrial/residential balance.
- Support and fund the activities of Dover Business Industrial Development Authority
- Improve downtown parking availability

A TIF is a tool to meet the economic development objectives outlined by a community. This tool is designed to be flexible and can be adjusted to meet the needs of a community and is controlled by the community.

Public Benefits of TIF District

The continued redevelopment of Dover's urban core promotes the long-term growth, stability and diversity of employment and the City's taxable valuation. Long term growth in commercial and industrial valuation ultimately supports higher quality services at a lower tax expense to residential uses. The Downtown Dover TIF District is expected to provide a number of public benefits, including:

- Promote an efficient development pattern of infill development consistent with the City's Master Plan and the Economic Development framework laid out by the Dover Business Industrial Development Authority and Dover City Councils;
- Promote the community's vision of infill development as a source of new economic development which takes advantage of existing infrastructure;
- Providing for long-term growth in the City's non-residential property valuation;
- Encourage the City's move toward diversifying the property tax base and encouraging a shift towards a more equitable split in tax revenue sources; and
- Encouraging a continued positive growth, vibrancy and prosperity in the City and the general welfare of its citizens.

Reviewing the City Council's goals, there is a clear linkage to the establishment of a TIF District and the goal to foster economic development.

While it is not proposed to extend the District to the City's waterfront, enhancing the core downtown will have an indirect benefit of supporting the development of the area, and the furthering of the approved waterfront development program. Certainly a successful TIF, which demonstrates the public commitment to infrastructure improvement will encourage existing Dover businesses to reinvest in their properties and business, as opposed to looking elsewhere. As mentioned above, TIF can assist in improving the industrial/residential taxation balance.

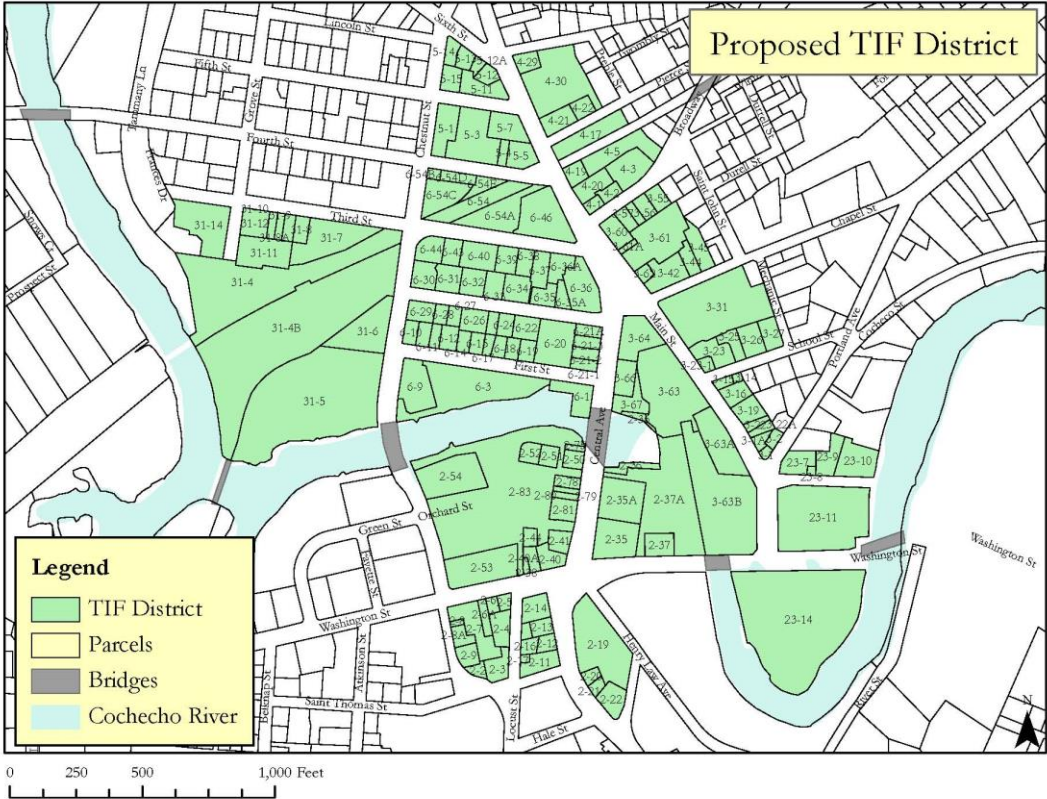
Many of the activities undertaken by the Dover Business Industrial Development Authority include the promotion of business activities in the urban core. The Authority has supported the creation of a TIF District and understands the value it can bring to enhancing Dover's infrastructure and communicating the commitment the City has to continued economic excellence. Finally, numerous studies have identified the need and the City Council has approved the creation of a parking facility on Orchard Street. This meets the objective of improving downtown parking availability. The TIF can be used to more efficiently pay the cost of the bond required to fund the garage while ensuring there is no additional tax burden on existing tax payers throughout the community.

Description of the District

District Boundaries

The Downtown Dover TIF District (the District) will generally lay north of St. Thomas Street and Williams Street, south of Sixth Street, west of Chestnut Street and the Cochecho River Street, and east of Main Street, though it will encompass properties on both sides of Main Street. The particular parcels to be included within the District are shown on the map below and listed in Appendix A. The parcels are described by tax map and lot number and/or street address. The parcels are publicly and privately owned.

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Requirements & Process

Dover's Tax Increment Financing District must meet certain guidelines and restrictions in its formation, and utilization. There are statutory limitations on taxable valuation and acreage allowed within the City. The State of New Hampshire has created requirements which determine a maximum allowable base valuation of any individual Tax Increment Financing District (TIFD). This valuation must not be more than eight percent (8%) of the City's taxable value. Furthermore, there are limits on the land area within a TIFD, as the TIFD must encompass more than five percent (5%) of the City's land area.

Dover's Downtown TIF District is proposed to meet the following guidelines:

	<i>Taxable Valuation</i>	<i>Land Area in Acres</i>
City Total 2013	\$2,697,318,050	18,857
Maximum Allowable - Individual TIF District <i>(8% of Taxable Value; 5% of Acreage)</i>	\$215,785,444	942.85
Downtown Dover TIF Baseline <i>As Percent of City Total</i>	\$88,737,200 3.28%	58.467 .31%
Maximum Cumulative TIFs Allowable <i>(16% of Taxable Value; 10% of Acreage)</i>	\$431,570,888	1,885.70
Downtown Dover TIF	\$11,500,000	58.467
Total Cumulative District Values 2013 <i>As Percent of City Total</i>	\$11,500,000 .43%	58.467 .31%

This proposed plan has a total valuation that is just over three percent (3%), thus below the mandated eight percent (8%) of the City's taxable value. The proposed land area of 58 acres, is less than one percent (1%) of the City's land area, thus the TIFD conforms to the requirement not be more than five percent (5%).

The statute also limits the cumulative land area and taxable valuation within all TIF districts of a municipality to sixteen percent (16%) of assessed valuation and ten percent (10%) of total land area. Dover has no other existing TIF districts, thus the proposed point forty three percent (.43%) and sub one percent (.31%) allotments meet this cumulative requirement.

Process

There are six elements which a community must identify to create a TIFD. Each element requires the approval of the City Council before being complete. The elements are:

- Adopt the provisions of RSA 162-K
- Establish the TIF District boundaries
- Designate administration of district
- Designate advisory board
- Establish a development plan
- Establish a financing plan

On October 13, 2010 the Dover City Council approved resolution R- 2010.09.08 – 123, which allowed the provisions of RSA 162-K to be adopted by the City. This report contains the remaining elements, which would need to be adopted through a resolution. Any resolution approved by the City Council must first have a public hearing held. As per RSA 162-K:4, “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.”

Additionally, Appendix B contains a sample resolution which could be used to adopt the remaining elements.

Development Plan

The development that occurs within the Downtown Dover Tax Increment Finance District (TIFD) is recommended to be in accordance with the following Development Plan, which is required under RSA 162-K:6.

The City's principal activities in developing the Downtown TIF District will include the construction of a parking facility. It may include public infrastructure development, marketing and promotion of the District, negotiation of development agreements, and the sale of property for commercial and infill development.

Property Disposition & Reuse of Private Property

The City may convey all or a portion of public parking lots located within the TIFD to private developers under the terms of specific development agreements designed to promote the objectives of the Development Program. The terms of purchase and sale agreements or development agreements pertaining to properties transferred by the City must be approved by the City Council.

Public Facilities to be constructed

The initial public facilities to be constructed include a 339 space parking garage which includes 290 public parking spaces and 49 spaces for police staff and police vehicles. The garage will be located on an existing surface parking lot within downtown Dover. The additional spaces created will provide much needed parking for various users as well as attract investors to the downtown area. Infrastructure improvements may include street lighting, traffic control devices, water, wastewater, storm drainage and road systems anticipated for the completion of the parking structure.

Following the capital investment in a parking facility, future public infrastructure within the TIFD may include the following elements, which center on improvements necessary to encourage positive economic development within Dover's urban core:

- Relocating existing private utility transmission lines underground;
- Expansion or replacement of public utility infrastructure;
- Improvements to public streetscape and lighting, seasonal and permanent;
- Upgrading existing portions of sidewalk and road way infrastructure as needed for anticipated development;
- Maintenance and administrative costs.

In addition to the guidelines already described, the construction of the public facilities will adhere and comply with the following guidelines:

- Facilities constructed will not create any additional open space;
- All relevant rules and regulations related to environmental controls;
- Facilities constructed will not involve the reuse of private property; and
- Facilities constructed will be operated by the City of Dover.

Private Utilities

Natural gas service is provided to Dover's downtown by Unitil, which has a policy of extending service lines at its own cost to provide service to new development sites.

Public Service Company of New Hampshire (PSNH) is the provider of electric service to all areas of the City of Dover.

The City's land development regulations require new development to place all utilities underground. The Master Plan encourages the City to look at placing existing utilities underground as well. All public facility programs will meet this goal.

Land Use Regulations

As established by the City's development practices, public and private property within the TIFD shall be developed or redeveloped in accordance with the goals, objectives, and standards set by the following City documents, as amended:

- The City's Master Plan
- Zoning ordinance;
- Subdivision of Land regulations;
- Site plan review regulations;
- Building and life safety codes;
- All applicable state and federal laws.

In addition to applicable regulations, during the Planning Board review process, other pertinent limits on development may be defined by the terms of development agreements between the City and individual private parties. An example of these terms may be found within the Land Development Agreement signed by the City and First Street at Garrison LLC for the development of the First Street parking lot. Elements of this agreement include guidelines for the development of the lot, as well as tax revenue guarantees.

Relocation of persons, businesses or others:

The proposed development does not anticipate the displacement of persons, businesses or others. As the area of initial development is municipal owned property, therefore, no plan for relocation is necessary. If, the City were to work with a private property owner to develop other property within the District, and relocation is required, the City of Dover will ensure that the safety and well-being of those affected by relocation is maintained. Furthermore, the City shall be required to act ethically and with integrity in all dealings.

Powers and authorities:

In conformity with the development program, within the district, the City via actions of the City Council may, by virtue of the statute, invoke the various powers and authorities

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as stated in RSA 162-K:6 III.

District changes and modifications:

The area of the district may be enlarged following the date of the district designation, subject to further public hearings and vote of the City Council, in accordance with RSA 162K:5.

The tax increment financing plan may be modified by the approval of the City Council in accordance with 162-K:9 IV.

Financing Plan

New Hampshire's Revised Statutes Annotated (RSA) govern the State's wellbeing and authorities allowed local communities. RSA 162-K:9, Tax Increment Financing Plan, requires that the City of Dover adopt a Tax Increment Financing Plan (TIFP), for any development district established.

Introduction

Objective

It is the objective of the City of Dover to use the tax increment financing district (TIFD) to help provide downtown parking for various users, support infill and economic development in the downtown by providing public parking facilities and other public infrastructure. In order to assist in that endeavor, it is necessary that the City of Dover fund public improvements necessary to attract private investors to the center of the community and, in turn, those private investors and their projects will provide needed taxable assessment, business revenue, and cultural and social activities to the downtown and the community as a whole. With the development of the proposed TIFD, some of the parking requirements of the downtown are met, along with the inclusion of public improvements such as water, wastewater, storm water infrastructure and road systems within the TIFD. Without the creation of the TIFD, long standing parking issues and public infrastructure needs in the downtown will not be resolved, the City will not be the beneficiary of millions of dollars of private investments and the opportunity to benefit from the additional taxable value those private investments generate to fund the aforementioned parking structure and public improvements will be lost.

Additionally, the creation of the TIFD is contemplated by the Master Plan Visioning Chapter adopted by the Planning Board on August 28, 2012 as well as the recommendation from the Land Use Chapter of the Master Plan from 2007 that specifically states the City of Dover should "Designate areas as Business Investment Districts to improve infrastructure and streetscape by taking advantage of income created by an increased tax assessment." The Master Plan also endorses the justification that parking garages be constructed recognizing parking is not just a private sector issue but must be fortified through strong public-private partnership in order for the downtown to prosper.

Sale of City-Owned Real Estate within the TIF District

As part of the Development Program, the City may convey individual properties to private entities for the purposes of development consistent with the purposes of the TIFD. Net revenues generated from the sale of these parcels shall be used to reimburse the City's Parking Activity Fund for its prior investments with the TIFD.

Cost of Public Improvements

As part of the Fiscal Year 2015 Capital Improvement's Program adopted in January 2014, the City Council approved the creation of a downtown parking structure. This structure is anticipated to accommodate approximately 339 spaces, with one (1) below grade level of 49 spaces for use by the Dover Police Department and four (4) above grade decks containing a total of 290 public parking spaces. The cost of the parking structure and related infrastructure improvements will be approximately \$11.5 million. The amount financed will be \$11.5 million.

While estimates of infrastructure costs are in progress, it is anticipated that those costs may encompass street lighting, traffic control devices, water, wastewater, storm water infrastructure and roadway systems. The debt service for the first five years of the garage will be limited to interest-only payments. It is anticipated that these payments will be approximately \$575,000 per year. For the remaining twenty years of the bond, the anticipated payments, including principal and interest, will be approximately \$925,000 per year.

As part of the annual development of the City's Capital Improvement's Program, further public improvements will be analyzed and approved by the City Council in accordance to existing and future financial policies. Said public improvements will be tied to the overall growth and enhancement of downtown Dover and should contribute to the economic viability and health of the City. There is no expectation of bonding at this time for public improvements. Improvements will be scheduled as increment becomes available, and as the City Council approves.

Revenue Potential from Captured Assessed Valuation in District

A pro forma is attached in Appendix C that demonstrates how the plan would finance a 339 space parking structure. As described above, the project will be financed with a twenty-five (25) year general obligation bond. The repayment of the bond will include five (5) years of interest only payments and twenty (20) years of principal and interest payments to fully amortize the debt. It is anticipated that the cost to repay the debt along with ongoing administration, maintenance and capital improvement costs will be satisfied each year from a combination of sources including new tax increment derived from new captured assessed value within the TIFD, parking revenues, and the sale of City-owned parcels.

Annual TIF District Revenues

TIF revenues will be generated by property taxes levied on the incremental assessed valuation within the District after the date of its creation. Long term projections of infill development build-out within the TIFD indicate the following annual tax revenue potential generated by one

CITY OF DOVER, NH

hundred percent (100%) retention of captured assessed value.

Tax Year Ending	Annual Tax Revenue Potential From Incremental Assessed Valuation
2020	\$620,468
2025	\$774,761
2030	\$910,837
2035	\$1,553,858
2039	\$1,173,507

The above revenue estimates rely on assumptions that include development commitments, such as the First Street parking lot redevelopment, the proposed infill development plan for the Orchard Street and Third Street parking lots, and an annual pace of growth in assessed value of two percent (2%) growth in annual assessments due to market forces for the initial years. After year 5 the percentage of growth is estimated at a value of one percent (1%). Various factors, including the actual pace and character of new development within the TIFD, actual valuations assigned to TIF properties, and property tax rate may alter the captured assessed valuation.

Annual Allocation of Captured Value

Where annual tax increment revenues from the TIFD, together with unexpended balances of such revenues from prior years exceed the amount necessary for annual debt service payments, the balance may be returned to the General Fund following a vote of the City Council and adoption of annual municipal budget.

Impact of RSA 162-K TIF District on Related Taxing Jurisdictions

In accordance with RSA 162-K:10, all property tax revenues generated by the original assessed value (base value) of the TIFD will continue to accrue to the City's general fund.

In accordance with RSA 162-K:9, Strafford County and Dover School Board will specifically be provided an opportunity to meet with the City Council, the governing body of the City of Dover, so they also can be informed of the TIF plan and proposed district. They will also be allowed to contribute comments during the public hearing on the establishment of the proposed TIFD.

Operation and Maintenance

The City will be responsible for the operation and maintenance of all public facilities, including the parking facility. The projected annual expense of the parking facility for maintenance and operating expenses will be approximately \$110,000 per year.

The Dover City Council may also establish capital reserve accounts for the replacement or upgrades of public infrastructure within the TIFD using TIF incremental revenues.

Duration

The Downtown Tax Increment Financing District will expire at the conclusion of the bond repayment schedule which is anticipated to be twenty-five (25) years. Upon expiration of the TIFD, all incremental valuation that has been created within the TIFD becomes available generated property tax revenues for the City's general fund.

Administration

Proper administration of the Tax Increment Financing District (TIFD) is of paramount importance. As discussed previously, strict adherence to the Development and Financing Plan as well as proper fiscal controls, and oversight of the use of a TIF to promote economic activity must be consistent and constant. The following administrative processes are recommended.

Administrator

By designation of the City Council and consistent with the responsibilities for municipal administration established by the Dover City Charter, the administrator of the Downtown Dover TIF District shall be the City Manager, who shall make an annual financial report to the City Council.

Advisory Board

In accordance with RSA 162-K: 14, the Dover City Council shall pass a resolution which shall create an Advisory Board for the TIFD. The board shall consist of five members including the City Manager (or designee), one (1) Parking Commission designee, one (1) property owner or occupant of real property within or adjacent to the district to be designated by the City Council, one (1) property owner or occupant of real property within or adjacent to the district to be designated by the Greater Dover Chamber of Commerce, and one (1) property owner or occupant of real property within or adjacent to the district to be designated by Dover Main Street.

The same resolution shall incorporate provisions of 162-K: 14 and stipulate the powers and authority of the Advisory Board. The purpose of the Advisory Board shall be to advise the City Council on the policies and actions for the administration of the district relating to planning, construction and implementation of the Development Program and the operation and maintenance of the District after the program is completed.

The Advisory Board shall meet either as determined by the chair of the Board or request by the Mayor or the City Manager to examine operation and maintenance of the TIFD.

The Advisory Board shall have 30 days to appeal any decision of the district administrator to the City Council for review and appropriate action.

Amendments

Amendments to the boundaries of the TIFD, the Development Program or Financing Plan shall be undertaken in accordance with the public hearing process set forth within RSA 162-K:4, including its requirements for reasonable notification to the Dover School District and Strafford County Commissioners, in accordance with RSA 162-K:9.

Duration of Program

The Downtown Tax Increment Financing District will expire at the conclusion of the bond repayment schedule which is anticipated to be twenty-five (25) years.

Computation of tax increments:

Upon formation of a development district, the Dover Tax Assessor shall determine the current assessed value of the real property within the district in conformity with RSA 162-K:10. The current assessed value shall be known as the “original assessed value.” Each year thereafter, the Assessor(s) shall determine the amount by which the assessed value has increased or decreased from the original assessed value. Any amount by which the current assessed value of the district exceeds the original assessed value will be referred to as the captured assessed value. This amount will be determined annually.

Captured assessed value dedication:

The City of Dover shall expend the tax increments received in accordance with the tax increment financing plan. Tax increments shall be used only to pay the costs (including debt service) and administrative expenses incurred in developing and maintaining the public facilities and infrastructure to be constructed within the district.



List of Parcels

City of Dover

Proposed TIFD Tax Map Parcels

Parcel ID	Owner	St#	St Name	zone	use	cl	acres	Current		Current Total Value
								Land Value	Building Value	
02002-000000	CITY OF DOVER	17	ST THOMAS ST	CBD	903	E	0.100	30,800	6,100	36,900
02003-000000	CITY OF DOVER	33	LOCUST ST	CBD	903	E	0.200	99,000	0	99,000
02004-000000	104 WASHINGTON ST INC	9	LOCUST ST	CBD	337	C	0.200	168,300	0	168,300
02005-000000	104 WASHINGTON ST INC	102	WASHINGTON ST	CBD	340	C	0.060	173,900	384,000	557,900
02006-000000	ROBBINS SIDNEY FAMILY TRUST	108	WASHINGTON ST	CBD	307	C	0.055	164,100	123,500	287,600
02006-A00000	ROBBINS SIDNEY FAMILY TRUST	114	WASHINGTON ST	CBD	307	C	0.020	95,900	45,800	141,700
02007-000000	ROBBINS SIDNEY FAMILY TRUST	124	WASHINGTON ST	CBD	307	C	0.380	173,400	476,400	649,800
02008-000000	ROBBINS SIDNEY FAMILY TRUST	26	WALNUT ST	CBD	337	C	0.024	48,000	0	48,000
02008-A00000	ROBBINS SIDNEY FAMILY TRUST	28	WALNUT ST	CBD	337	C	0.107	126,600	6,900	133,500
02009-000000	ROBBINS SIDNEY FAMILY TRUST	32	WALNUT ST	CBD	337	C	0.137	127,300	8,800	136,100
02011-000000	TRI COUNTY REALTY INC	300	CENTRAL AV	CBD	322	C	0.200	198,000	506,200	704,200
02012-000000	TRI COUNTY REALTY INC	314	CENTRAL AV	CBD	322	C	0.090	194,200	453,400	647,600
02013-000000	CITY OF DOVER	320	CENTRAL AV	CBD	903	E	0.120	123,500	6,700	130,200
02014-000000	90 TEMPLE ASSOCIATES LIM PART	90	WASHINGTON ST	CBD	306	C	0.209	181,000	1,694,900	1,875,900
02015-000000	CITY OF DOVER	18	LOCUST ST	CBD	903	E	0.050	48,900	2,700	51,600
02016-000000	TRI COUNTY REALTY INC	32	LOCUST ST	CBD	337	C	0.070	101,800	7,100	108,900
02017-000000	TRI COUNTY REALTY INC	38	LOCUST ST	CBD	337	C	0.030	100,800	8,800	109,600
02019-000000	TRI COUNTY REALTY INC	333	CENTRAL AV	CBD	340	C	1.046	232,800	1,273,900	1,506,700
02020-000000	TRI COUNTY REALTY INC	297	CENTRAL AV	CBD	303	C	0.070	154,900	194,900	349,800
02021-000000	TRI COUNTY REALTY INC	295	CENTRAL AV	CBD	111	A	0.060	113,800	34,400	148,200
02022-000000	VSH REALTY INC	291	CENTRAL AV	CBD	340	C	0.248	199,600	186,600	386,200
02035-000000	STRAFFORD NATL BANK	353	CENTRAL AV	CBD	341	C	0.540	242,500	1,589,000	1,831,500
02035-A00000	BANK OF NEW HAMPSHIRE	375	CENTRAL AV	CBD*	341	C	0.590	211,100	142,600	353,700
02036-000000	COCHECO FALLS DAM	2	CENTRAL AV	CBD	502	U2	0.080	92,500	356,800	449,300
02037-000000	COCHECO MILLS HOLDINGS LLC	51	WASHINGTON ST	CBD	13	C	0.220	198,600	6,721,600	6,920,200
02037-A00000	COCHECO MILLS HOLDINGS LLC	0	MAIN ST	CBD	390	C	1.740	376,800	40,800	417,600
02038-000000	HOLGATE LIMITED PARTNERSHIP	93	WASHINGTON ST	CBD	303	C	0.030	151,900	282,100	434,000
02040-000000	SARNIA PROPERTIES INC	83	WASHINGTON ST	CBD	340	C	0.170	197,000	1,624,600	1,821,600
02040-A00000	MTI	85	WASHINGTON ST	CBD	340	C	0.100	168,800	563,600	732,400
02041-000000	SARNIA PROPERTIES INC	350	CENTRAL AV	CBD	337	C	0.200	99,000	8,400	107,400
02044-000000	KOZ PROPERTIES LLC	1	ORCHARD ST	CBD	326	C	0.085	143,400	351,000	494,400
02050-000004	SMESTAD STEVEN A	388	CENTRAL AV	CBD	102	R	0.000	70,000	109,300	179,300
02051-000000	GEORGAKILAS PETER & PAULA TRUSTEES	2	WALDRON CT	CBD	111	A	0.120	114,800	292,200	407,000
02052-000000	INNATE LLC	1	WALDRON CT	CBD	340	C	0.130	166,300	268,000	434,300

City of Dover

Proposed TIFD Tax Map Parcels

Parcel ID	Owner	St#	St Name	zone	use	cl	acres	Current	Current	Current
								Land Value	Building Value	Total Value
02053-000000	ONE TWENTY FIVE WASHINGTON ST	125	WASHINGTON ST	CBD	340	C	0.740	216,200	1,126,100	1,342,300
02054-000000	COCHECO PARK PRESERVATION ASSOCIATES	40	CHESTNUT ST	CBD	112	A	0.740	324,300	3,926,200	4,250,500
02075-C00000	KARELITZ ROBERT S REVOCABLE TRUST	400	CENTRAL AV	CBD	396	C	0.000	45,000	148,400	193,400
02078-000000	HOLGATE LIMITED PARTNERSHIP	386	CENTRAL AV	CBD	303	C	0.080	157,300	380,400	537,700
02079-000000	GUILLEMETTE RAYMOND N 2005 TRUST	378	CENTRAL AV	CBD	303	C	0.030	151,900	177,200	329,100
02080-000000	GUILLEMETTE RAYMOND N 2005 TRUST	376	CENTRAL AV	CBD	303	C	0.050	154,100	113,300	267,400
02081-000000	364 CENTRAL AVENUE ASSOCIATES LLC	364	CENTRAL AV	CBD	303	C	0.179	197,400	1,187,500	1,384,900
02083-000000	CITY OF DOVER	0	ORCHARD ST	CBD	903	E	3.609	665,400	51,500	716,900
03001-000000	KRANS ALLAN B	29	MAIN ST	CBD	340	C	0.030	124,900	173,600	298,500
03001-A00000	KRANS ALLAN B	33	MAIN ST	CBD	340	C	0.070	125,800	121,300	247,100
03002-000000	GENTILE LISA TRUSTEE	0	PORTLAND AV	CBD	340	C	0.060	125,600	138,800	264,400
03014-000000	GRAY JOHN W REVOCABLE TRUST	3	SCHOOL ST	CBD	101	R	0.025	65,000	51,300	116,300
03015-000000	GRAY JOHN W REVOCABLE TRUST	55	MAIN ST	CBD	303	C	0.050	110,000	147,900	257,900
03016-000000	COCHECO MILLS HOLDINGS LLC	51	MAIN ST	CBD	337	C	0.180	157,800	6,300	164,100
03019-000000	CARDILLO CASSANDRA M &	39	MAIN ST	CBD	13	R	0.197	112,800	145,100	257,900
03022-000000	KRANS ALLAN B	35	MAIN ST	CBD	337	C	0.066	58,000	3,700	61,700
03022-A00000	KRANS ALLAN B	0	MAIN ST	CBD	337	C	0.060	58,000	3,700	61,700
03023-000000	65 MAIN ST LLC	6	SCHOOL ST	CBD	340	C	0.260	200,000	432,300	632,300
03023-001000	CITY OF DOVER	0	MAIN ST	CBD	903	E	0.060	93,100	5,100	98,200
03025-000000	CITY OF DOVER	8	SCHOOL ST	CBD	903	E	0.160	87,200	9,000	96,200
03026-000000	CITY OF DOVER	0	SCHOOL ST	CBD	903	E	0.220	149,000	12,300	161,300
03027-000000	CITY OF DOVER	2	MECHANIC ST	CBD	903	E	0.220	149,000	12,300	161,300
03031-000000	BIG J REALTY INC	77	MAIN ST	CBD	322	C	1.670	338,100	881,100	1,219,200
03042-000000	FIELD AND FOSTER INC	459	CENTRAL AV	CBD	302	C	0.320	215,000	1,058,600	1,273,600
03044-000000	8 CHAPEL STREET LLC	8	CHAPEL ST	CBD	111	A	0.130	82,400	226,000	308,400
03045-000000	COCHECO MILLS HOLDINGS LLC	10	CHAPEL ST	CBD	337	C	0.200	148,500	10,300	158,800
03055-000000	CITY OF DOVER	13	BROADWAY	CBD	903	E	0.120	166,000	7,100	173,100
03056-000000	CITY OF DOVER	9	BROADWAY	CBD	903	E	0.120	111,300	584,000	695,300
03057-000000	7 BROADWAY LLC	7	BROADWAY	CBD	303	C	0.070	116,100	51,600	167,700
03058-059000	SULLIVAN JOHN W	3	BROADWAY	CBD	303	C	0.080	174,500	126,100	300,600
03060-000000	SOJOURN PROPERTY MANAGEMENT LLC	495	CENTRAL AV	CBD	322	C	0.180	177,800	519,300	697,100
03061-000000	GIRI DOVER LLC	481	CENTRAL AV	CBD	302	C	0.820	218,900	947,900	1,166,800
03061-A00000	SOJOURN PROPERTY MANAGEMENT LLC	487	CENTRAL AV	CBD	326	C	0.030	192,200	150,600	342,800
03062-000000	PHOFOLOS FAMILY REVOCABLE TRUST OF 2001	475	CENTRAL AV	CBD	326	C	0.070	156,200	242,600	398,800

City of Dover

Proposed TIFD Tax Map Parcels

Parcel ID	Owner	St#	St Name	zone	use	cl	acres	Current	Current	Current
								Land Value	Building Value	Total Value
03063-000000	COCHECO MILLS HOLDINGS LLC	100	MAIN ST	CBD	390	C	1.380	376,000	10,300	386,300
03063-A00000	PICKER HOUSE LLC	42	MAIN ST	CBD	112	A	0.550	227,500	1,272,700	1,500,200
03063-B00000	COCHECO MILLS HOLDINGS LLC	43	WASHINGTON ST	CBD	390	C	0.540	194,000	25,700	219,700
03064-000000	PILLAR INVESTMENT CORP	451	CENTRAL AV	CBD*	322	C	0.370	183,300	1,083,200	1,266,500
03066-000000	COCHECO MILLS HOLDINGS LLC	427	CENTRAL AV	CBD	391	C	0.220	69,500	0	69,500
03067-000000	421 CENTRAL AVENUE LLC	421	CENTRAL AV	CBD	326	C	0.230	156,600	581,600	738,200
04001-000000	DOVER DRUG	505	CENTRAL AV	CBD	303	C	0.074	193,700	488,700	682,400
04002-000000	RANDALL CLAYTON F LIVING REVOCABLE TRUST	4	BROADWAY	CBD	322	C	0.110	175,400	188,000	363,400
04003-000000	RANDALL CLAYTON F LIVING REVOCABLE TRUST	12	BROADWAY	CBD	337	C	0.350	162,400	16,200	178,600
04005-000000	TRINKET REALTY LLC	14	BROADWAY	CBD	401	I	0.447	166,800	31,400	198,200
04017-000000	DANVIN COURT ONE LLC &	525	CENTRAL AV	CBD	335	C	0.290	200,700	303,100	503,800
04019-000000	PAPAIOANNOU ATHANASIOS &	519	CENTRAL AV	CBD	326	C	0.130	195,600	171,900	367,500
04020-000000	PAPAIONNOU SOTIRIOS & ALEXANDRA &	511	CENTRAL AV	CBD	303	C	0.230	203,800	363,200	567,000
04021-000000	SEACOAST SAVING BANK	0	CENTRAL AV	CBD	337	C	0.212	50,400	10,300	60,700
04022-000000	JALBERT MARGARET L &	2	PIERCE ST	CBD	303	C	0.110	111,100	293,300	404,400
04029-000000	CHITTENDEN CORPORATION	543	CENTRAL AV	CBD	340	C	0.146	144,900	898,700	1,043,600
04030-000000	CHITTENDEN CORPORATION	537	CENTRAL AV	CBD	341	C	1.430	308,800	689,800	998,600
05001-000000	FULL CIRCLE CONDOMINIUMS C/O MOUZOURAKIS	12	CHESTNUT ST	CBD	911	E	0.352	150,100	347,900	498,000
05003-000000	21 FOURTH STREET LLC	11	FOURTH ST	CBD	322	C	0.698	204,100	1,158,500	1,362,600
05004-000000	MANTOS PETER W &	9	FOURTH ST	CBD	303	C	0.050	91,600	86,000	177,600
05005-000000	CONROY MARY L & STAPLES K & LAJOIE L	526	CENTRAL AV	CBD	326	C	0.210	201,300	210,500	411,800
05007-000000	GOSSELLS BONNIE & BLICHER E CO-TRUSTEES	530	CENTRAL AV	CBD	325	C	0.340	217,500	164,900	382,400
05011-000000	FIVE POINTS DEVELOPMENT LLC	538	CENTRAL AV	CBD	303	C	0.254	175,700	1,100,200	1,275,900
05012-000000	FISCHER WALTER TRUSTEE	540	CENTRAL AV	CBD	303	C	0.120	175,700	244,100	419,800
05012-A00000	FISCHER WALTER TRUSTEE	4	SIXTH ST	CBD	104	R	0.067	104,200	69,500	173,700
05013-000000	SHEEHAN DANIEL H	6	SIXTH ST	CBD	105	R	0.109	111,100	98,400	209,500
05014-000000	FOURNIER DEAN A TRUSTEE	10	SIXTH ST	CBD	104	R	0.116	129,800	99,100	228,900
05015-000000	AVALON INVESTMENT INC	9	FIFTH ST	CBD	121	A	0.330	83,300	189,000	272,300
06001-000000	FISCHER BRIAN &	432	CENTRAL AV	CBD	322	C	0.280	168,000	362,900	530,900
06003-000000	CITY OF DOVER	6	FIRST ST	CBD	903	E	1.355	101,100	36,100	137,200
06009-000000	FIRCH LLC	24	CHESTNUT ST	CBD	340	C	0.461	152,800	288,700	441,500
06010-000000	HOLGATE LIMITED PARTNERSHIP	22	CHESTNUT ST	CBD	303	C	0.100	175,100	168,300	343,400
06010-A00000	HOLGATE LIMITED PARTNERSHIP	37	FIRST ST	CBD	111	A	0.100	81,800	498,800	580,600
06011-000000	LONG STEPHANIE N	35	FIRST ST	CBD	101	R	0.057	71,500	89,400	160,900

City of Dover

Proposed TIFD Tax Map Parcels

Parcel ID	Owner	St#	St Name	zone	use	cl	acres	Current		
								Current Land Value	Current Building Value	Current Total Value
06012-000000	MURPHY BRIAN J	31	FIRST ST	CBD	111	A	0.150	82,800	236,100	318,900
06014-000000	DICKEY NATHAN TRUSTEE	27	FIRST ST	CBD	111	A	0.070	81,200	234,100	315,300
06015-000000	KAB REALTY MANAGEMENT LLC	23	FIRST ST	CBD	111	A	0.100	81,800	324,300	406,100
06016-000000	CONNORS COLLEEN F &	21	FIRST ST	CBD	101	R	0.054	79,500	77,200	156,700
06017-000000	HOLGATE LIMITED PARTNERSHIP	19	FIRST ST	CBD	111	A	0.110	82,000	394,500	476,500
06018-000000	WHITE DOVE PROPERTIES LLC	17	FIRST ST	CBD	111	A	0.100	81,800	393,100	474,900
06019-000000	FORTIER MARY M	13	FIRST ST	CBD	104	R	0.117	195,200	200,200	395,400
06020-000000	KOUTRELAKOS HELEN	1	FIRST ST	CBD	340	C	0.529	209,100	482,500	691,600
06021-001000	BUILD UPON LLC	436	CENTRAL AV	CBD	326	C	0.090	158,300	305,600	463,900
06021-002000	MARKER 21 HOLDINGS LLC	442	CENTRAL AV	CBD	322	C	0.090	158,300	173,300	331,600
06021-003000	CARTELLI'S LLC	446	CENTRAL AV	CBD	303	C	0.100	159,400	320,900	480,300
06021-A00000	HENRY PETER T &	450	CENTRAL AV	CBD	340	C	0.090	158,300	504,300	662,600
06022-000000	WEST CONCORD INVESTMENTS LLC	14	SECOND ST	CBD	111	A	0.098	81,800	331,000	412,800
06024-000000	CAMIRE DAVID R &	18	SECOND ST	CBD	111	A	0.110	82,000	213,300	295,300
06025-000000	CAMIRE DAVID R &	22	SECOND ST	CBD	104	R	0.079	79,800	146,800	226,600
06026-000000	FIELD JEAN	24	SECOND ST	CBD	104	R	0.217	77,600	147,400	225,000
06027-000000	NGUYEN HOA K	28	SECOND ST	CBD	111	A	0.080	81,400	266,700	348,100
06028-000000	SCHREUER RICHARD &	32	SECOND ST	CBD	111	A	0.080	81,400	267,400	348,800
06029-000000	HOLGATE LIMITED PARTNERSHIP	36	SECOND ST	CBD	337	C	0.160	127,800	9,900	137,700
06030-000000	ROSE SANDRA C	35	SECOND ST	CBD	101	R	0.200	119,100	160,400	279,500
06031-000000	SECOND STREET DOVER LLC	29	SECOND ST	CBD	111	A	0.200	83,800	299,700	383,500
06032-000000	WONG MO	42	THIRD ST	CBD	326	C	0.360	203,400	12,600	216,000
06033-000000	ROSS FURNITURE COMPANY INC	23	SECOND ST	CBD	307	C	0.200	99,000	12,200	111,200
06034-000000	WOODS PHYLLIS L TRUSTEE	17	SECOND ST	CBD	31	C	0.220	129,100	300,700	429,800
06035-000000	TEACH A MAN TO FISH INC	11	SECOND ST	CBD	111	A	0.140	195,900	354,500	550,400
06035-A00000	BAMFORD INVESTMENT CO LLC	0	SECOND ST	CBD	337	C	0.100	97,300	0	97,300
06036-000000	BAMFORD INVESTMENT CO LLC	456	CENTRAL AV	CBD	322	C	0.520	208,800	2,478,900	2,687,700
06036-A00000	BAMFORD INVESTMENT CO LLC	4	THIRD ST	CBD	377	C	0.187	98,800	0	98,800
06037-000000	ANBELWOLD LLC	18	THIRD ST	CBD	364	C	0.210	178,500	421,000	599,500
06038-000000	ROSS FURNITURE COMPANY INC	22	THIRD ST	CBD	337	C	0.130	97,800	0	97,800
06039-000000	ROSS FURNITURE COMPANY INC	30	THIRD ST	CBD	322	C	0.160	177,000	529,500	706,500
06040-000000	WONG JOHN	44	THIRD ST	CBD	303	C	0.140	195,900	1,110,500	1,306,400
06043-000000	VARNEY LINDA S	52	THIRD ST	CBD	322	C	0.150	196,300	138,200	334,500
06044-000000	VARNEY JAMES & LINDA TRUSTEES	60	THIRD ST	CBD	322	C	0.210	198,300	232,500	430,800

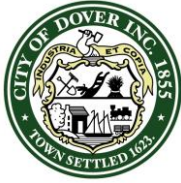
City of Dover

Proposed TIFD Tax Map Parcels

Parcel ID	Owner	St#	St Name	zone	use	cl	acres	Current	Current	Current
								Land Value	Building Value	Total Value
06046-000000	BAMFORD DAVID K	488	CENTRAL AV	CBD	303	C	0.696	262,000	1,172,200	1,434,200
06054-000000	BOSTON & MAINE RR	0	THIRD ST	CBD	900	E	0.410	205,100	0	205,100
06054-A00000	CITY OF DOVER	0	THIRD ST	CBD	903	E	0.750	108,300	1,900	110,200
06054-B00000	FORTIN GAIL A	20	CHESTNUT ST	CBD	326	C	0.040	71,200	58,300	129,500
06054-C00000	CITY OF DOVER	0	CHESTNUT ST	CBD	903	E	0.552	209,900	31,000	240,900
06054-D00000	COLWELL-ELLIS DARLENE TRUSTEE	10	FOURTH ST	CBD	322	C	0.110	175,400	126,200	301,600
06054-E00000	CARRIER IRENE R TRUSTEE	4	FOURTH ST	CBD	340	C	0.160	157,300	119,900	277,200
23007-000000	MELITUS JAMES & KATHLEEN L &	3	PORTLAND AV	CBD	105	R	0.255	75,500	118,000	193,500
23008-000000	TRAVIS ERIK M &	10	YOUNG ST	CBD	132	R	0.020	7,300	0	7,300
23009-000000	TRAVIS ERIK M &	12	YOUNG ST	CBD	105	R	0.189	70,900	161,800	232,700
23010-000000	ALLIS JOSEPH	17	YOUNG ST	CBD	337	C	0.360	129,900	6,400	136,300
23011-000000	ALLIS GLORIA L & JOSEPH	1	MAIN ST	CBD	307	C	1.534	315,100	707,600	1,022,700
23014-000000	WASHINGTON STREET MILL LLC	1	WASHINGTON ST	CBD	402	I	3.350	529,200	4,671,800	5,201,000
31004-000000	BOSTON & MAINE RR %GUILFORD TRANS	35	CHESTNUT ST	CBD	900	E	2.750	105,000	134,500	239,500
31004-B00000	COCHeco MILLS HOLDINGS LLC	33	CHESTNUT ST	CBD	337	C	4.600	218,200	182,500	400,700
31005-000000	HARLECH LLC	47	CHESTNUT ST	CBD	322	C	3.660	292,200	1,106,900	1,399,100
31006-000000	LOYAL ORDER OF MOOSE #443	45	CHESTNUT ST	CBD	353	C	0.830	64,800	126,800	191,600
31007-000000	SOJOURN PROPERTY MANAGEMENT LLC	66	THIRD ST	CBD	307	C	0.680	158,300	998,900	1,157,200
31008-000000	SOJOURN PROPERTY MANAGEMENT LLC	78	THIRD ST	CBD	337	C	0.090	107,700	0	107,700
31008-A00000	POLYCHRONIS BLANCHE H 2001 TRUST	80	THIRD ST	CBD	101	R	0.090	80,000	97,300	177,300
31009-000000	GRASS ARTHUR	82	THIRD ST	CBD	104	R	0.067	79,600	119,400	199,000
31010-000000	ERNEST 39 HOLDING LLC	86	THIRD ST	CBD	104	R	0.069	79,700	76,000	155,700
31011-000000	ONE GROVE STREET LLC	1	GROVE ST	CBD	401	I	0.500	118,600	126,100	244,700
31012-000000	THIRD STREET PROPERTY CORP	5	GROVE ST	CBD	337	C	0.230	73,500	10,800	84,300
31014-000000	HATCH ALAN L	6	GROVE ST	CBD	401	I	0.729	130,600	440,500	571,100
Assessed Value as of April 1, 2013							58.467	24,473,100	64,264,100	88,737,200



Sample Resolution



CITY OF DOVER

CITY OF DOVER - RESOLUTION

Agenda Item#:

Resolution Number: **R – 2014.**

Resolution Re: **ESTABLISHING THE DOWNTOWN DOVER
TAX INCREMENT FINANCE DISTRICT**

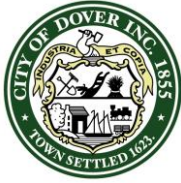
- WHEREAS The City Council of the City of Dover has adopted the provisions of RSA 162-K:1, Local Option for Tax Increment Financing District, as per Resolution R- 2010.09.08 - 123, passed by City Council, October, 10, 2010.
- WHEREAS The Planning Board of the City of Dover adopted the Master Plan Visioning Chapter on August 28, 2012 which specifically identifies the need for downtown parking as important to the continued vitality and attractiveness of the downtown area.
- WHEREAS The City of Dover's 2007 Master Plan's Land Use Chapter recommends the designation of "areas as Business Investment Districts to improve infrastructure and streetscape by taking advantage of income created by an increased tax assessment".
- WHEREAS The City Council of the City of Dover finds that the issuance of general obligation bonds, issued for the purposes as outlined in the Downtown Dover Parking Structure and Infrastructure Improvements development plan provides a general public use and fulfills a public purpose.
- WHEREAS The City Council of the City of Dover finds that the financing of public parking spaces in the downtown area serves a public purpose and is consistent with the City's long-term recognition of the importance and unique nature of the downtown area and its desire to continue the downtown area's vitality, attractiveness and prosperity.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND DOVER CITY COUNCIL: that a municipal economic development and revitalization district is hereby designated as shown on the attached plan lying generally north of St. Thomas Street, south of Sixth Street, west of Chestnut Street and the Cochecho River Street, and east of Main Street. The district will have the name of the Downtown Dover Tax Increment Financing District.

BE IT HEREBY FURTHER RESOLVED that the attached development program for the Downtown Dover Tax Increment Financing District is hereby adopted in its entirety by the City Council of the City of Dover and that the district, as proposed, meets the qualifications of RSA 162-K.

BE IT HEREBY FURTHER RESOLVED that the attached Tax Increment Financing Plan is hereby adopted for use in accordance with the said program in the said district.

BE IT HEREBY FURTHER RESOLVED that in accordance with the provisions of RSA 162-



CITY OF DOVER

CITY OF DOVER - RESOLUTION

Agenda Item#:

Resolution Number: **R – 2014.**

Resolution Re: **ESTABLISHING THE DOWNTOWN DOVER
TAX INCREMENT FINANCE DISTRICT**

K:5, the City Council hereby resolves that the total assessed value of taxable real property of any one development district shall not exceed eight (8%) percent of the most recent total assessed value of all taxable assessed value in the City and that the total assessed value of taxable real property within all development districts for which bonds remain outstanding shall not exceed sixteen (16%) percent of the most recent total assessed value of all taxable real property in the City.

BE IT HEREBY FURTHER RESOLVED that an advisory board is hereby created by this Resolution for the revitalization district to be appointed by the City Council. There shall be five (5) members, the majority of whom shall be owners or occupants of real property within or adjacent to the development district. The duties of said advisory board shall be set forth in accordance with RSA 162-K:14. The board shall serve in any advisory capacity to the City Council and City Manager. Any conflicts that may arise between the determinations of the district administrator and the advisory board shall be considered and resolved by resolution through the City Council.

AUTHORIZATION

Approved as to Funding:

Daniel R. Lynch
Finance Director

Sponsored by:

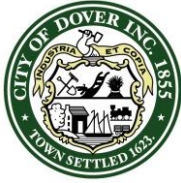
Mayor Karen Weston
By request

Approved as to Legal Form
and Compliance:

Anthony I. Blenkinsop
General Legal Counsel

Recorded by:

Karen Lavertu
City Clerk



CITY OF DOVER

CITY OF DOVER - RESOLUTION

Agenda Item#:

Resolution Number: **R – 2014.**

Resolution Re: **ESTABLISHING THE DOWNTOWN DOVER
TAX INCREMENT FINANCE DISTRICT**

DOCUMENT HISTORY:

First Reading Date:

Public Hearing Date:

Approved Date:

Effective Date:

DOCUMENT ACTIONS:

VOTING RECORD		
Date of Vote:	YES	NO
Mayor, Karen Weston		
Deputy Mayor, Robert Carrier, At Large		
Councilor John O'Connor, Ward 1		
Councilor William Garrison, III, Ward 2		
Councilor Deborah Thibodeaux, Ward 3		
Councilor Dorothea Hooper, Ward 4		
Councilor Catherine Cheney, Ward 5		
Councilor Jason Gagnon, Ward 6		
Councilor, Anthony McManus, At Large		
Total Votes:		
Resolution does does not pass.		

RESOLUTION BACKGROUND MATERIAL:

Document Created by: Legal

R_2014.

Document Posted on:

Page 3 of 3



Pro forma

City of Dover, NH

Parking Garage

Analysis of Debt Service Coverage (Proforma)

Description	Projected Total	Fiscal Year						Fiscal Year				
		Estimated						Estimated				
		14	15	16	17	18	19	20	21	22	23	24
Beginning Balance Fiscal Year			-	298,771	145,091	133,455	99,121	108,245	-	-	-	-
Existing Balance in Capital Reserve		-	570,000		-	-	-	-	-	-	-	-
Parking Activity Fund Operating Budget			100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Parking Meter Rate Changes			-	-	50,000	100,000	100,000	100,000	100,000	160,000	200,000	200,000
Sale of First Street Lot			110,000									
Sale of Third Street Lot			75,000									
Sale of Orchard Parcel 1 & Parcel 2				150,000								
Sale of Orchard Parcel 3 through 6					150,000							
Sale of School Street Lot									225,000			
In-Fill/Increment			18,771	171,320	263,364	340,666	384,124	620,468	651,885	679,061	704,763	748,349
Net Sources of Funds	29,605,009	-	873,771	720,091	708,455	674,121	683,245	928,713	1,076,885	939,061	1,004,763	1,048,349
Less Net Debt Service	(15,792,750)	-	(575,000)	(575,000)	(575,000)	(575,000)	(575,000)	(925,000)	(922,500)	(924,250)	(920,000)	(920,000)
Projected Resources Exceed (Short)												
Debt Service Coverage	13,812,259	-	298,771	145,091	133,455	99,121	108,245	3,713	154,385	14,811	84,763	128,349
Estimated Tax Rate Impact/(Decrease)			0.00	0.00	0.00	0.00	0.00	0.00	(0.05)	(0.01)	(0.03)	(0.04)

County Apportionment Available for use with TIF	2,432,805	2,387	21,787	33,492	43,322	48,850	78,905	82,900	86,356	89,625	95,167
County Apportionment Equivalent Tax Rate Impact		(0.00)	(0.01)	(0.01)	(0.02)	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)

Analysis of Debt Service Coverage (Proforma)

[illegible]

City of Dover, NH

Parking Garage

Analysis of Debt Service Coverage (Proforma)

Description	Projected Total	36	37	38	39
Beginning Balance Fiscal Year		-	-	-	-
Existing Balance in Capital Reserve					
Parking Activity Fund Operating Budget		100,000	100,000	100,000	100,000
Parking Meter Rate Changes		400,000	400,000	400,000	400,000
Sale of First Street Lot					
Sale of Third Street Lot					
Sale of Orchard Parcel 1 & Parcel 2					
Sale of Orchard Parcel 3 through 6					
Sale of School Street Lot					
In-Fill/Increment		1,083,325	1,113,087	1,143,147	1,173,507
Net Sources of Funds	29,605,009	1,583,325	1,613,087	1,643,147	1,673,507
Less Net Debt Service	(15,792,750)	(923,500)	(920,500)	(920,750)	(924,000)
Projected Resources Exceed (Short)					
Debt Service Coverage	13,812,259	659,825	692,587	722,397	749,507
Estimated Tax Rate Impact/(Decrease)		(0.20)	(0.21)	(0.21)	(0.22)

County Apportionment Available for use with TIF	2,432,805	137,766	141,551	145,374	149,235
County Apportionment Equivalent Tax Rate Impact		(0.04)	(0.04)	(0.04)	(0.04)



RSA 162-K

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, eff. Aug. 5, 1979. 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, eff. May 29, 1998. 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, eff. Aug. 5, 1979. 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. August 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. 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.

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, eff. Aug. 5, 1979. 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.