

**Epping Road Tax Increment Finance District
(Exeter NH)**

Amended

Development Program and Financing Plan

January 7, 2020



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Exhibit A – Financing Plan

I. Introduction

The Exeter NH Select Board hereby proposes to **amend the Epping Road Tax Increment Financing (TIF) District Plan to allocate up to \$1,000,000 of the remaining \$3,215,320 of borrowing authority** for the following purposes: a corridor study on Rt. 27 (Epping Road) between the Route 101 interchange and Route 111-A (Brentwood Road); and infrastructure improvements on Rt. 27 (Epping Road) between the Route 101 interchange and Continental Drive. While the exact infrastructure improvements that will be implemented will come from the corridor study which is estimated to be roughly \$100,000 (quote from VHB engineering), plans for scheduled and future private investment have identified a need for a center lane on Epping Road (Route 27) between Cronin Road and Continental Drive. Also, recommended by Planning staff, improvements may include a new sidewalk along the west side of Epping Road between Cronin Road and Continental Drive. Estimated costs for these potential improvements, provided by Severino Construction, include: Improvements, \$700K; As built, engineering, contingency, \$150K; and, Exclusions \$50K. The total for all planning and infrastructure improvements will not exceed \$1 million.

This allocation will fund these improvements without increasing the amount or length of term on the TIF bond and ensure remaining resources (\$2,215,320) would complete the infrastructure improvements outlined in both the 2015 and 2018 TIF plans. Specifically, this includes the extension of Ray Farmstead Road – with water, sewer and a Watson Brook crossing – from its current conclusion to Map 20 Lot 12 (Scott Carlisle’s 18-acre parcel). These improvements are estimated to cost \$2 million (quote from Exeter Engineering Department). **The TIF Advisory Board voted unanimously to approve the amendment.**

This area of Exeter, long neglected for commercial development, has sure potential to contribute significantly to the Town’s tax base, employment base and quality of life through expanded positive economic growth and development. Due to exorbitant site work costs owing to the topographic and ecologic (i.e. wetlands) challenges, this area has remained largely unchanged over the past several decades, despite the desire from local officials, investors and property owners to see it developed. Stimulating sustainable commercial and mixed-use development in this sector is essential; this district was designated an Economic Revitalization Zone (ERZ) and is considered by economic development professionals as the best opportunity Exeter has for large-scale private investment.

The purpose of this Development Program and Tax Increment Financing Plan is to amend the 2015 Epping Road Tax Increment Finance District Plan in compliance with the provisions of New Hampshire RSA 162-K:9 and 162-K:10. Specifically, these statutes require:

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

II. Objectives

The objectives of this Amended Development Program and TIF Plan are to:

- Create new infrastructure improvements needed to stimulate and sustain economic development;
- Stimulate development of commercial and industrial property that will provide new manufacturing and other business opportunities, retail and office space, professional services, conference and hotel services, restaurants or other businesses consistent with a vibrant economic corridor;
- Expand the property tax base;
- Create new, expanded and enhanced employment and earning opportunities for area residents;
- Attract consumers from within and from outside the community to patronize existing and new businesses in the Epping Road corridor as well as in other areas in Exeter;
- Stimulate other businesses to locate or expand within Exeter;
- Increase the amount of developed square footage within the district at a more rapid pace than would otherwise occur;
- Increase the commercial and mixed-use tax base of the district at a more rapid rate than current conditions have realized;
- Encourage development opportunities outside the boundaries of the TIF District.

III. Proposed Improvements

In order to provide full access to some of the most important developable property within the Tax Increment Financing District, it is necessary to design and construct road improvements, likely a center lane and sidewalk on Epping Road between Continental Drive and Cronin Road.

Estimated Cost: \$1 million of remaining \$3.2 million

IV. Project Benefits

The Epping Road Tax Increment Finance (TIF) District has performed exceptionally well in the four years since its inception raising, to date, over \$2 million in new private investment (see below) with several other major projects currently underway (Unitil, Ray Farm) and still others in the planning stages (Gateway at Exeter, 24 Continental Drive, 5 McKay Drive, Rinks). These projects will culminate in the addition of tens of millions of dollars' worth of new taxable investment with plenty more acreage left in the district for future development.

The Epping Road Corridor has seen significant investment since commencement with over \$43 million of new taxable value, including new developments including Gourmet Gift Baskets, C3I, The Residences at Colcord Pond, Aroma Joe's and expansions of existing businesses, including FW Webb, The Rinks at Exeter and Northeast Distribution.

Performing a corridor study from the Rt. 101 interchange all the way to Brentwood Road (Rt. 111-A) will assist the Town and private investors with planning the best method for future growth to tie into existing corridor conditions. The "hard" infrastructure proposed in this plan will provide safer and more convenient access to the entire corridor and allow for even more private resources to expand – responsibly – on Epping Road, Continental Drive and Industrial Drive.

TIF Valuation and Revenues to date (please note the annual increase is cumulative and will continue for decades beyond the sunset of the TIF bond):

TIF Taxable Increase 2016 – 2019

\$43,238,246

TIF Property Tax Revenue

<u>Year</u>	<u>Amount</u>
2016	82,293
2017	505,729
2018	550,266
2019	920,542
Total	\$2,058,830

V. Project Cost

Total Projected Cost = up to \$1,000,000

Project: Corridor Study

Estimated Project Cost: \$100,000

Project: Infrastructure Improvements on Epping Road between Rt. 101 Interchange and Continental Drive

Estimated Project Cost: \$900,000

These numbers include improvements, engineering, as built, contingency and exclusions and **represent only a shifting of existing borrowing authority.**

In any year, if the amount of the current assessed value for the District exceeds the original assessed value that excess shall be referred to as captured assessed value.

The captured assessed value shall be dedicated to first paying the amount necessary to make any required debt service payments on any bonds that may be issued. Captured assessment value beyond that necessary for this purpose shall accumulate to complete the projects contained in the Development Plan.

VI. Implementation

Implementation of this plan requires the following action be taken:

- Adoption of the Amended Development Program and Tax Increment Financing Plan (RSA 162-K:9 and 162-K:10) incorporated herein occurs by vote of the Town Meeting on March 10, 2020.

Town of Exeter
Epping Road TIF Bond

Amount \$1,000,000
Interest Rate 1.47%
Years (up to 25) 10
ANNUAL PAYMENT 100,000

#	PRINCIPLE	INTEREST	BALANCE	Tot Prin Plus Interest	TIF District Revenues	Value to Pay Debt	Excess Revenue (20.7m)
1	100,000	14,700	100,000	114,700	920,542	920,542	805,842
2	100,000	13,230	800,000	113,230	920,542	920,542	807,312
3	100,000	11,760	700,000	111,760	920,542	920,542	808,782
4	100,000	10,290	600,000	110,290	920,542	920,542	810,252
5	100,000	8,820	500,000	108,820	920,542	920,542	811,722
6	100,000	7,350	400,000	107,350	920,542	920,542	813,192
7	100,000	5,880	300,000	105,880	920,542	920,542	814,662
8	100,000	4,410	200,000	104,410	920,542	920,542	816,132
9	100,000	2,940	100,000	102,940	920,542	920,542	817,602
10	100,000	1,470	0	101,470	920,542	920,542	819,072
11	0	0	0	0	0	0	
12	0	0	0	0	0	0	
13	0	0	0	0	0	0	
14	0	0	0	0	0	0	
15	0	0	0	0	0	0	
16	0	0	0	0	0	0	
17	0	0	0	0	0	0	
18	0	0	0	0	0	0	
19	0	0	0	0	0	0	
20	0	0	0	0	0	0	
21	0	0	0	0	0	0	
22	0	0	0	0	0	0	
23	0	0	0	0	0	0	
24	0	0	0	0	0	0	
25	0	0	0	0	0	0	
Total	1,000,000	80,850	0	1,080,850	1,080,850	1,080,850	8,124,573

Note: Excess revenues being applied to current debt service payments

BE point - 23M

8,124,573

23.27