

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

Amended

Development Program and Financing Plan

January 8, 2018



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I. Introduction

The Exeter NH Board of Selectmen hereby proposes establishment of the **Amended Epping Road Tax Increment Financing (TIF) District** to: (1) Fund improvements intended to improve and enhance the economic vitality of the Epping Road Corridor area by creating new improvements including lane widening and signalization at the intersection of Continental Drive and Epping Road (Route 27); (2) Subtract the portion of Epping Road Utility Extensions north of Parcel 047-007-0000 (King parcel); (3) Amend existing TIF Financing Plan to accommodate increase without increasing length of term. 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 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 commercial 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 intersection 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 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 and signalization improvements at the intersection of Continental Drive and Epping Road (Rt. 27). Continental Drive provides the only access to roughly ninety-five vacant acres. This area, having languished for decades, remains challenged by topographical and wetland features; this creates a situation where site work costs are much higher than they would be in less compromised properties. The proposed amended intersection improvements will enable new commercial development, 146,000 square-foot of which has either been approved by or is in Exeter's planning process. This property is of particular interest by quality companies that desire these strategic amenities.

Estimated Cost: \$1.1 million (see Exhibit C)

IV. Project Benefits

The Epping Road Tax Increment Finance (TIF) District has performed admirably in the two years since its inception raising, to date, over \$500,000 (see Exhibit D) with several other proposed projects in the planning stages. One such project, whose application has been received as complete by the Exeter Planning Board, is a 116,000 square-foot light-industry/distribution facility at 24 Continental Drive. The traffic study for same (see Exhibit E) indicated that should this building be built, a traffic light at the corner of Continental Drive and Epping Road would be necessary. Also of note is Mr. Monahan's assertion at the January 8, 2018 Board of Selectmen meeting that he is negotiating with a worldwide tenant for a 400,000 square-foot building on Continental Drive that would provide 250 jobs. Although this is not and may not come to fruition, it highlights the commercial interest in this area.

Prior to 24 Continental, Mike Lampert was approved for a 30,000 square-foot industrial warehouse and office building. While this project didn't require a light, the Planning Board imposed as a condition of approval an exaction of \$6000 for the project's contribution to the widening of the intersection at Epping Road and Continental Drive. The Planning Board deemed this condition void or reimbursable if additional TIF funds came available for the improvements.

The Epping Road TIF District created opportunity for development through sewer and water infrastructure improvements but did not address the possibility of traffic calming. The corner of Continental Drive and Epping Road has reached a critical situation that needs addressing if Exeter wants to continue to develop the corridor. Continental Drive has 95 more acres open for development. Because Exeter chose not to impose exactions on Continental Drive as it developed, traffic improvements would fall to the company that triggers such an issue. Unfortunately, this "last man in" situation is untenable for upcoming projects as the \$1.1 million necessary for these improvements (see Exhibit C) make new projects financially unfeasible. Further, it is likely that the Town of Exeter would need to install a traffic light and construct intersection improvements at this site in the near future anyway. Utilizing TIF funds in this situation may seem more palatable to taxpayers than the alternatives – and would likely be more timely.

V. Financing Summary

Total Projected Cost

Project: Continental Drive/Epping Road Intersection Improvements:

Estimated Project Cost: \$1,100,000

These numbers exclude annual maintenance and operations costs. The \$1.1 million estimate came from Marty Kennedy at VHB. The estimate by which the existing TIF will be reduced with the proposed exclusion of the Epping Road Utility Extension between the King parcel and the north side of Rt. 101 is unknown, but, considering existing TIF estimates are three years old and costs have risen dramatically, the TIF Advisory Board's intentions are that this amount will serve as a "buffer".

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.

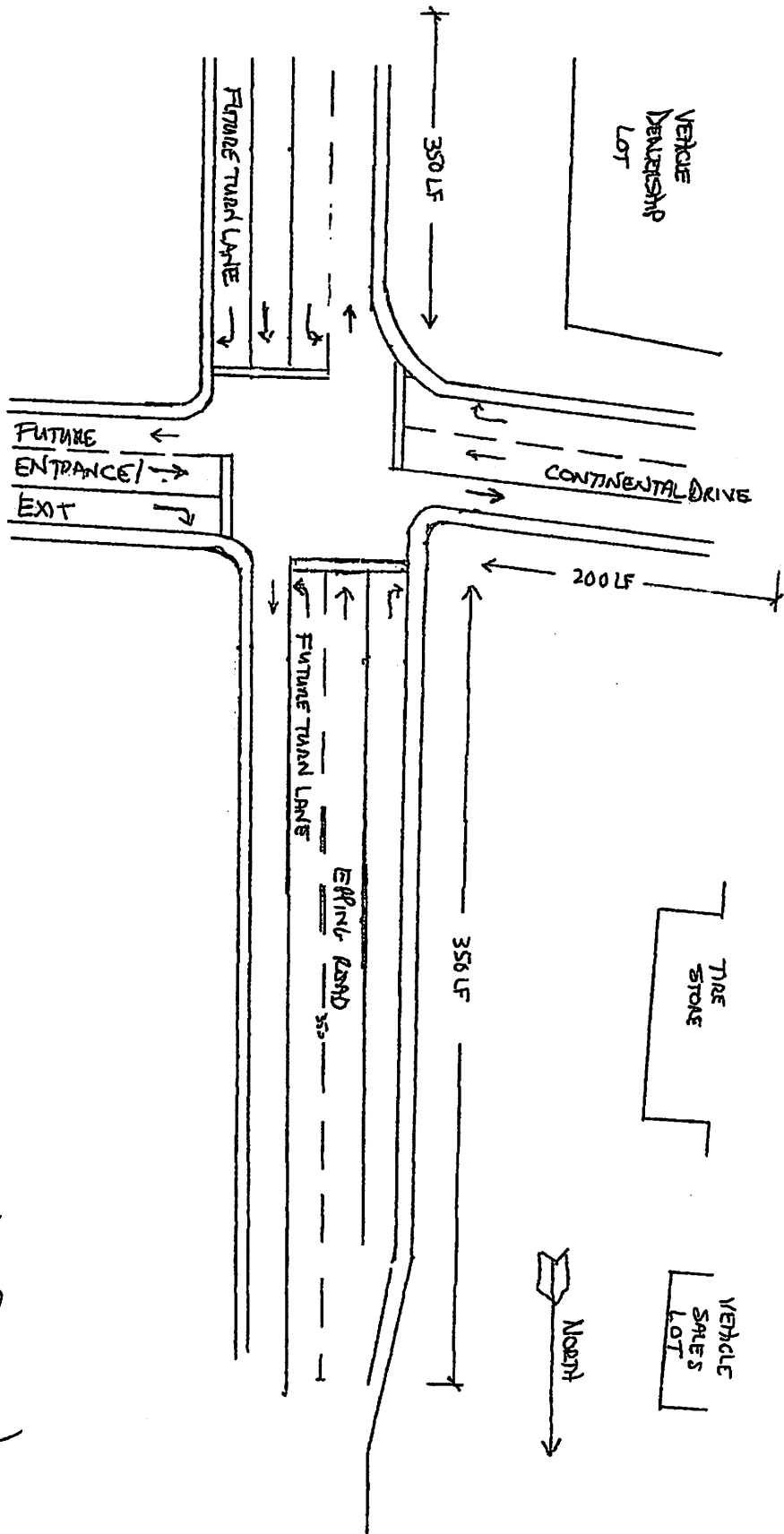
The captured assessed value shall be dedicated to first paying the amount necessary to make any required debt service payments on any bonds that may be issued. Captured assessment value beyond that necessary for this purpose shall accumulate to complete the projects contained in the Development Plan.

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 13, 2018.

Exhibit A



CONTINENTAL DRIVE INTERSECTION
 WITH EFFICIENT ROAD
 EXETER, NH
 1/8" = 20' 8"
 1" = 40'

Exhibit A

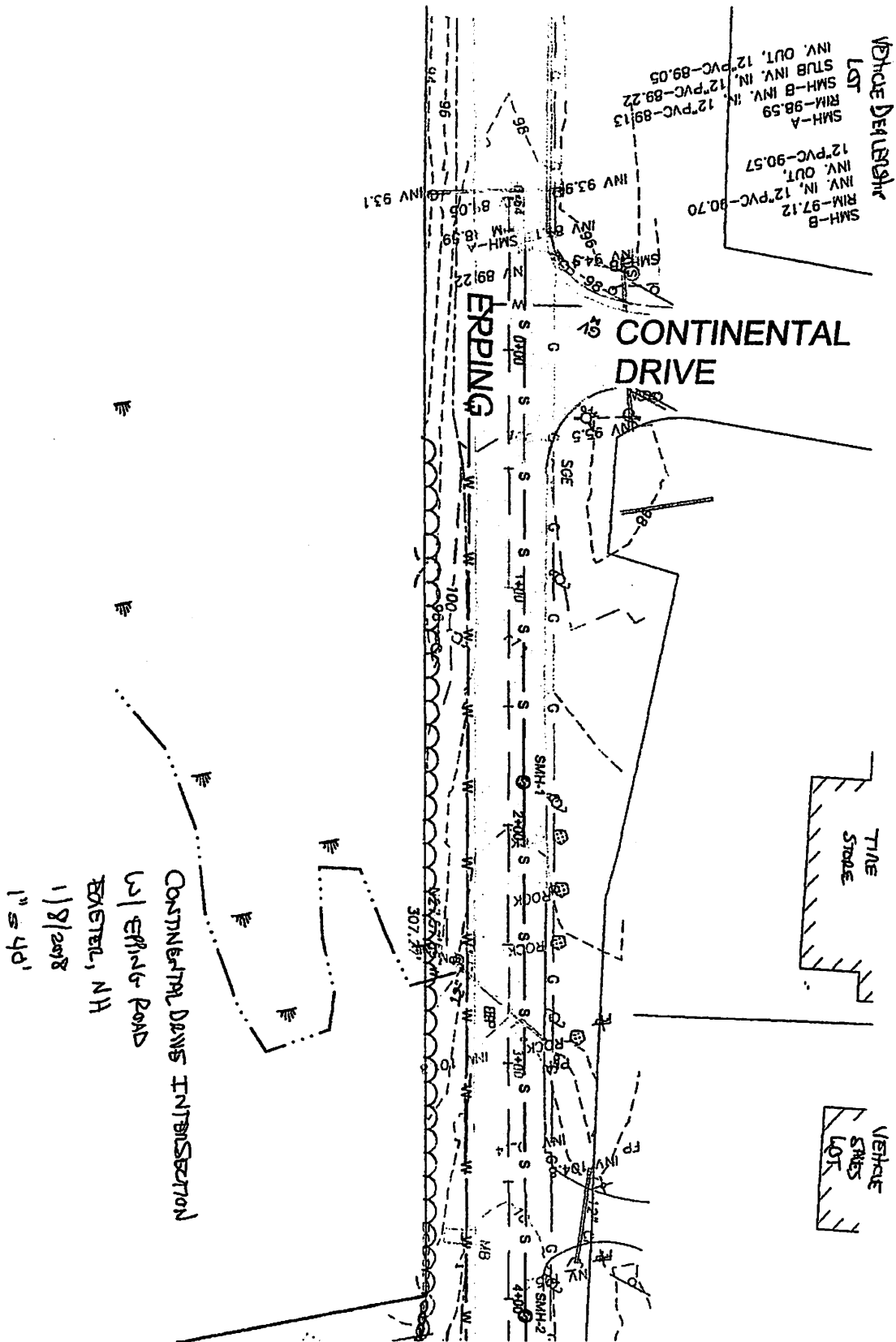


Exhibit B

#	Amount Interest Rate Years (up to 25) ANNUAL PAYMENT	PRINCIPLE \$7,945,312 3.00% 20 397,266	INTEREST	BALANCE PRINCIPLE	Tot Prin Plus Interest	TIF District Revenues	26.77	24.42 Value to Pay Debt	Excess Revenue (26,030,000)	Total	
										Total Principal	Total Interest
1	397,266	238,359	7,945,312	7,948,046	635,625	635,653			28	397,266	0
2	397,266	7,150,781	7,150,781	623,707	634,944	634,944			11,237	397,266	0
3	397,266	214,523	6,753,515	611,789	634,944	634,944			23,155	397,266	0
4	397,266	202,605	6,356,250	599,871	634,944	634,944			35,073	397,266	0
5	397,266	190,687	5,958,984	587,953	634,944	634,944			46,991	397,266	0
6	397,266	178,770	5,561,718	576,035	634,944	634,944			58,909	397,266	0
7	397,266	166,852	5,164,453	564,117	634,944	634,944			70,827	397,266	0
8	397,266	154,934	4,767,187	552,199	634,944	634,944			82,745	397,266	0
9	397,266	143,016	4,369,922	540,281	634,944	634,944			94,663	397,266	0
10	397,266	131,098	3,972,656	528,363	634,944	634,944			106,581	397,266	0
11	397,266	119,180	3,575,390	516,445	634,944	634,944			118,499	397,266	0
12	397,266	107,262	3,178,125	504,527	634,944	634,944			130,417	397,266	0
13	397,266	95,344	2,780,859	492,609	634,944	634,944			142,335	397,266	0
14	397,266	83,426	2,383,594	480,691	634,944	634,944			154,253	397,266	0
15	397,266	71,508	1,986,328	468,773	634,944	634,944			166,171	397,266	0
16	397,266	59,590	1,589,062	456,855	634,944	634,944			178,089	397,266	0
17	397,266	47,672	1,191,797	444,937	634,944	634,944			190,007	397,266	0
18	397,266	35,754	794,531	433,020	634,944	634,944			201,925	397,266	0
19	397,266	23,836	397,266	421,102	634,944	634,944			213,843	397,266	0
20	397,266	11,918	0	409,184	634,944	634,944			225,761	397,266	0
21	0	0	0	0	634,944	634,944				0	0
22	0	0	0	0	634,944	634,944				0	0
23	0	0	0	0	634,944	634,944				0	0
24	0	0	0	0	634,944	634,944				0	0
25	0	0	0	0	634,944	634,944				0	0

Exhibit B: Project Budget
Town of Exeter
Epping Road TIF Bond

Exhibit C



January 11, 2018

Ref: 88061,20

Mr. Darren Winham
Economic Development Director
Town of Exeter
10 Front Street
Exeter, NH 03833

Re: Epping Road/Continental Drive Improvements
Planning Level Construction Costs

Mr. Winham:

As a cursory planning level estimate, I would suggest that you budget the following for your project.

Construction (including signal)	approx. \$800k
Engineering/Survey/permitting	approx. \$125k to \$150k
<u>Construction Inspection</u>	<u>approx. \$50k</u>
Total	approx. \$1M
For budgeting purposes round to:	\$1.1M

Note also that this does not include right-of-way acquisition costs or costs to relocate utility lines (if needed, and transmission lines are in ROW, utility company should relocate them at their costs).

I hope this helps. If you have any questions, please feel free to contact me.

Sincerely,


Martin F. Kennedy, PE

Senior Principal
mkennedy@vhb.com

Engineers | Scientists | Planners | Designers

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Suite 200
Bedford, New Hampshire 03110
P 603.391.3900
F 603.518.7495

Exhibit D

Epping Road TIF

2015 Map	2015 Lot	2015 Unit	2015 Location	Original Reported on 2015 MS1	2016 Map	2016 Lot	2016 Unit	Owner's Name	Location	2016 Assessed Value	Original TIF Assessed Value (as of 9/1/15)	2016 Captured Assessed Value	Total Tax Assessed \$	Least State Education Tax \$/Sq. Ft.	TIF Retained Taxes \$23.83	Exempt Properties On Original 2015 MS1	2017 Captured Assessed Value	2017 Captured Assessed Value	Total Tax Assessed \$	Least State Education Tax \$/Sq. Ft.	TIF Retained Taxes \$23.83
55	75	200	MEETING PL		55	75	100	FELDER KUEHL PROPERTIES LLC	MEETING PLACE DR	457,000	457,000		2624	32.31		457,000	848	848	12,233.89	1,073.93	(11,159.94)
56	3	1	24 CONTIN		56	3	200	MEETING PLACE CONDOMINIUM ASSO	MEETING PLACE DR	848	786	62	1.63	0.15			848	786	(21.04)	(1.85)	(193.19)
62	90	1	12 LITTLE R		62	90	1	GARRISON GLEN LLC	24 CONTINENTAL DR							417,100	295,400	7,907.86	694.19	7,213.67	
62	90	1	12A LITTLE R		62	90	1	CALVARY BAPTIST CHURCH	12 LITTLE RIVER RD	263,900	263,900						414,600	350,700	4,034.24	334.15	3,698.09
62	111	1	5 BRENTWOC		62	111	1	WASHBURNE PATRICIA A REV TR	12A LITTLE RIVER RD	438,200	438,200						1,414,000	975,800	26,132.17	2,293.13	23,839.04
62	112	62	64 EPPING R		62	112	62	GREAT BAY KIDS COMPANY INC	5 BRENTWOOD RD	424,100	424,100	424,100	(11,128.38)	(1,022.08)	(10,106.30)		624,100	624,100	(11,553.16)	(996.64)	(10,556.52)
62	113	62	74 EPPING R		62	113	62	GREAT BAY KIDS COMPANY INC	64 EPPING RD	263,100	263,100	263,100	(6,903.24)	(634.07)	(6,269.17)		299,300	36,200	969.07	85.07	884.00
62	114	62	78 EPPING R		62	114	62	GREAT BAY KIDS COMPANY INC	74 EPPING RD	299,300	299,300	299,300					299,300	36,200	969.07	85.07	884.00
								78 EPPING ROAD LLC	78 EPPING RD	79,519,224	78,625,463	1,293,761	35,948.29	3,117.96	30,830.32		99,334,736	20,709,273	554,387.24	48,666.79	505,720.45
								GBK Retained amount				Retained amount		#VALUE!							
								<422,100>+1,669,100 = 1,245,000		1,669,100	1,669,100	1,669,100	43,797	4,022.53	39,774.65						
								<263,100>+173,300=<436,400>		173,300	173,300	173,300	6,547	417.65	4,129.74						
								Total 1,155,200													
								New TIF amount		81,761,624	New Retained amount	3,136,163	82,293	7,558.15	74,734.72						

Exhibit E

Continental Drive Traffic Analysis



STUDY FINDINGS AND RECOMMENDATIONS

Based upon the existing conditions data collected on NH Route 27, the anticipated traffic volume increases associated with the proposed light industry/distribution facility, and the analysis of future traffic conditions at this study area intersection, Pernaw & Company, Inc. finds that:

1. The peak period traffic counts conducted by Pernaw & Company, Inc. at the NH27/Continental Drive intersection in June 2017 revealed that the peak traffic hours on NH27 occurred from 7:30 to 8:30 AM and from 4:15 to 5:15 PM on a typical weekday. During these periods, 1,085 vehicles (AM) and 1,417 vehicles (PM) were observed traveling on NH27 (north of Continental Drive). **RAFT**
2. The trip generation analysis revealed that, on an average weekday basis, the proposed light industry/distribution facility will generate approximately 107 (AM) and 113 (PM) trips during the peak hour periods. This type of use generates "new" trips to the area. The trip distribution analysis indicates that the majority (65%) will travel to/from points north on NH27.
3. Analysis of the 2018 opening year traffic projections revealed that site traffic will increase the two-way traffic flow on NH27 by approximately +5% north of the site and +3% south of the site during the worst-case PM peak hour period. By way of comparison, the short-term NHDOT count on NH27 revealed that random traffic flow from one day to the next accounted for changes as much as 20%. In terms of magnitude, the net increase in the two-way volume on NH27 will range from +38 to +73 vehicles depending upon location and peak hour.
4. Analysis of the traffic operations at the subject intersection confirmed that left-turn departures on to NH27 currently encounter long delays (LOS F) during the peak hour periods, similar to all other streets and driveways along this corridor. The right-turn departure movement and left-turn arrivals will operate below capacity through the horizon year with the site in full operation. The analysis demonstrates that site traffic is not of sufficient magnitude to alter the prevailing Levels of Service.
5. The auxiliary turn lane warrants analyses based on the 2018 No-Build and Build traffic volumes indicate that the ideal lane configuration for the NH27/Continental Drive intersection includes an exclusive northbound left-turn lane and an exclusive southbound right-turn lane on NH27 and two approach lanes on Continental Drive. Currently the turning movements from NH27 occur from the through lanes. **RAFT**
6. Traffic signal control is currently warranted at the NH27/Continental Drive intersection based on the existing traffic volumes and existing lane configuration. If the Continental Drive approach was widened to provide two approach lanes, then the additional traffic from the subject site would be needed in order to satisfy one or more traffic signal warrants.
7. The sight distances looking left and right from the Continental Drive approach to NH27 are excellent due to the straight and level alignment of NH27.

STAMP

THIS PLAN IS THE PROPERTY OF THE ENGINEER AND ARCHITECT AND IS NOT TO BE REPRODUCED OR COPIED IN ANY MANNER WITHOUT THE WRITTEN CONSENT OF THE ENGINEER AND ARCHITECT.



UTILITY CONTACTS

1. ALL UTILITIES SHOWN ON THIS PLAN ARE BASED ON RECORD DRAWINGS AND FIELD SURVEY. THE ENGINEER AND ARCHITECT ASSUME NO LIABILITY FOR THE ACCURACY OF THESE UTILITIES.

2. THE ENGINEER AND ARCHITECT HAVE CONDUCTED VISUAL INSPECTIONS OF THE UTILITIES SHOWN ON THIS PLAN. IT IS THE RESPONSIBILITY OF THE CONTRACTOR TO VERIFY THE LOCATION AND DEPTH OF ALL UTILITIES PRIOR TO CONSTRUCTION.

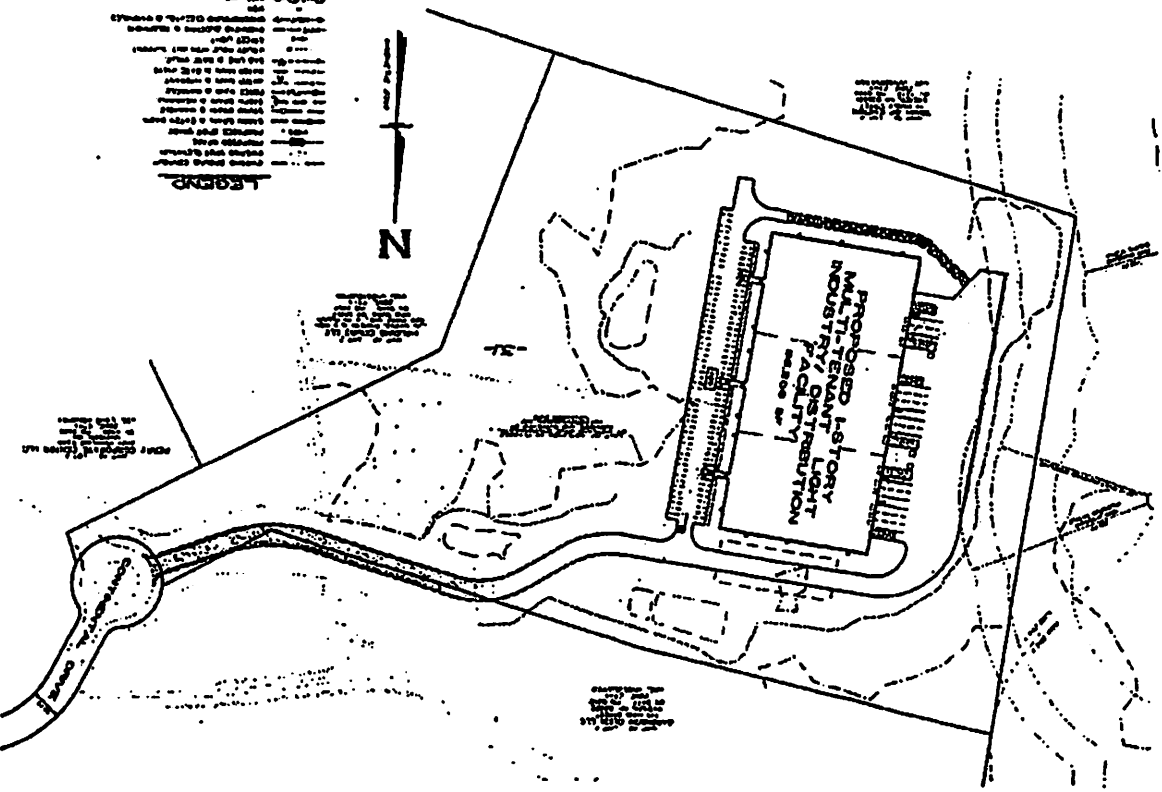
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APPROVED
ENTERED PLANNING BOARD

NOTES:

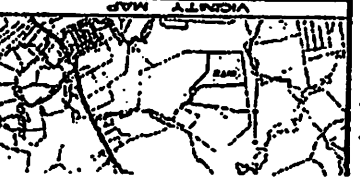
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PRELIMINARY

GARRISON GLEN DRIVE

PROPOSED 1-STORY INDUSTRIAL/WAREHOUSE LIGHT FACILITY

MAP 00, LOT 21

GARRISON GLEN, LLC

PROPOSED MULTI-TENANT LIGHT INDUSTRIAL/DISTRIBUTION FACILITY

5.4 GARRISON GLEN DRIVE

NEW HAMPSHIRE DRIVE

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