

Epping Road Economic Development Initiative

Proactive Municipal Approach to Encouraging Commercial
Development in an Economic Revitalization Zone

Epping Road Corridor

- 1.5 mile stretch of Epping Road (Route 27) roughly between Brentwood Road to just beyond Route 101
- 300-plus of these 720 acres have seen little to no development in decades, although the property owners and developers have maintained interest for such
- While strategically located, these properties are challenging to develop because of a lack of infrastructure, amount of wetlands and other topography issues

Creating Favorable Commercial Conditions

- Economic Revitalization Zone
 - New Hampshire State Tax Incentives
- Tax Increment Financing
 - Municipal Infrastructure
- Scientific Approach to Wetland Buffers
 - Construct larger, more valuable building envelopes

Epping Road Economic Revitalization Zone

- Exeter chose to “apply (to the State of New Hampshire) to have (the Epping Road Corridor) section of the town designated as an Economic Revitalization Zone (ERZ)”
- February 2012 Epping Road ERZ was approved and established
- Businesses locating in the ERZ that are expanding or adding new jobs can apply for a tax credit against the NH State Business Profit and Business Enterprise taxes

Epping Road Tax Increment Financing (TIF) District

- Municipal Infrastructure is necessary to develop some of the largest, most valuable parcels in the ERZ
- TIF District overlays the ERZ excluding one section of an already-developed residential community (Brookside Drive)
- TIF allows for the taxes generated from new development within the district to be used to create infrastructure to support this development
- TIF has been used successfully in many states including NH

Epping Road TIF District (continued)

- The Epping Road TIF model proposes to finance this infrastructure with no increase in taxes to Exeter residents
- Epping Road TIF plan is a developer-partner plan wherein the Town of Exeter would not fund any infrastructure until the development that would utilize this infrastructure has commenced
- Developer agreements would entail a clause that require developers for whom Exeter creates infrastructure but fail to create the agreed-upon new development are responsible to reimburse the Town expenses incurred

Epping Road TIF District (continued)

- TIF Plan estimates to generate over \$130 million in new taxable investment on 587 acres
- This translates to \$3.3 million per year in additional tax revenues which renders a reduction of \$2.00 per \$1000 of property tax
- Cost of TIF infrastructure is capped at just under \$6.85 million to extend water and sewer lines and construct a road for access to 107 acres which is estimated to generate \$42.5 million in new taxable investment

Epping Road TIF District (continued)

- The intent of the TIF is to pay down the bond as quickly as possible based on the development that occurs in the TIF
- Once TIF sunsets, all TIF revenues revert to the general fund
- Exeter Board of Selectmen voted unanimously to approve the TIF District, TIF Advisory Board and the full amount of bonding authority

Cost of inaction

- Decades of stagnancy on primly located property
- Northeast Logistics Center was initially interested in Exeter but opted for Londonderry due to lack of infrastructure and local wetland buffers
- Set to open in June 2015, this project will see the creation of a 600,000 square-foot building and 600 new jobs

Thank you, Exeter!

