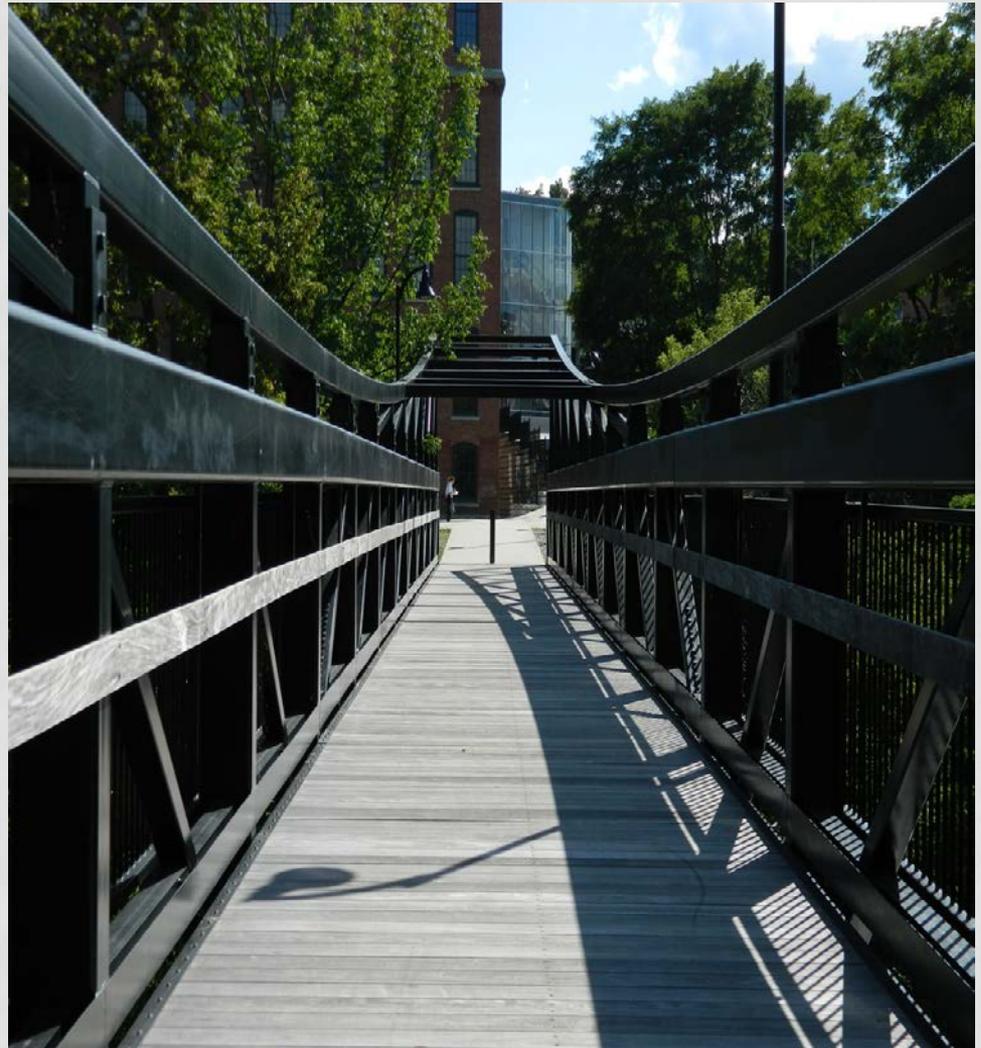


THE DOWNTOWN TIFD

Presented by:
Mary Walter, Finance Director
August 24, 2016

THE BRIDGE

The bridge to
"nowhere" became an
integral part of the mill
district redevelopment.



BUT IN THE BEGINNING

- The bridge was not on anyone's radar. The thought of economic development and available grant money began an idea.
- What if?
 - Could we get funding?
 - Could we link it and connect the other side of the river?
 - Could it help with our designation as a Scenic Connecticut River Byway stop?
 - Would it help spur interest in the mills?
 - What kind of investment would we need?
 - Where would funding come from?

THE BRIDGE

Here is what the area looked like before.

NH DOT funding provided the majority of the funding to renovate the bridge. **This was a \$1.5 million dollar project.**



THE BRIDGE

Once completed it became a space utilized and enjoyed by the community in a variety of venues .



THE BRIDGE

The bridge provides a beautiful space overlooking the Sugar River and renovated mills along with our newest addition; a sculpture honoring the hands that “made” Claremont.





THE MILLS RENOVATION

BOARDED UP BUILDINGS LEFT IDLE

CONTEMPLATING THE MILLS



Even the cost to demolish was too expensive !



An RFP for demolition in the early 2000's was over \$2 million for demolition and cleanup

A HISTORY OF
LONGING FOR SOME
KIND OF RENO-
VATION OR JUST
TEAR THEM DOWN!

"Best thing the city did
was nothing". A
developer that was
thankful we didn't
demolish the mills.



A Public-Private Partnership (3P) would need to happen in order for any development to succeed

UNDERGROUND ISSUES WOULD NEED TO BE RESOLVED



ABOVE GROUND ISSUES WOULD NEED TO BE RESOLVED



A COLLABORATIVE EFFORT

A Parking Garage would need to be built to take care of the parking needs if businesses and housing were going to be part of the adaptive reuse of the mills.

As part of the public-private partnership the city would need to construct the garage as part of the ongoing development so that it was available for use once the mills were completed.

It made no sense to develop the Mills, fix Water Street, build a garage and not address utility upgrades that needed to be done.

A COLLABORATIVE EFFORT

The anticipated new value from just the three mill buildings being renovated was estimated to be \$25,500,000. If there were "spin-off" growth as a result of the mill rehab that would be additional value.

But how would it be funded? Would the anticipated growth in the mill buildings value be enough to pay for any bonds?

It was estimated that the city would need about \$10,000,000 to do it's share of the project. On the next slide you will see that anticipated bond costs with anticipated growth in value would allow us to pay the bonds. While there would still be other costs we anticipated leasing and other misc. revenue to cover those.

A COLLABORATIVE EFFORT

Downtown TIFD		Year
	5% interest rate	2007
Tax Rate (less state aid which is excluded)		\$ 30.37
Anticipated Excess Value for Downtown TIFD	\$ 25,500,000	
Anticipated Revenue Generated		\$ 774,435.00
Cost of 20 year Bond at full \$10 mill @ 5%	\$ 774,121.00	
Less Anticipated Revenue @ \$25 million excess value	\$ (774,435.00)	
Yearly Shortfall (Income)	\$ (314.00)	

SAWTOOTH - PARKING GARAGE

Saving the Sawtooth

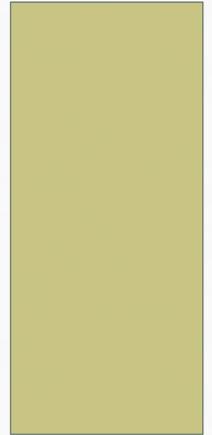


Saving the West Wall





SAWTOOTH BUILDING



SAWTOOTH TIMELINE

1. June 14, 1995

City Council approves accepting donation of the “Old Sawtooth” building

A motion was made by Mr. Normandin and Seconded by Mr. Woodman to accept the property located on Main Street (Map 44 Lot 29) donated by Nicholas Marro and to ratify the agreement dated April 18, 1995 between the City Manager and Mr. Marro regarding parking spaces:

- *Voted 9-0*
- *Passed Unanimously.*

SAWTOOTH TIMELINE

2. April 11, 1996

Robert Porter proposes demolition of the Sawtooth Building to the Historic District Commission.

Motion: It is with regret that the commission approves the demolition of the Sawtooth Building due to its poor condition.

Made by: David Messier

Seconded by: Larry Beswick

Vote: Unanimous

We approve this action with the knowledge that removal of this building will open a view to Central Street which contains a significant cohesive group of Greek Revival buildings, and that this action may help make the development of the remaining mill district more viable.

SAWTOOTH TIMELINE

3. September 6, 1996

Two 12,000 gallon underground petroleum storage tanks removed from the site



SAWTOOTH TIMELINE

4. September 22, 1998

The NH Department of Environmental Services issues a Notice of Site Closure and Certificate of No Further Action in regards to the site investigation and remediation of petroleum hydrocarbons released into the soil and groundwater.



SAWTOOTH TIMELINE

5. February 3, 2000

- Mill Area Parking Study:
 - Done by Stephen B. Griffin, AICP
 - Presented to Robert Porter and the City Council.
- Plan recommends:
 - Utilizing the “Sawtooth” Building as ground level or multi level parking facility
 - In order to address parking demand associated with the Mill Development Plan.

SAWTOOTH TIMELINE

6. November 3, 2004

- Draft Phase II and III Report issued by HRP for the “Sawtooth” Building under the Brownfield’s Redevelopment Pilot Project.
- Site Investigation has identified contaminant releases at seven areas on the site.



CONTAMINANTS FOUND

Contaminants found in the soil and groundwater includes Semi volatile Organic Compounds, volatile organic compounds and Metals that exceed allowable NHDES levels.

- Antimony
- Arsenic
- Barium
- Chromium
- Lead
- Zinc
- Methylene Chloride
- Trichloroethene
- Benz(a)anthracene
- Benzo(k)fluoranthene
- Benzo(a)pyrene
- Dibenz(a,h)anthracene
- DRO – Diesel Range Organics

HRP RECOMMENDATION

- The most cost effective remedial alternative may be to render the soil inaccessible combined with engineered control.
 - This would include Demolition and paving
 - Would prevent human exposure to soil exceeding the “Contaminated Sites Risk Characterization and Management Policy” (RCMP) standards.

A VIEW FROM ABOVE

Before



After



WATER STREET



MILL BUILDING RENOVATIONS



COMMON MAN RENOVATIONS



MILL RENOVATIONS



MAKING ROOMS WITH A VIEW!



PARKING GARAGE



Mill District Redevelopment Infrastructure Improvement Development Projects

Project	Amount	Revenue Source	Amount
Water/Mill Street Reconstruction Engineering and Construction (including water, sewer, road, curbs, sidewalks and lighting)	\$3,078,429	NHDES DWSRF #2	\$185,313
		NHDES SRF #14	\$216,992
		HUD 0169	\$476,000
		HUD 0456	\$472,640
		DPW Paving Fund	\$212,000
		DPW 2009 Capital Fund	\$150,000
		BAN	*
Sawtooth Studies (environmental & engineering)	\$30,730		
Sawtooth Hazardous Waste Remediation	\$1,181,086	EPA Pilot Brownfields	\$200,000
		CDBG Emergency	\$500,000
Parking Garage Engineering	\$649,399	CDBG ED Woven Label	\$500,000
		Developer Commitment	\$160,000
Sawtooth Parking Garage Construction and Mill Renovation	\$7,072,804	BAN	*
		BOND	**
Construction Oversight	\$250,000		
North Street Surface Parking Lot Construction	\$350,000		
Pedestrian Bridge over Sugar River	\$1,477,454	NHDOT TE Program	\$901,854
		Fund Balance Ped Bridge	\$225,464
		BAN	*
Legal Costs	\$16,676	Interest Earned	\$362,100
Ban - Interest Expenses	\$455,785	*BAN	\$3,000,000
		**BOND	\$7,000,000
TOTALS	\$14,562,363	TOTALS	\$14,562,363

CITY CENTER VIEW



FOLLOWING THE MONEY

What would be
needed in excess
value to support a
bond?

Downtown TIFD		Year
	5% interest rate	2007
Tax Rate (less state aid)		\$ 30.37
Anticipated Excess Value for Downtown TIFD with the 3 mill buildings	\$ 25,500,000	
Anticipated Revenue that would be Generated		\$ 774,435.00
Cost of 20 year Bond at full \$10 mill @ 5%	\$ 774,121.00	
Less Anticipated Revenue @ \$25 million excess value	\$ (774,435.00)	
Yearly Shortfall (Income)	\$ (314.00)	

PARTNERSHIPS

Did we meet the expectations?

While we came close to the \$774,435 needed we actually only met the mark one year since bonding in 2009

Downtown TIFD	
Year	Warrants
2005-2008	\$ 121,200
2009	\$643,716
2010	\$685,700
2011	\$721,539
2012	\$ 760,952
2013	\$ 190,183
2014	\$ 775,268
2015	\$543,771
2016	\$519,383
33% short	We are only taking in 2/3rds of what we need in taxable value

PARTNERSHIPS

Did we meet the expectations
If not, what happened?

Once the economy starting to sink in 2008 the developer doing the mixed use/condos in the Peterson could not see clear to go forward with the project.

This is in spite of the fact that he put ~\$2,000,000 into that building.

While this is NOT a city building, administration has reached out on several occasions to work with the developer.

PARTNERSHIPS

Did we meet the expectations

If not, what happened?

What's the plan going forward?

- Encourage citizens to “shop local – buy local”
- Everyone needs to support businesses in the Downtown if they want them to be there!
- Work with businesses that are trying to rehab their buildings within the parameters that we are allowed.
- Continue our marketing plan for the city which **may** help **private** owners sell their properties.
- Continue to work with the legislators to enact legislation to help cities and towns give tax incentives to businesses.
- Keep assessments at full value. Right now we need \$8.5 million in excess value to make the TIFD in balance.
- Be mindful to do your homework when giving out 79-E's or be willing to subsidize that through property taxes.
- Hope that the economy continues its slow rebound.

TARGET GOALS - MEETING THE SHORTFALL

- Economy picks up and values go up
- Adaptive Reuse - Renovations & upgrades to current buildings
- Peterson develops

Value needed to address the shortfall	2007	2016-2017
Tax Rate	\$ 30.37	\$ 38.97
	Tax rate used above does NOT include the state education portion	
Guesstimate of Shortfall	\$ 775,000.00	\$ 330,500.00
Assessed Value needed in Downtown TIFD to offset shortfall that we budgeted	\$ 25,518,604	\$ 8,480,883

FOLLOWING THE MONEY

Audited Fund Balance

Audit Firm

Audited Year End Fund Balances		Accounting Firm
2005	\$ (37,776.00)	Plodzic & Sanderson
2006	\$ (417,576.00)	Plodzic & Sanderson
2007	\$ 7,653,427.00	Melanson & Heath
2008	\$ 3,263,582.00	Melanson & Heath
2009	\$ (318,186.00)	Melanson & Heath
2010	\$ (633,314.00)	Melanson & Heath
2011	\$ (906,946.00)	Melanson & Heath
2012	\$ (1,120,116.00)	Melanson & Heath
2014 - 18 month	\$ (1,266,067.00)	Melanson & Heath
* 2015	\$ (1,216,942.00)	Vachon & Clukay
** 2016	\$ (1,545,133.00)	Estimated deficit
	* restated = auditors adjustment	
	** estimated	

IN SUMMARY

We have put \$10 million in a project that cost \$14.5 million. We have received in tax warrants revenue \$4.9 million dollars towards your investment. If we continued only getting \$500,000 per year in tax warrant revenues you will have gotten back that investment in 10 more years. But keep in mind that there were years we were at \$750K meaning if the values pick up we will meet that goal even faster.

The values of those mill buildings we be worth MUCH more than they were in 2000 --- long into the future.

It is hard to be forward thinking, harder still to make something happen and even harder still to be patient while it all comes together.

In the end we think it will be worth it.



THE DOWNTOWN FROM THE AIR

AN IMPORTANT KEY TO GROWING THE COMMUNITY