

Tax Incremental Finance Districts

TIFD's are designed to encourage and promote growth without impacting the property tax

River Road TIFD

On May 17, 1995 the Claremont City Council established the River Road Tax Increment Financing District and, by the same resolution, state that the TIF District would be in effect.....”until such time as permitted bond applications incurred within the District are retired.” Consistent with the River Road Industrial Tax Increment Financing Plan dated March 29, 1995 the City bonded for \$602,916, as part of a larger bond, to support activities within the District. This amount represented the TIF portion of a larger bond. TIF bond proceeds have been used to purchase property and to make infrastructure improvements (access road, water and sewer lines) to serve a portion of the Syd Clarke Industrial park.

The purpose of the Amended Development Program and Tax Increment Financing Plan (“TIF Plan”) was to extend the duration of the River Road TIF District by complying with the provisions of New Hampshire RSA 162-K:6 and 162-K:9 and K:10.

Specifically, these sections of the statute require:

- o Municipal adoption of a development program as a condition of establishing or extending the duration of a development district (RSA 162-K:6 and 162-K:9)
- o Municipal adoption of a financing plan that allocates use of tax increments for retirement of bonds and notes, operation, maintenance and improvements in the district and for general municipal purposes (RSA 162-K:9 and K:10).

The River Road TIFD closes out as of June 30, 2016. It is estimated that slightly over \$11,000,000 in assessed value will come back onto the Grand List.

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Downtown TIFD

The purpose of the Development Program and Tax Increment Financing Plan is to comply with the provisions of New Hampshire RSA 162-K:6 and 162-K:9 and K:10. Specifically, these statutes require:

- Municipal adoption of a development program as a condition of establishing a development district (RSA 162-K:6).
- Municipal adoption of a financing plan that allocates use of tax increments for retirement of bonds and notes, operation, maintenance and improvements in the district and for general municipal purposes (RSA 162-K:9 and K:10).

I. Objectives

The objectives of the Development Program and Tax Increment Financing Plan are to:

- Create Opportunities for business expansion within the district.
- Enhance employment and earnings opportunities for area residents.
- Expand the property tax base for the City of Claremont.

These objectives will be achieved through the construction of public improvements in the Mill District.

II. District Boundaries

a. List of Properties

The TIF district shall be established by modifying the existing “Municipal Complex Tax Increment District”, established on September 30, 1998 and containing 13 properties, by adding 81 additional properties. The properties, including by map and lot number, are listed on EXHIBIT A of the plan.

b. Land Area and Assessed Value

The modified district contains 37.31 acres, which represents .14% of the total land area in the City of Claremont (26,450 acres). The total **taxable** assessed value of property in the district is \$10,744,800 or 1.9% of the total assessed value of taxable property in the City in 2003 (\$566,060,744). Moreover, the expanded district, when added to the River Road TIF District (556.7 acres or 2.10% of total land area and assessed for \$11,130,174 or 1.97% of total assessed value for the City) established in 1995, contains a combined 594.01 acres and \$21,874,974 total assessed valuation

(2.25% of total land area for the City and 3.86% of the total assessed valuation for the City). Thus, the district complies with the size standards of RSA 162-K:5.¹

III. Public Facilities to be Constructed

The City of Claremont constructed various improvements in the Mill District. These improvements, which are summarized in EXHIBIT B of the plan, include:

- Construction of a 3 story above ground parking garage that will accommodate approximately 250 vehicles.
- Reconstruct road, water, sewer, drainage, landscaping and pedestrian facilities.
- Construction of a pedestrian bridge that will link downtown amenities to the visitor center and neighborhoods north.

The total estimated net cost of the improvements is \$7,720,000.

These improvements were planned to complement expected private investments in the district and are consistent with the Revitalization Plan for the district.

IV. Open Space

The planned improvements include the construction of a pedestrian bridge to a public space in the area north of the Mill District.

V. Environmental Controls

The City of Claremont as well as private parties will be required to comply with appropriate environmental regulations during construction of the access road as well as during the construction and operations of commercial/industrial facilities within the district and parking facility.

¹ RSA 162-K:5 requires that (a) the total land area included in any one development district when designated shall not exceed 1.5 percent of the total land area of the municipality, and when added to the total current land area within all development districts for which bonds remain outstanding shall not exceed 3 percent of the total acreage of the municipality; or (b) the total taxable assessed value included in any one development district when designated shall not exceed 5 percent of the taxable assessed value of the municipality, and when added to the total taxable assessed value within all development districts for which bonds remain outstanding shall not exceed 10 percent of the total acreage of the municipality

These regulations may include any or all of the following:

- State and federal regulations regarding the protection of wetlands, floodplains as well as storm water treatment.
- State permits regarding soil disturbance/filling.
- State and federal regulations regarding air, water, and noise pollution.
- Local building codes, subdivision, and site planning regulations.

VI. Proposed Re-Use of Private Property

TIF proceeds will not be utilized for the purpose of purchasing and/or re-using private property.

VII. Impacts on Other Taxing Jurisdictions

The estimated impact of tax increment financing on the assessed values of all other taxing jurisdictions within the City of Claremont is negligible, since:

- The proposed private development in the Mill District would not occur without City financial assistance. City staff believes that the least burdensome form of bonding involves tax increment financing.
- City owned property (Wainshal and Peterson Mills) will likely be converted to taxable properties.

The Downtown TIFD budget is down 3.7% over last year as we continue to pay down debt while seeing slow to moderate growth within the Downtown TIFD area.

Water & Sewer Enterprise Funds

Enterprise funds are treated as a business and are required to be paid by user fees.

Water Fund: Water Treatment and Distribution is supported by user fees. The water department embarked on several upgrades to the water treatment plant and distribution system over the past several years with 2 major loans from the State Revolving Loan Fund. The Water Treatment plant is operated by Utility Partners LLC under contract with the City.

Sewer Fund: Sewerage Treatment, Collection and Disposal are supported by user fees. The sewer department has been undertaking major capital infrastructure upgrades using state revolving loan funds. The Sewer Treatment plant is operated by Utility Partners LLC under contract with the City.

Water Service Fees: In 2008, a rate study was begun to determine the amount of funds needed to continue the needed upgrades for the water distribution systems. (The last major increase had been in 2000). In 2009 it was determined to only increase a minimal amount in order for the City to qualify for an additional 10% forgiveness from our Drinking Water State Revolving Loan Funds (DWSRF). **These rates are under review now and we will need to increase rates (especially in the water fund) in order to comply with audit standards for business enterprise systems as well as the need to meet the needs of the water customers and infrastructure improvements going forward with the city's dams.**

Sewer Service Fees: In 2008, a rate study was begun to determine the amount of funds needed to sustain the current sewer system as well as fund a substantial infrastructure upgrade to the sewer distribution system. (The last major increase had been in 2000). These changes will be based on recommendations contained in the water and sewer fee study to be completed in 2014 and will ultimately be the decision of the city council. **These rates are under review now and are needed in order to comply with audit standards for business enterprise systems as well as to maintain the sewer system infrastructure and plan for needed upgrades in the future.**