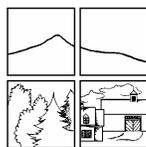
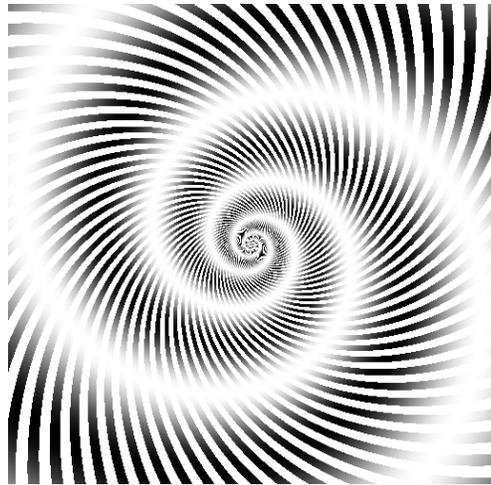


Tax Increment Financing in New Hampshire

December 2003



SWRPC

Southwest Region Planning Commission
20 Central Square, 2nd Floor
Keene, New Hampshire 03431

TAX INCREMENT FINANCING IN NEW HAMPSHIRE

Current trends in community planning and community development emphasize efficiency and conservation in resource use, resources of all manner, including land, water, public funds and even community character. Smart Growth principles promoted by NH Office of State Planning and NH's Regional Planning Commissions make priorities of centralized development, capital planning for public infrastructure and services, well-balanced local tax base, and diversity in local employment opportunities. Smart Growth, of course, is proffered as an alternative to the sprawling commercial and residential development patterns that have prevailed in communities of all sizes since the 1970's. Regional and national trends in personal income, personal mobility and business practices have also had negative effects on small towns across New England. Among the most often lamented consequences of recent trends are loss of vibrant Main Streets as commercial and social centers, loss of diversity and numbers of local jobs, loss of commercial and industrial property tax revenue, and growing burden for homeowners for the cost of public infrastructure costs.

Tax Increment Financing (TIF) was originally developed as an urban renewal strategy - a way for cities to pay for redevelopment of depressed or under-used areas. During the past decade, however, TIF has effectively applied as a tool for accomplishing multiple community goals in towns of any size. By using TIF, a number of cities and towns in New Hampshire are currently growing their local tax base and employment base without burdening the community's general fund for infrastructure or services, and in some cases, funding public amenities such as Main Street beautification. TIF can be part of any town's Smart Growth strategy.

Simply put, TIF is implemented by establishing a "district" within a community with the intent that any increase in tax revenue resulting from increased property values within that district (from new construction or improvement of existing buildings) will be used to pay for public improvements within that district. The additional new revenue is the "tax increment." The TIF District can be part or all of an existing village or downtown, or a single derelict property, or an undeveloped area that the town would like to grow to an industrial or corporate park. A TIF District is a special tax district from which new tax revenue is dedicated to improvements within that district. Once the planned public improvements in the district have been paid for, the new tax increment generated by the new development becomes part of the Town's general revenue.

There are many guidance documents available to help New Hampshire communities understand the benefits, risks, and responsibilities of creating and administering a TIF District – all of which is established by State enabling legislation, NH RSA 162 K. A flow chart of the process of calculating the tax increment captured from a TIF District is included after this section.

Two excellent resources for authoritative and comprehensive guidance on the matter are the NH Office of State Planning's Technical Bulletin #13, "Tax Increment Financing" (included at the end of this report) and Planning Advisory Service Report Number 389 "Tax Increment Financing" by Sam Casella published by the American Planning Association (not included here due to copyright restrictions).

In addition to those written documents, the staff of New Hampshire's nine Regional Planning Commissions and thirteen Regional Development Councils (private, non-profit economic development organizations) are primary resources for assistance with TIF.

NH Regional Planning Commissions

Central NH Regional Planning Commission	226-6020	www.cnhrpc.org
Lakes Region Planning Commission	279-8171	www.lakesrpc.org
Nashua Regional Planning Commission	883-0366	www.nashuarpc.org
North Country Council, Inc.	444-6303	www.ncccouncil.org
Rockingham Planning Commission	778-0885	www.rpc-nh.org
Southern NH Planning Commission	669-4664	www.snhpc.org
Southwest Region Planning Commission	357-0557	www.swrpc.org
Strafford Regional Planning Commission	742-2503	www.mv.com/ipusers/plan/
Upper Valley Lake Sunapee RPC	448-1680	www.uvlsrc.org

NH Regional Development Corporations

Belknap Co. Economic Development Council	524-3057	www.bcedc.org
Capital Regional Development Council	228-1872	www.crdc-nh.com
Coos Economic Development Corporation	788-3900	www.buzzgate.org/coos.html
Gateway Industrial Development Corporation	634-3030	hybscrt@pshn.com
Grafton County Economic Development Corp.	744-2393	www.graftoncountyedc.org
Monadnock Economic Development Corp.	352-4939	www.monadnock-development.org
Monadnock Business Ventures	924-1600	www.mbvinc.org
Mt. Washington Valley Economic Council	447-6622	www.mwvec.com
Rockingham Economic Development Corp.	772-2655	www.redc.com
Seacoast Business Alliance Corporation	929-9244	www.sballiance.com
Strafford Economic Development Corp.	749-2211	sedc@worldpath.net
Wentworth Economic Development Corp.	569-4216	www.wedco-nh.org
Western Region Development Corp.	543-1298	www.sullivandev.com

Southwest Region Planning Commission prepared this report to supplement existing guidance material and professional assistance with case studies of established TIF Districts in New Hampshire. In 2003, there are thirteen TIF Districts in place in eleven New Hampshire cities and towns. Case studies were made of eight of the eleven districts in the following towns:

Antrim	Board of Selectmen, (603) 588-6785
Claremont	Claremont Economic Development, (603) 542-7030
Concord	Business Development Division, (603) 225-8595
Hanover	Assessor's Office, (603) 643-0742
Hinsdale	Administrative Assistant, (603) 336-5710
Jaffrey	Economic Development Director (603) 532-7880
Keene	Monadnock Economic Development Corp. (603) 352-4939
Peterborough	Community Development Office 924-8000
Swanzy	Board of Selectmen, (603) 352-7411

Five communities have established TIF Districts in addition to those described herein:

Claremont	Claremont Economic Development, (603) 542-7030
Concord	Business Development Division, (603) 225-8595
Hooksett	Finance Department, (603) 485-2017
Keene	Finance Department, (603) 352-1013
Newmarket	Town Administrator, (603) 659-3617 x3

Four communities are known to be considering or in the process of establishing TIF Districts:

Bow	Planning and Economic Development Department, (603) 225-3008
Derry	Community Development Department, (603) 432-6110
Hampton	Town Administrator, (603) 744-3559
Plymouth	Town Administrator, (603) 536-1731

This study was carried out with funding from the NH Community Development Finance Authority and SWRPC municipal membership dues. SWRPC thankfully acknowledges the time and information provided for this project by TIF District Administrators and other local officials and staff contacted regarding TIF District case studies, the Monadnock Economic Development Corporation, the Concord Regional Development Corporation, and the NH Department of Resources and Economic Development.

TIF DISTRICT CASE STUDIES

To learn more about the municipal decision-making for when and why a TIF District is the right tool, the steps for establishing a TIF District and practices for successful TIF District management, SWRPC interviewed persons responsible for establishing and/or managing existing TIF Districts. A copy of the survey instrument used is attached at the back of this study.

The use of TIF in New Hampshire municipalities varies from downtown beautification and revitalization of downtown commercial districts to the recruitment of new industry and development and expansion of infrastructure capacity. To-date, TIF has been used as a funding mechanism in more than 10 municipalities across the state, with increment captured in excess of \$100 million dollars.

As described by the Administrators interviewed, a Board generally directs TIF district activities. In most cases described below, the board consists of either five members or nine members. While some TIF boards were appointed by the City Council or Board of Selectmen, others have operated under the direction of either an oversight board or another committee responsible for the establishment of the district with an Advisory Board to be appointed upon district establishment.

The existing zoning of TIF Districts varies. Many have traditional mixed-use medium- to high-density downtown and village zoning, while others have exclusive and targeted uses, such as Commercial and Industrial Parks. Permitted uses include Commercial, Residential, Civic, Industrial, Business, Light Industry, Recreation, Offices, and Personal Services. Only one TIF District studied here has provisions or requirements for Green Space.

Some municipalities have property-level mapping for the TIF District in addition to municipal tax maps, such as site plans; aerial photos; and, GIS data that include sidewalks, building footprint, high-resolution topographic contours, sewer and water lines, and paved areas. One community used increment captured from the TIF to generate GIS maps for the District.

Tax Increment Financing Plans exist for most TIF Districts studied here. The Plans clearly identify the goals of the TIF. Where TIF goals had changed from the original goals, it was due primarily to the expansion of ideas rather than a re-creation of the original goals. Administrators indicated that the TIF District Plan was linked either directly or indirectly to the municipal Master Plan and/or Economic Development Plan.

In the TIF Districts studied here, additional funding sources were either not used or not anticipated for the majority of TIF Districts. However, several TIF District projects utilized captured TIF dollars to supplement Transportation Enhancement funds or Main Street Program grants. The Community Development Block Grant Program and USDA Rural Development were identified as other potential funding sources, but only a few municipalities anticipated pursuing other funds.

For TIF Districts that had captured increment, the increase was attributed to business or industry expansion, business or industry retention, business rehabilitation, or new construction. In several cases, anticipated expansion of business or industry initiated the development or expansion of a TIF District, with one Administrator encouraging TIF as a method for capturing dollars from anticipated business expansion or property revitalization.

TIF District Administrators generally agreed that the captured increment met expectations to the extent that the increment had supported the implementation of original TIF District goals. And while one Administrator commented that revenue had “exceeded expectations,” another suggested that things were “off to a slower start than anticipated.”

Each Administrator shared comments about the lessons learned in implementing a TIF District. Most notable feedback included the suggestion that education and awareness building about TIF and its benefits is critical to public acceptance at Town Meeting or City Council Meeting. Also emphasized was the need to allow adequate administrative flexibility so that captured increment can be processed efficiently. Another comment stressed the importance of giving consideration to the size of the project, particularly for a community new to Tax Increment Financing, making clear that larger projects may require more coordinations regarding the use of the tax increment.

Administrators offered an opinion that while many communities have had tremendous success with TIF, it may not be appropriate for other communities, depending on community development goals. Regional Development Councils (RDCs) are available to assist communities with the development of TIF Districts. RDCs and TIF District Administrators can be valuable resources for further understanding when, why and how to use Tax Increment Financing as a tool in your community.

Eight Case Study summaries follow.

Municipality: ANTRIM

Year Established: 2000

Advisory Board:

Currently Operating?: Yes
When Established?: Created after TIF District was established. A separate Economic Development Advisory Committee was created to establish the TIF District.
Number of Members: 5
Appointed By: Board of Selectmen
Term Length: 1 year

Purpose for Establishing District: Downtown beautification/revitalization, and sidewalk rehabilitation.

Nature of the District: Main Street and Downtown.

District Zoning Standards: Primarily Village and Business District (includes light industry and commercial). Approximately 30% is in Residential District.

Permitted Uses: No uses are expressly prohibited; rather, principle permitted uses are named. The Village Business District includes more than 30 types of permitted uses in the general categories of business, institutional, and residential. The Residential District has four permitted uses (single-family and duplex dwellings, public utilities, and home-based businesses).

Describe the TIF District:

<u>103.4</u> (# acres)	<u>25 approx.</u> (# businesses)
<u>64</u> (# properties)	<u> </u> (# employees)
<u>52</u> (# buildings)	<u>3</u> (# vacant buildings or floor space)

Does the TIF District Have: Yes Provisions/Requirements for Green Space
 No Access Management

Is the TIF District Served By: Yes Public Sewer Yes Public Water
 Yes State Roads Yes Broad Band
 Yes Town Roads Yes 3-Phase Power
 No Private Roads

TIF District Property-level Mapping (other than tax maps): Used TIF District funds to generate GIS maps for the District.

Does the Municipality Have a Tax Increment Financing Plan?: Yes

Goals for the TIF Districts: Provide public facilities and infrastructure improvements to help revitalize and beautify the downtown such that the Town becomes a commercial and cultural center. Improvements might include redevelopment of the

Goodell Mill, new development (such as a new mixed-use building for the vacant Touchwood Square), sidewalk/road (re)construction, street lighting, benches, landscaping, walking/biking paths, studies, and related administrative and maintenance costs.

Have the original goals changed?: No. However, new ideas for implementing the original goals have developed, including the self-help paint/façade improvement program.

How have the goals changed?: n/a

Is the TIF District Part of a Community Master Plan or Economic Development Plan? Yes

Please explain: The TIF District is included in the Town's Economic Development Plan, and the ED Plan is part of the Master Plan. Antrim knew it would have a TIF District when the recently updated Master Plan was completed.

Other Funding Sources Used to Achieve Community or Economic Development Goals:

Federal Transportation Enhancement funds will fund preliminary designs for the District. Other funds will likely be pursued, but it is difficult to identify sources at this point; perhaps local property tax abatements and Community Development Finance Authority Business Development Funds.

Initial TIF District Valuation: \$4,539,340

Increment Captured to Date: \$142,000 (approximately)

Percent Directed Toward Debt Reduction: 0%

Increment Increase Results From: Business expansion. The Town knew a business was being expanded; the TIF District was set up to capture the dollars anticipated as a result of that expansion.

Improvements Made To-Date: Preliminary engineering for sidewalk construction and improvements; PSNH study of underground utilities, demolition of a dilapidated structure, GIS mapping, Self-Help Paint and Façade Improvement program for businesses and residences within the District.

Improvements Planned for Near Future: Main Street Sidewalk Rehabilitation Project

Does the Captured Increment Meet Expectations?: Yes. "For sure."

Lessons Learned:

1. Educating local residents so they understand more about what a TIF District is and how it can benefit the Town was critical to gaining approval at Town Meeting. A common mistake is that people perceive a TIF District as a Special Assessment District where people in that

- district pay extra for the service in their district. It is important that residents understand the benefit of a TIF District to the greater community.
2. Do not overlook an opportunity if you know you want to capture anticipated dollars. TIF Districts can be created to capture anticipated dollars in the event that a municipality knows renovations or expansion are planned for a particular property or business.
 3. The TIF District Administrator and town business consultant were concerned that the 2002 town-wide revaluation would distort the calculation of the increment, causing the town to set aside a much larger than planned increment in the TIF account. With the revaluation causing the Town's total assessed property, and that of the TIF district, to increase dramatically, we thought that the increment would nearly double merely because of what is essentially an accounting issue, not a true increase in TIF property values. We researched this and were relieved when we realized that that year's increment (to be set aside in the TIF account) would instead be nearly identical to the previous year's. This happened because with the higher town-wide property values, the total tax rate (school, municipal, county) was much lower than in the previous year. When you multiply this lower tax rate by the higher assessed valuation within the district, the district's increment remains nearly the same, just as property owners do not necessarily receive higher tax bills solely because of a town-wide revaluation. The higher values of their properties are multiplied by the new, lower tax rate, keeping their total tax bill nearly level with the previous year's, all other things being equal.

TIF District Interviewee: Dave Essex, District Administrator

Please explain: The TIF Plan is part of a revitalization plan for the Downtown. It will also be part of the Master Plan being updated next year.

Other Funding Sources Used to Achieve Community or Economic Development Goals:

No additional funding sources to-date. Anticipate seeking Community Development Block Grant Program funding.

Initial TIF District Valuation: \$10.3 million

Increment Captured to Date: None yet

Percent Directed Toward Debt Reduction: None yet

Increment Increase Results From: n/a

Improvements Made To-Date: This is a newer District. No improvements made to-date.

Improvements Planned for Near Future: Rebuilding streets, sidewalks, access, and creating some public parking as well as a River Walk.

Does the Captured Increment Meet Expectations?: N/A

Lessons Learned:

1. No lessons learned yet with such a new project. This TIF District was widely supported by the community as a result of extensive public education to ensure that residents understood the benefit of TIF to the community. This education process was key to TIF adoption by the City Council.

TIF District Interviewee: Niel Cannon, Concord Regional Development Corporation

Municipality: CONCORD
(North End Opportunity Corridor TIF District – Horseshoe Pond)

Year Established: April 1998, Amended February 2000, Amended June 2000

Advisory Board:

Currently Operating?: Yes
When Established?: February 18, 1997
Number of Members: 7
Appointed By: City Council
Term Length: 15 years or until the TIF bonds are defused (repaid). Currently projected at 9 years.

Purpose for Establishing District: To clean up blighted entry to Downtown, redevelop historic mills, preserve and protect Horseshoe Pond and farmer’s fields, expand pedestrian trail system, and create investment in an office park and hotel and conference center.

Nature of the District: Downtown fringe – a former industrial/ brownfield area.

District Zoning Standards: Opportunity Corridor Zone with an Overlay Redevelopment Zone for design review.

Permitted Uses: Mixed office, multi-family residential, restaurants, day care, and government are principle permitted uses.

Describe the TIF District:

_____ (# acres)	<u>15 approx.</u> (# businesses)
<u>11</u> (# properties)	<u>385+</u> (# employees)
<u>14</u> (# buildings)	<u>none</u> (# vacant buildings or floor space)

Does the TIF District Have: Yes Provisions/Requirements for Green Space
Yes Access Management

Is the TIF District Served By:

Yes	State Roads	Yes	Public Water
Yes	Interstate Highway	Yes	Public Sewer
Yes	Town Roads	Yes	Broad Band
No	Private Roads	Yes	3-Phase Power

TIF District Property-level Mapping (other than tax maps): Aerial, site plans, GIS mapping

Does the Municipality Have a Tax Increment Financing Plan?: Yes

Goals for the TIF Districts:

- Create redevelopment opportunities
- Improve visual image of northerly and easterly entranceway to downtown
- Expand real estate tax base
- Expand employment opportunities
- Preserve important historical, environmental, and architectural character of city

- Construct, expand, and rehabilitate public roads, utilities, meeting facilities, open spaces, and pedestrian ways to provide improved access and expanded capacities sufficient to encourage private investment in property within the district
- Remove obsolete, deteriorating, and blighted land uses
- Relocate transportation components to permit efficient use of land for redevelopment
- Implementation of the “Special Design Criteria” in the provision of the Redevelopment District (RDV) Zoning Ordinance

Have the original goals changed?: No

How have the goals changed?: n/a

Is the TIF District Part of a Community Master Plan or Economic Development Plan? Yes

Please explain: The TIF is written into both the Master Plan and the Economic Development Plan

Other Funding Sources Used to Achieve Community or Economic Development Goals:

HUD CDBG	\$ 500,000
NH CDFA	\$ 4.4 million
USDOT Trail System Grant	\$ 75,000
Capital Regional Development Council contributed	\$ 1.5 million
City of Concord Economic Development Reserve	\$ 750,000
Bonded	\$ 5 million

Initial TIF District Valuation: \$3,331,100

Increment Captured to Date: \$30,022,600

Percent Directed Toward Debt Reduction: The project is complete, so everything captured above the amount necessary to retire the debt service is now surplus and each year per the NH RSA the City Council votes whether to use the surplus revenue to pay off the principal at a faster rate or dedicate it back to the general fund.

Increment Increase Results From: Redeveloping old Mills, new Hotel and Conference Center and new office buildings.

Improvements Made To-Date: All of the buildings and businesses at Horseshoe Pond resulted from the implementation of the TIF District Plan. Prior to establishing a TIF District, the properties within the district were considered brownfields and the existing buildings extremely dilapidated. The District now has 500,000 square feet of new and redeveloped buildings housing 15 businesses with more than 385 employees and no vacant space. There are four remaining properties targeted for redevelopment.

Improvements Planned for Near Future: The project is complete as planned. However the City is considering additional TIF Districts to develop infrastructure to connect the street systems and pedestrian ways to Downtown.

Does the Captured Increment Meet Expectations?: Yes. "It far exceeded expectations."

Lessons Learned:

1. TIF and NHCDFA are the best economic development tools in the State, but difficult to sell to towns. Educating the public prior to Town Meeting or City Council vote is crucial to passing a TIF. Regional Development Corporations can be helpful with providing resources and information to local residents about the benefits of TIF as a mechanism for funding municipal improvements and/or creating a stronger tax base.
2. Taking a portion of the annual captured increment rather than taking 100% of the increment creates a better sell to the community when seeking to adopt a TIF. The community will better understand the benefit of TIF if they can see that it also has the potential to benefit or contribute to other needs of the community though a supplement to the general fund.
3. For smaller towns, it might be more time efficient to adopt the plan outlining the district location and to then adopt the statute; doing so with the understanding that the TIF plan would be amended to specifically identify the planned improvements once the town was actually ready to implement the TIF. The revised plan would be conditional on the bond vote. This approach would allow for approval of a TIF while further planning the goals and objectives of the TIF, and would move the process along at a faster rate.

TIF District Interviewee: Ken Lurvey, CED; City of Concord
Niel Cannon, Concord Regional Development Corporation

Municipality: HANOVER

Year Established: 1998

Advisory Board:

Currently Operating?: No. The Board of Selectmen oversees the TIF.
When Established?: n/a
Number of Members: n/a
Appointed By: n/a
Term Length: n/a

Purpose for Establishing District: Improve and increase downtown parking.

Nature of the District: The project is a joint venture between the Town and Dartmouth College. The potential revenue (increments) funded the financing and construction of a new 3-level parking garage. Dartmouth College owns the above grade retail and office space.

District Zoning Standards: Downtown Center

Permitted Uses: Downtown Commercial, Lodging, Residential, Civic, and uses accessory to permitted use. Uses allowed by special exception include parking facility, passenger station, auto service station, drive-in facility, essential services, wholesale business, child day care agency, residential institution, use accessory to special exception.

Describe the TIF District:

<u>.75</u> (# acres)	<u>5</u> (# businesses)
<u>1</u> (# properties)	<u> </u> (# employees)
<u>1</u> (# buildings)	<u>n/a</u> (# vacant buildings or floor space)

Does the TIF District Have: No Provisions/Requirements for Green Space
n/a Access Management

Is the TIF District Served By:

Yes	Public Sewer	Yes	Public Water
No	State Roads	Yes	Broad Band
Yes	Town Roads	Yes	3-Phase Power
No	Private Roads		

TIF District Property-level Mapping (other than tax maps): Site Plans

Does the Municipality Have a Tax Increment Financing Plan?: Yes

Goals for the TIF Districts: Increase parking in the downtown.

Have the original goals changed?: No

How have the goals changed?: n/a

Is the TIF District Part of a Community Master Plan or Economic Development Plan? No

Please explain:

Other Funding Sources Used to Achieve Community or Economic Development Goals:

No additional funds anticipated.

Initial TIF District Valuation: \$1,960,200

Increment Captured to Date: \$7,041,800

Percent Directed Toward Debt Reduction: \$4,800,000. In previous years all of the captured value was used to pay down bonds. Starting in TY2003, only the amount of assessment needed to finance the TIF was retained by the district.

Increment Increase Results From: New construction

Improvements Made To-Date: None

Improvements Planned for Near Future: None

Does the Captured Increment Meet Expectations?: Yes "Exceeding expectations."

Lessons Learned:

1. When involved in a joint venture, the municipality should retain as much control as possible over the project to ensure that the goals of the town in developing a TIF are met. A strong advisory committee can help to ensure that the interests of the municipality are clear in the TIF Plan and that implemented improvements are those identified in the Plan.

TIF District Interviewee: Mike Ryan, Assessor

Municipality: HINSDALE

Year Established: 2003

Advisory Board:

Currently Operating?:

No. The Hinsdale Commercial /Industrial Development Corporation has taken the lead role in establishing the District, but will not be the only members of the Board.

When Established?:

n/a

Number of Members:

Provision for 5

Appointed By:

n/a

Term Length:

n/a

Purpose for Establishing District:

To increase employment through new development and new business expansion.

Nature of the District:

400 acres of commercial/industrial land south of Monument Road.

District Zoning Standards:

Commercial/Industrial

Permitted Uses:

Any uses allowed in the Roadside Commercial or Business Districts except Residential District uses; warehouse, wholesale, distribution and/or service; machinery and transportation equipment, farm implement and contractors equipment sales, service and repair; public utility; manufacture, production, fabrication, packaging, processing, assembly and/or repair of goods; freight or trucking terminal; contractor's yard; public garage; car wash; parking lot; other uses, upon the findings by the Hinsdale Planning Board, that such use is of the same general character as those permitted and which will not be detrimental to the other uses within the District or the adjoining land area; and, Personal Wireless Service Facilities.

Describe the TIF District:

<u>400</u> (# acres)	<u>3</u> (# businesses)
<u>9</u> (# properties)	<u>80+/-</u> (# employees)
<u>4</u> (# buildings)	<u>0</u> (# vacant buildings or floor space)

Does the TIF District Have:

No Provisions/Requirements for Green Space
No Access Management

Is the TIF District Served By:

No	Public Sewer	Yes	Public Water
No	State Roads	Don't Know	Broad Band
Yes	Town Roads	Yes	3-Phase Power
No	Private Roads		

TIF District Property-level Mapping (other than tax maps):

Site maps, Aerial maps

Does the Municipality Have a Tax Increment Financing Plan?:

No

Goals for the TIF Districts: To fund public improvements and infrastructure necessary to attract industry and commerce which, in turn, will provide needed taxable assessment, business revenue, and employment opportunities to the community as a whole.

Have the original goals changed?: n/a

How have the goals changed?: n/a

Is the TIF District Part of a Community Master Plan or Economic Development Plan? No

Please explain: The TIF District grew out of the Master Plan update and the Economic Development Plan.

Other Funding Sources Used to Achieve Community or Economic Development Goals:

None anticipated. Anything done must be user driven.

Initial TIF District Valuation: Have not yet done a TIF District valuation.

Increment Captured to Date: None

Percent Directed Toward Debt Reduction: 0%

Increment Increase Results From: n/a

Improvements Made To-Date: None. Have not gone beyond adoption at this point.

Improvements Planned for Near Future: Getting ready to do a valuation.

Does the Captured Increment Meet Expectations?: n/a

Lessons Learned:

1. Zoning in a TIF District can be changed to allow more flexibility for development within the District. In Hinsdale zoning was changed from a four acre to a one acre minimum lot size prior to requesting TIF District adoption.
2. Begin identifying your business market early in the process so you know the market you want to attract and to ensure the TIF Plan will meet the needs of the market.

TIF District Interviewee: Bob Harcke, President, Hinsdale Commercial/Industrial Development Corporation

Municipality: JAFFREY (Stone Bridge TIF District)

Year Established: 1999

Advisory Board:

Currently Operating?: Yes
When Established?: 1999
Number of Members: 4
Appointed By: Economic Development Council
Term Length: This has never been determined.

Purpose for Establishing District: To build a bridge to accommodate large trucks accessing the industrial district/park.

Nature of the District: Industrial district located on Old Sharon Road.

District Zoning Standards: Industrial and Rural

Permitted Uses: Industrial and Rural

Describe the TIF District:

<u>300</u> (# acres)	<u>7</u> (# businesses)
<u>40</u> (# properties)	<u>40+/-</u> (# employees)
<u>27</u> (# buildings)	<u>0</u> (# vacant buildings or floor space)

Does the TIF District Have:

No	Provisions/Requirements for Green Space
No	Access Management

Is the TIF District Served By:

No	Public Sewer	No	Public Water
Yes	State Roads	No	Broad Band
Yes	Town Roads	Yes	3-Phase Power
No	Private Roads		

TIF District Property-level Mapping (other than tax maps): None

Does the Municipality Have a Tax Increment Financing Plan?: Yes

Goals for the TIF Districts: To build a bridge linking Old Sharon Road and US 202.

Have the original goals changed?: Yes

How have the goals changed?: In addition to building a bridge the Town is funding a cistern for fire protection and anticipates the installation of water lines in the future.

Is the TIF District Part of a Community Master Plan or Economic Development Plan? Yes

Please explain: The TIF is part of the Town's Economic Development Plan. The District did not exist when the Master Plan was last updated in 1997.

Other Funding Sources Used to Achieve Community or Economic Development Goals:

None

Initial TIF District Valuation: \$4,740,601

Increment Captured to Date: \$2,895,451

Percent Directed Toward Debt Reduction: 0% – Currently no bonded items.

Increment Increase Results From: Business expansion.

Improvements Made To-Date: Bridge construction completed.

Improvements Planned for Near Future: Cistern for fire protection and eventually water lines.

Does the Captured Increment Meet Expectations?: Yes

Lessons Learned: See Jaffrey's Downtown TIF District summary for comments.

TIF District Interviewee: Brandon Gray, Economic Development Director

Municipality: JAFFREY (Downtown TIF District)

Year Established: 1999

Advisory Board:

Currently Operating?: Yes
When Established?: 1999
Number of Members: 9
Appointed By: Economic Development Council
Term Length: This has never been determined.

Purpose for establishing District: Originally created to support the goals of TEAM Jaffrey, the committee that runs the Town's Main Street Program.

Nature of the District: Main Street.

District Zoning Standards: General Business and Residence A.

Permitted Uses: General Business and Residence A.

Describe the TIF District:	<u>78</u> (# acres)	<u>50</u> (# businesses)
	<u>103</u> (# properties)	<u> </u> (# employees)
	<u>87</u> (# buildings)	<u>3</u> (# vacant buildings or floor space)

Does the TIF District Have: No Provisions/Requirements for Green Space
 No Access Management

Is the TIF District Served By:	Yes	Public Sewer	Yes	Public Water
	Yes	State Roads	Yes	Broad Band
	Yes	Town Roads	Yes	3-Phase Power
	Yes	Private Roads		

TIF District Property-level Mapping (other than tax maps): Detailed aerial photo.

Does the Municipality Have a Tax Increment Financing Plan?: Yes

Goals for the TIF Districts: To support TEAM Jaffrey, which administers the Town's Main Street program. Approximately 1/3 of their administrative expenses are paid for by the District.

Have the original goals changed?: Yes

How have the goals changed?: In addition to supporting TEAM Jaffrey, captured increment has provided match money for Transportation Enhancement program funds and a Rails to Trails grant. The Town will eventually use TIF District increment to establish a community center on vacant property.

Is the TIF District Part of a Community Master Plan or Economic Development Plan? Yes

Please explain: It is part of Jaffrey's Economic Development Plan. This District was established after the last update of the Town's Master Plan in 1997.

Other Funding Sources Used to Achieve Community or Economic Development Goals:

Transportation Enhancement funds and Main Street Program grant have already been awarded; may seek Community Development Block Grant and USDA Rural Development funding to support future District improvements.

Initial TIF District Valuation: \$13,466,000
Increment Captured to Date: \$1,500,000
Percent Directed Toward Debt Reduction: Current bond payment is around \$70,000 annually.
Increment Increase Results From: Business and industry retention and expansion.
Improvements Made To-Date: TEAM Jaffrey support; downtown traffic study.
Improvements Planned for Near Future: Transportation Enhancement Program match (2004); community center.

Does the Captured Increment Meet Expectations?: Had no expectations, but it has met the original goal of supporting TEAM Jaffrey.

Lessons Learned:

1. TIF Districts can be politically contentious at times, particularly when it comes to implementing proposed improvements and spending captured increment. By returning some of the captured increment to the general fund every year, at least some of the political contention over spending can be eliminated.

TIF District Interviewee: Brandon Gray, Economic Development Director

Municipality: PETERBOROUGH

Year Established: 1998

Advisory Board:

Currently Operating?: Yes
When Established?: After town meeting vote approving the TIF District
Number of Members: 5
Appointed By: Selectmen
Term Length: 3 years

Purpose for Establishing District: To fund improvements to roads, intersections, sidewalks, sewer, water, drainage, lighting, signage, utility poles and lines, landscaping or other associated improvements that will ensure the continued economic vitality of this portion of the Town. It is recognized that this core commercial area provides a substantial number of jobs and also represents an important part of the non-residential tax base.

Nature of the District: Historic downtown and the commercial areas for approximately ½ mile on US 202 south of the NH 101 intersection, connected by the Contoocook River.

District Zoning Standards: Downtown and Commercial

Permitted Uses: Single-Family, Two-Family, Multi-Family Residential Development; Retail Business, Personal Service, Office, Restaurants, Banks, Indoor Theaters, Public Recreation, Community Services; Light Industry, Research or Development. By Special Exception: Gasoline Filling Stations, Parking Facilities, Manufacturing, Fast-Food, Motor Vehicle Repair or Restoration, Convenience Stores, Drive-up Facilities for Banks.

Describe the TIF District:

<u>86</u> (# acres)	<u>75</u> (# businesses)
<u>265</u> (# properties)	<u>200</u> (# employees)
<u>77</u> (# buildings)	<u>2</u> (# vacant buildings or floor space)

Does the TIF District Have:

No	Provisions/Requirements for Green Space
No	Access Management

Is the TIF District Served By:

Yes	Public Sewer	Yes	Public Water
Yes	State Roads	Not sure	Broad Band
Yes	Town Roads	Yes	3-Phase Power
No	Private Roads		

TIF District Property-level Mapping (other than tax maps): GIS data for whole town includes aerial photos, water/sewer, sidewalks, paved areas.

Does the Municipality Have a Tax Increment Financing Plan?: Yes

Goals for the TIF Districts: To fund infrastructure upgrades and landscaping.

Have the original goals changed?: No. However, the EDA would like to revise the District Plan so that Town Meeting vote is not required for every planned expenditure.

How have the goals changed?: n/a

Is the TIF District Part of a Community Master Plan or Economic Development Plan? Yes

Please explain: The TIF District relates directly to the Town's Economic Development Plan and more generally to the Master Plan. The existing TIF District was discussed in the Master Plan.

Other Funding Sources Used to Achieve Community or Economic Development Goals:

Only Tax Revenue from the TIF District has been used to-date. Do not anticipate seeking other funds.

Initial TIF District Valuation: \$15,935,300

Increment Captured to Date: \$745,450

Percent Directed Toward Debt Reduction: 0%

Increment Increase Results From: Rehabilitation of a building that increased its value and brought new business.

Improvements Made To-Date: Sidewalk construction and parking study in Downtown.

Improvements Planned for Near Future: Proposed revised plan would allow for these improvements: streetscaping, bury utilities, underground catch basins, expansion of water lines, retaining walls, additional studies.

Does the Captured Increment Meet Expectations?: Yes, generally. The program could be utilized more effectively with some administrative adjustments.

Lessons Learned:

1. Who the community designates as decision makers directs TIF District effectiveness. In Peterborough, TIF increment can only be spent with a vote of approval at Town Meeting. As a result, there is little or no flexibility for moving ahead with improvements identified in the TIF Plan. The process would be more efficient if Town staff had the ability to make more decisions for spending captured increment.

2. A strong advisory committee is essential to developing a TIF Plan and implementing improvements. The advisory committee can be particularly helpful with building approval among the public for spending captured increment and/or revising the TIF Plan.

TIF District Interviewee: Carol Ogilvie, Community Development Director

Municipality: SWANZEY

Year Established: 1999. In 1998, the Town appointed a committee to study TIF Districts.

Advisory Board:

Currently Operating?: Yes

When Established?:

Number of Members: 5

Appointed By:

Term Length:

Purpose for Establishing District: To finance water/sewer and roads for an industrial district.

Nature of the District: Industrial Park

District Zoning Standards: Industrial and Business District

Permitted Uses: Uses generally allowed in an industrial park.

Describe the TIF District: _____ (# acres) _____ (# businesses)
_____ (# properties) _____ (# employees)
_____ (# buildings) _____ (# vacant buildings or
floor space)

Does the TIF District Have: No Provisions/Requirements for Green Space
No Access Management

Is the TIF District Served By: No Public Sewer Yes Public Water
No State Roads No Broad Band
Yes Town Roads Yes 3-Phase Power
No Private Roads

TIF District Property-level Mapping (other than tax maps): None other than tax maps.

Does the Municipality Have a Tax Increment Financing Plan?: Yes

Goals for the TIF Districts: Development of roads and on and off site water/sewer.

Have the original goals changed?: No. However, the district has gotten bigger.

How have the goals changed?: n/a

Is the TIF District Part of a Community Master Plan or Economic Development Plan? Yes

Please explain: A Master Plan goal is to expand the tax base, but no Master Plan component deals directly with the TIF District.

Other Funding Sources Used to Achieve Community or Economic Development Goals:

None to-date. Do not expect to use any additional funds; anticipated increment would fund necessary improvements.

Initial TIF District Valuation:	\$1,461,312
Increment Captured to Date:	\$459,000
Percent Directed Toward Debt Reduction:	Initial \$3.3 million is bonded for increment.
Increment Increase Results From:	Business expansion.
Improvements Made To-Date:	The Town is engaged in a separate project that may have spin-off improvements for the TIF District including expansion of public sewer for existing residential and commercial districts.
Improvements Planned for Near Future:	None
Does the Captured Increment Meet Expectations?:	Off to a slower start than anticipated.

Lessons Learned:

1. Swanzey chose an ambitious initial TIF project. The learning curve could be easier with a smaller scale first TIF project. Large projects require greater levels of coordination. Once adopted, TIF District boundaries can be adjusted for the first five years. By starting small, implementing the TIF Plan should be feasible. A few years into implementation, if the Advisory Committee feels more could be accomplished, then consider expanding the District boundaries to allow for more improvements.

TIF District Interviewee: Beth Fox, Administrative Assistant



Technical Bulletin 13

Winter 2001

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Some Examples

- *Black Brook Park in Keene*
- *Downtown Parking in Keene*
- *Commercial Revitalization in Peterborough*

Tax Increment Financing

*T*ax Increment Financing (TIF) can be a powerful tool for funding necessary infrastructure improvements. TIF has until recently been used only by larger cities, but it is equally if not more valuable for New Hampshire's smaller communities.

What is TIF?

The (F)inancing of public improvements with the (I)ncremental (T)axes created either by new construction, expansion or renovation of property within a defined portion (district) of the community.

Suppose your historic downtown needs improvements to maintain the existing tax base and also to attract new investments. Further suppose that this historic downtown is approved as a tax increment finance district at Town Meeting. After the TIF is established, the existing tax value of that district would continue to be distributed in the regular way (60-70% to schools, 6-8% to County, and the rest to the Town).

For example, suppose that over the next 3 years several properties within the TIF are extensively renovated, and there is now \$2,000,000 of additional tax value. A portion of the taxes from that new incremental value would be dedicated for use within the TIF district, rather than the normal general revenue distribution.

Once public improvements in the district have been paid for, the increased tax value of the district would become part of the general revenues of the town and benefit everyone. *Nothing is taken away from anyone, because the TIF district uses "new money that is created by new investments. Existing tax dollars are unused and untouched.* And because 100% of the funds are available, bonds can be paid off much quicker than if general funds were used, which in most New Hampshire towns represent less than 30% of each new tax dollar (the rest going to the county and schools).

♦ **Black Brook**

As part of a comprehensive community planning effort, the City of Keene updated its Master Plan in the early 1990's. As part of this update, the City of Keene rewrote the land use section of the plan and created a new economic development section of the plan as well. The economic development section established a goal of increasing the industrial portion of the city's tax base from 10% to 20% while the land use plan, which was developed in close cooperation with the Planning Department, identified several potential areas in the city where a new corporate park would be created.

One of the locations outlined in the Master Plan was ultimately identified as having more potential than any of the other alternative parcels. The site, which was approximately 350 acres in size, was located in the western part of the city and had a stream called Black Brook that meandered through the area. Engineering studies determined that it would cost approximately \$4 million to extend sewer and water to the site, upgrade and expand the road system, and take other necessary steps to open this area up for development.

In 1995, the regional economic development corporation, Keene Economic Development and Revitalization Corporation ("KEDRC"), came forward and petitioned the City of Keene to rezone all of the proposed corporate park area to a new Corporate Park Zone and also petitioned the city to establish a tax increment finance district within the proposed park's boundaries. The city approved the zone change and set up the tax increment district but held off on issuing the bond needed to pay for the infrastructure until KEDRC recruited enough new businesses to the park that would generate enough new tax increment to cover the annual debt service on the \$4 million bond.

Within a few months, KEDRC signed up five new businesses for the new park — now named the Black Brook Corporate Park. The new tax increment that was expected from just one of these new companies, Sims Portex Inc., would spin off enough new tax revenue to cover the debt service on the bond. A development agreement between Sims and the City of Keene

was signed. The agreement stated that the company would construct a new facility at the park and guarantee a minimum investment in the park, while the city would use the proceeds of the bond to build sewer, water and roads to and through the park. On the strength of that written agreement, the City Council agreed to issue the bond and the required improvements were then made by the city using the new taxes generated within the tax increment district to pay the debt service on the bond.

The park is now more than seventy-five percent full and the City of Keene is receiving taxes in excess of what is needed to make the bond payments. By the year 2000, in fact, the tax increment financing district will be home to over thirteen new businesses which represents over \$20 million in new tax increment. Approximately \$9 million of tax increment was needed to service the debt on the bond. At full build out, the section of the park in the district will generate over \$30 million in new tax increment. The excess tax revenues (the taxes generated form the difference between all of the new tax increment that will eventually exist in the district and the \$9 million of increment needed to pay for the bond) will go to the general fund and, when the bond is paid off, all of the new taxes will go into the general fund and the tax increment financing district will be abolished.

This use of TIF was successful because of a strong and continuous level of cooperation between KEDRC and the city staff and officials. Without this kind of partnership Black Brook Industrial Park would not have happened.

♦ **Downtown Parking Garage in Keene**

In the late 1980's, the City of Keene spent more than \$3 million of general fund money to construct a major upgrade of its historic downtown area. This in turn attracted several million dollars of private sector investment that helped keep the downtown attractive and vital through that decade. In 1995, however, several downtown anchor businesses, including Sears, Woolworth, and a regional department store named Goodnows, closed their doors. As a result of these closings, many smaller storefronts that depended on

traffic generated by the larger stores became vacant as well. A local effort, spearheaded by the Keene Downtown Revitalization Committee and subsequently KEDRC, moved forward with a plan to renovate the empty buildings in downtown Keene and recruit new businesses and other uses for these properties.

In 1997, as part of its continuing downtown revitalization effort, KEDRC recruited a private hotel development firm that agreed to invest several million dollars in the renovation of the building that formerly housed the Goodnows Department Store. The developers planned to turn the distressed, historic property into an up-scale forty room hotel with a restaurant and meeting space. To help ensure the success of the hotel project and the other massive renovation projects underway in Downtown Keene, the developers of the hotel, KEDRC, and the City of Keene agreed that a new parking garage with a limited number of leased parking spaces for the proposed hotel's guest and staff was needed. A preliminary study provided by KEDRC estimated that it would cost approximately \$8,000 to \$10,000 per space to construct a new parking garage.

KEDRC petitioned the City of Keene to set up a tax increment district to pay for the garage. The city ultimately concluded that tax increment financing was indeed the appropriate tool to use to fund the construction and created a Downtown Keene tax increment financing district. The plan for the district was to use the private investment dollars invested in the development of the hotel and the resultant new tax increment created, plus some of the new tax increment created from several other downtown revitalization projects in the tax increment district, to pay for the expenses associated with the construction of the new parking garage.

Before the city would issue the bond, however, the City council wanted additional security to effectively guarantee that the city would have the resources to pay off the money borrowed to construct the parking deck even if the hotel project for some reason did not proceed and/or any other projects either underway or planned for the district did not create enough new tax increment/tax revenue to cover the bond payments.

To solve this situation, the hotel developer signed a development agreement with the city that guaranteed a minimum amount of investment in the district and KEDRC, in addition to proceeding with the renovation of several other properties in the district, set aside a substantial pool of money to close, if necessary, any potential shortfall experienced by the city related to the parking garage project.

As a result of these efforts, the parking garage is now completed and construction is underway on the downtown hotel. The former Sears and Woolworth buildings have been renovated and filled with new commercial, office, and retail tenants and the historic Colonial Theater has been rescued and rehabilitated. The tax increment resulting from renovation of an historic mill within the boundaries of the district will greatly exceed the amount of new tax increment needed to entirely fund the parking garage.

Again, cooperation and partnership between municipal officials and economic development authorities was essential to making TIF work.

♦ **Peterborough's Commercial Area TIF**

In Peterborough there is general agreement that commercial development should be encouraged to locate within the existing commercial core, rather than extending further on Route 101 or Route 202. This existing area includes both a historic downtown and two shopping plazas. For this strategy to succeed, existing infrastructure, including water, drainage, parking, roads, street lights and landscaping all need to be repaired and/or upgraded.

By 1997 it was evident that substantial private sector investment would be taking place and the Town saw this as an opportunity to establish a TIF district. It appeared that renovation would be scattered throughout the core commercial area and that no single big project was likely to generate sufficient funds to pay off a large bond.

For that reason, the Peterborough TIF is quite different than the two previous Keene examples. This Greater Downtown TIF is more like a savings account. Once sufficient new tax value has been created, through a series of small and large improvements,

then Town Meeting will be asked to issue one or more bonds (or to authorize spending money directly from the TIF account). It is expected to take from between 4 and 8 years before sufficient funds are generated within the TIF district. The initial "plan" that is required in section 162-K:9 is very general in nature, as the Town waits for opportunities to emerge. A more specific improvement plan was scheduled for completion by the end of 1999.

Peterborough has also established a specific time frame for this TIF. It will expire on April 1, 2008 unless continued by Town Meeting vote.

It is important to note that Peterborough does not intend to just wait and see what happens. The Community Development Director has been designated as the District Administrator, has been assigned the task of identifying road and utility improvements that should be made, and to work with Downtown 2000, the Planning Board, the Chamber of Commerce and the Economic Development Authority in creating an attractive environment for private sector investments within the District.

The Town has or will shortly initiate several investigations to determine specific transportation and infrastructure improvements and will propose zoning changes and other actions to encourage new investment in this core commercial area. And TIF is only one of several tools that will be used to achieve the overall goal of sustained economic activity within the established commercial core.

What are the Rules?

There are several of them, all listed in the State enabling legislation RSA Chapter 162-K. Some key provisions are listed here and the full legislation is included in the appendix.

- Any money raised within a TIF district must be spent within that same TIF district. Care must be taken to create a boundary which includes not only needed improvements but also includes sites that are likely to generate new taxes. Once a TIF district is established, a community has five (5) years to adjust the boundaries.

- Town Meeting or the City Council is in control of how TIF money is spent: TIF dollars must be spent consistent with an official plan for the district after that plan is approved by a majority vote at Town Meeting. The Official Plan is supposed to be prepared and presented by a district Advisory Board and a District Supervisor requiring a simple majority.
- There is no limit on the number of TIF districts a community can have (Keene presently has three) but there are restrictions.
- No TIF district can include more than 5% of a community's assessed value or more than 1.5% of a community's land area.
- All TIF districts combined cannot exceed 3% of the community's land area.

This Sounds Complicated! My Community Can't Do This!

Unfortunately the legislation, which was established in the late 1970's, makes it seem very complicated. It is focusing on old concepts of urban renewal and much of the language was probably borrowed from a more urban state. And it does take some work. But any community can do it and you don't have to hire an expensive consulting firm to do it.

However, assistance may be needed. Small communities that have only a handful of staff may need to hire an accountant to set up the special records required. But that expense can be included as part of the TIF package and be paid for with TIF revenues, assuming the TIF is successful.

If TIF monies are spent to pay off a bond, then Bond counsel will be essential, but that would be the case no matter what source of revenue was to be used.

Most parts of the State now have not only Regional Planning Commissions but also Economic Development organizations which may be able to provide additional assistance.

Security: What if the TIF district doesn't generate new taxes?

Communities must use caution with any project that will create a long-term financial obligation, whether using TIF or general revenue funds.

- ♦ Just because you have a TIF district does not mean you have to spend the money. TIF is a tool to be used when the right opportunity arises, and not all situations are appropriate for its use.
- ♦ Establish as many safeguards as possible. Try not to rely upon a single project, and try to establish formal written development agreements with key development projects.
- ♦ Try to avoid using TIF for projects that have no benefit to the community other than for one specific project. Black Brook Industrial Park was not established for a single firm, but as a means of implementing an overall economic strategy. Additional downtown parking is needed in Keene even if the hotel is not constructed.

Combining TIF with other Financing Tools (hypothetical example)

A small town in northern New Hampshire has an exciting vision for renovating its historic downtown. A general revenue bond will be used to renovate the Town Hall. Sewer and Water rates will be increased and those funds will pay for upgrading downtown utilities. A Community Development Block Grant (CDBG) will be used to turn an old mill building into low-moderate income housing and a day-care center. Land and Water Conservation Funds will be used to create a new downtown river park. ISTEPA enhancement funds will be utilized to develop a bicycle trail that leads from the downtown to a major residential area using an abandoned railroad bed. This bike trail will attract more shoppers to the Downtown and provide an alternative commuter route during the summer months for downtown workers.

A reputable private developer likes these ideas and offers to construct a combination restaurant/downtown hotel in another abandoned mill building in the heart of the downtown. But he will need at least 50 parking spaces, which means that a parking deck must be constructed, and all of his resources are going into

renovating the building. How will the parking be paid for? By using the increased taxes the developer would be charged on his/her improved property to pay off a bond issued by the Town, as part of this package, to design and construct a parking deck.

Now this kind of package can take two or three years to put together, and the community may need an experienced, full-time staff person to keep track of everything. But this example is by no means far-fetched. Financial packages as or more complicated than this example have been used in New Hampshire in recent years, both in the downtown area and as part of the creation of a new industrial park.

How Do I Get Started?

♦ ***The Peterborough Example***

In 1997 the Town's Community Development Director suggested that a Tax Increment Finance District could help to pay for needed infrastructure improvements in Peterborough's core commercial area. The Town's Economic Development Authority (EDA) agreed with this idea, as did the Town Administrator and Board of Selectmen. But someone had to take this idea and make it happen. It was decided that the EDA would take on that role. A sub-committee of EDA was formed to work with the Community Development Director and a general list of infrastructure improvements was developed.

Considerable time was then spent in mapping out a strategy. Several community groups such as Downtown 2000 and the Chamber of Commerce were asked to help. A general calendar of what needed to be done was then created, with the final goal being approval at March 1998 Town Meeting. Serious work started in September, a full seven months before Town Meeting.

A presentation was prepared which evaluated the economic condition of the Town and the importance of the core commercial area in assuring the Town's sustained economic prosperity. A map was drawn of the proposed district, and EDA members began to discuss the idea within the community. The Community Development Director was given the task of describing the TIF concept in the newspapers and making

many of the formal public presentations. EDA members, as well as Chamber and Downtown 2000 members took on the all-important task of discussing this concept one on one throughout the community.

As people asked questions and raised concerns, the proposal was modified and improved. The Hillsborough County Commission approved the concept. However, the ConVal School District, which by law needed to be informed, was not certain that it wanted to support the idea. EDA members spent considerable time talking to individual members, in addition to three separate presentations to the District. Ultimately they also endorsed the concept.

Presentations were made to all of the community's service organizations, and an effort was made to contact each merchant within the district, seeking their support and answering their questions. Time was also spent with Town staff, discussing the concept and making sure that the required administrative systems would be in place. The result of this hard work was that the proposal received overwhelming support at Town Meeting.

Summary

- Put someone in charge
- Define the needs
- Define the district
- Get input
- Sell the idea
- Work with the Schools (formal plus informal)
- Work with the County
- Work with the elected officials
- Work with the Chamber/Rotary, Planning Board, etc
- Work with News media
- Create warrant article(s)
- Hold public hearing
- Obtain Town Meeting or City Council vote to adopt legislation
- Obtain Town Meeting or City Council vote to establish district

- Obtain Town Meeting or City Council vote to approve plan
- Appoint Advisory Committee and District Administrator
- At outset, plan how money will be accounted for
- Keep community informed
- Complete Plan
- Don't just hold public hearing . . . sell the plan, and revise as necessary
- Town Meeting or City Council vote for plan and for bond or \$ by a simple majority

If This is Such a Good Idea and has been permitted in New Hampshire since the late 1970's, how come more communities haven't used it?

That's a very good question. In part, few communities have had the time to search through all of the RSA's for financial options. It is helpful to have a professional staff person who is familiar with this approach, and until now only a few communities in the State have had someone responsible for community development. Some communities thought it would just be too hard. The real answer is that most communities have never heard of this concept.

There has to be a down side to this. What can go wrong? Why might a community not want to use tax increment financing?

TIF won't work if there is not an increase in the taxable value of land and property within the TIF district. If no one renovates downtown buildings, their value may continue to decline. Likewise, if you can't find an appropriate client for the proposed industrial park, there will be no money for the needed sewer and water lines. TIF can be a wonderful tool when private investment starts happening, but other tools may be needed to first prime the economic pump.

TIF is most often associated with bonds, but you can use the funds to directly pay for needed improvements. But if a bond is issued under a TIF program, say for 20 years, then the increased tax values upon which the bond payments are designed also must be

maintained for 20 years. If some bright new idea comes to town, is a great success, and goes bankrupt after ten years, the bond still needs to be paid off. As with any significant investment decision the community has to think clearly, have contingencies, and not make commitments that are too risky. A proposal has to be sound whether or not TIF is used.

TIF is most effective when new private development won't take place without certain public improvements. If the private development is going to take place anyway, then the TIF district may be unnecessary.

How Do I select the boundary of the district?

It is important to remember that you are looking for areas of the community where new development or redevelopment is likely to take place, while also looking for those locations where public improvements are needed. Since money raised within the district boundaries must be spent within those boundaries, there is a balancing act that may take some thought. One good feature of the State legislation is that if circumstances change, you can shift the boundaries of the District during the first 5 years after it is established.

Perhaps the year after the boundaries are drawn a developer suddenly proposes to invest \$1 million dollars to rehabilitate an old building no one thought would ever be improved, and so it was not included in the district. At the next Town Meeting the boundary can be shifted to include this building, and its new incremental revenues, so long as the overall district does not exceed 5% of the tax base or 1.5% of the total land area of the town. In a similar fashion, perhaps a bridge or a dam just outside the district suddenly needs to be repaired. If the district boundary is adjusted, then TIF dollars can be used to meet that expense. Also remember, the Town can have more than one TIF district. It is often better to establish a separate district rather than try to make one district meet all the needs of the Town.

What about the 60% Rule?

When the TIF legislation was established, it was intended primarily as an urban tool, and the language of the law appears to have been borrowed from some other State. It included a requirement that 60% of a TIF district must already be developed. That had the impact of making this tool only available for downtown redevelopment projects, precluding its use for the majority of rural communities in New Hampshire.

At the request of the Town of Peterborough and its legislative representatives, the State legislature eliminated this requirement in 1998. Now any community can create a TIF district without having to include developed areas. For a proposed industrial park outside of the developed portions of a community, this revision will be especially important.

Is the TIF district a special taxing district?

One of the greatest concerns of property owners included in a TIF district is that this is some form of special assessment district and that people inside the TIF boundary will have to pay extra tax.

While special assessment districts can be an important community development tool, that is quite different than TIF. Taxpayers within the district won't know that they are in the district, and will be taxed just the same as any similar property within the community. The only difference is that any new tax revenue will be spent within the district, directly benefitting those who are paying the tax. Once people get used to the idea, it is not uncommon to have property owners ask to be included.

Does TIF take money away from the schools?

The simple answer is no. The whole purpose of a TIF district is to stabilize, retain or expand the communities tax base, which is essential for maintaining adequate school funding.

The existing tax base is left untouched, assuring full funding of school, county and general fund needs. When the TIF district has served its purpose, the result

is usually an expanded tax base, which makes it easier for the community to support its schools.

Because TIF only works with future potential taxes without disturbing existing funding, TIF has been fully supported by the school district in Keene. In Peterborough there were many questions and much discussion, but the ConVal School District has now also endorsed TIF.

Can I use TIF District funds for other municipal purposes outside the District in an Emergency?

A community can use all of the new incremental taxes of a TIF district to fund the TIF plan. However, Section 162-K:10(II) allows a community to allocate a portion of these new tax revenues back to the general fund.

A community may not “tap” the TIF bank for projects outside the district, but can divert some or most of the incremental revenues coming into the district to the general fund if needed. Section 162-K: 10 (II) (b) anticipates that each year the municipality can review its financial situation and decide how to distribute the incremental revenues obtained during the previous year.

Section 162-K: 9 (III) also allows communities to set up revenue sharing agreements with schools and/or the county, although such sharing tends to diminish the value and impact of the TIF concept.

Also, section 162-K: 9 (IV) allows the legislative body (Town Meeting or Council) to modify the TIF plan, adjusting its purpose and focus. During the first five years of the district its boundaries can be modified.

Final Thoughts

Tax Increment Financing is not some magic bullet that can make every community prosperous and every project a success. But it is also not some “trick”. TIF can provide a means for financing needed infrastructure improvements which the general fund cannot afford, using “new” money that neither the schools, the county nor the taxpayers of the commu-

nity are accustomed to. It doesn't take anything away from anyone.

Developers tend to like it because they can see the tax dollars which they will have to pay anyway, going towards something that is likely to more directly benefit their property.

Putting together a TIF program requires thought, time, and caution. The more information provided to the community, the greater its chance of success. It takes time and attention to detail, but any community can do it.

Good luck!

IMPORTANT

Prior to adopting a TIF: Please note RSA 162-K has been subject to several revisions over the last few years. It is therefore recommended that the reader keep current of any future revisions to this legislation.

The author of this bulletin is Peter Ryner, Director of Economic Development in Peterborough. Contributing authors are Jack Dugan, Monadnock Economic Development Corporation; and Stuart T. Arnett, City of Claremont. Many thanks for their fine work. Editing and publishing was facilitated by the New Hampshire Rural Development Council.

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**WEST'S NEW HAMPSHIRE STATUTES
TITLE XII. PUBLIC SAFETY AND WELFARE
CHAPTER 162-K MUNICIPAL ECONOMIC DEVELOPMENT AND
REVITALIZATION DISTRICTS**

Current through the 2000 Regular Session

§ 162-K:1. Local Option

Any city or town may adopt this chapter and shall thereafter have all the authority, powers, duties and responsibilities set forth in this chapter.

- I. A city may adopt this chapter by majority vote of the legislative body of the city after notice and hearing as set forth in RSA 162-K:4.
- II. A town may adopt this chapter by majority vote of the voters present and voting at any legal town meeting under a proper article and after notice and hearing as set forth in RSA 162-K:4.

§ 162-K:2. Definitions

In this chapter:

- I. "Budget submission date" has the meaning set forth under RSA 273-A: 1, III.
- II. "Development district" means a specific area within the corporate limits of any municipality which has been so designated and separately numbered by the legislative body of said municipality acting under this chapter.
- III. "Development program" means a statement of objectives of the municipality for improvement of a development district established under RSA 162-K:6.
- IV. "District administrator" means the head of the department, office agency, municipal housing and redevelopment authority or corporation designated under RSA 162-K: 13.
- V. "Governing body" means the board of aldermen or city council in the case of a city and the board of selectmen in the case of a town.
- VI. "Legislative body" means the board of aldermen or city council in the case of a city and the town meeting in the case of a town.
- VII. "Maintenance and operation" means all activities necessary to maintain facilities after they have been developed and all activities necessary to operate the facilities including but not limited to informational and educational programs, and safety and surveillance activities.
- VIII. "Municipality" means a city or town.
- IX. "Parking structure" means any building the principal use of which is designed for and intended for parking of motor vehicles, and includes open air parking on parking lots.
- X. "Substantially residential development district" means any development district in which 40 percent or more of the land area, exclusive of streets and open space, is used for residential purposes at the time the district is designated.
- XI. "Tax increment" means the amount of taxes raised in a development district due to increases in assessed value over the assessed value of the district at the time of its establishment.

§ 162-K:3. Authorization; Initial Adoption.

A municipality which adopts this chapter shall thereafter be authorized to establish one or more development districts. For each such district, the municipality shall establish a development program and a tax increment financing plan. A municipality that has not previously adopted this chapter may carry out the planning and hearing procedures for establishment of one or more development districts at the same time it is conducting the planning and hearing procedures on initial adoption of this chapter; provided that any vote on establishing a particular development district shall not be taken until after the legislative body shall have voted on the question of adopting this chapter.

§ 162-K:4. Hearing

Prior to adopting this chapter or designating any development district, a hearing on the subject shall be conducted in the municipality. The hearing shall be conducted by the governing body. The hearing shall be held at least 15 days prior to the date on which action on the proposal is scheduled to take place. Notice of the hearing, including a description of any proposed district, shall be posted in 2 appropriate places in the municipality or published in a newspaper of general circulation in the municipality at least 7 days prior to the hearing.

§ 162-K:5. Establishment of Districts; Limitations

Upon a finding that such action will serve public purposes, the legislative body of the municipality may create, within its jurisdiction, development districts. The area of a district shall not be enlarged after 5 years following the date of designation of the district. Municipalities establishing development districts shall comply with one of the following limitations:

- I. The total acreage included in any one development district when designated shall not exceed 1½ percent of the total acreage of the municipality, and when added to the total current acreage within the development districts for which bonds remain outstanding shall not exceed 3 percent of the total acreage of the municipality.
- II. The total assessed value of taxable real property of any one development district when designated shall not exceed 5 percent of the most recent total assessed value of taxable real property in the municipality, and when added to the current total assessed value of taxable real property within development districts for which bonds remain outstanding, shall not exceed 10 percent of the most recent total assessed value of taxable real property in the municipality.

§ 162-K:6. District Establishment and Development Programs

A municipality which has adopted this chapter and which intends to establish a development district shall, in addition to establishing the district, establish a development program under this section and a tax increment financing plan under RSA 162-K:9 and 10.

- I. The development program shall contain a complete statement as to the public facilities to be constructed within the district, the open space to be created, the environmental controls to be applied, the proposed reuse of private property, and the proposed operations of the district after the capital improvements within the district have been completed.
- II. The development program shall also provide for carrying out relocation of persons, families, business concerns, and others displaced by the project, pursuant to a relocation plan, including the method for the relocation of residents in decent, safe and sanitary dwelling accommodations, and reasonable moving costs, determined to be feasible by the municipality.

- III. In conformity with the development program, within the district, the municipality may:
- (a) Acquire, construct, reconstruct, improve, alter, extend, operate, maintain or promote developments aimed at improving the physical facilities, quality of life and quality of transportation;
 - (b) Acquire land or easements through negotiation or through powers of eminent domain;
 - (c) Adopt ordinances regulating the use of public parking structures and other facilities constructed within the development district and access to them and the conditions under which such access is allowed. Traffic regulations may include, but shall not be limited to, direction and speed of traffic, kinds of service activities that will be allowed in arcades, parking structures and plazas, and rates to be charged in the parking structures;
 - (d) Require construction of buildings within the district so as to accommodate and support pedestrian systems which are part of the program for the development district. When the municipality requires for the public benefit the construction of columns, beams or girders with greater strength than required for normal building purposes, the municipality shall reimburse the owner for the added expense from development district funds;
 - (e) Install lighting systems, street signs and street furniture, landscaping of street and public property, and snow removal systems compatible with the character of the district;
 - (f) Acquire property for the district;
 - (g) Lease air rights over public property and spend public funds for constructing the foundations and columns in the public buildings strong enough to support the buildings to be constructed on air rights;
 - (h) Lease all or portions of basements, ground and second floors of the public buildings constructed in the district; and
 - (i) Negotiate the sale or lease of property for private development if the development is consistent with the development program for the district.

§ 162-K:7. Grants

A municipality may accept grants or other financial assistance from the government of the United States, the state of New Hampshire or any other entity to do studies authorized by this chapter.

162-K:8 Issuance of Bonds.

The municipality may authorize, issue and sell general obligation bonds, which shall mature within 30 years from the date of issue, to finance the acquisition and betterment of real and personal property needed to carry out the development program within the development district together with all relocation costs incidental thereto. Bonds issued under authority of this chapter shall be payable in annual payments which shall be so arranged that the amount of annual payment of principal and interest in any year on account of any bond shall not be less than the amount of principal and interest payable in any subsequent year by more than 5 percent of the principal of the entire bond. The total amount of such payments shall be sufficient to extinguish the entire bond on account of which they are made at maturity. The first payment of principal on any bond shall be made no later than 5 years and the last payment not later than 30 years after the date thereof. Each authorized issue of bonds shall be a separate loan. All dedicated tax increments received by the municipality pursuant to RSA 162-K:10 shall be pledged for the payment of these bonds and used to reduce or cancel the taxes otherwise required to be extended for that purpose, and the bonds shall not be included when computing the municipality's net debt under RSA 33.

§ 162-K:9. Tax Increment Financing Plan

The municipality shall adopt a tax increment financing plan for any development district established under this chapter. The plan shall allocate use of tax increments for retirement of bonds and notes, operation, maintenance and improvements in the district and for general municipal purposes.

- I. A tax increment financing plan shall contain a statement of objectives of a municipality for improvement of a development district. Such plan shall be incorporated into the development program for the district. It shall contain estimates of the following: cost of the development program; sources of revenues to finance those costs including estimates of tax increments; amount of bonded indebtedness to be incurred; and the duration of the program's existence. The plan shall also contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing Jurisdictions in which the district is located.
- II. Before approving any tax increment financing plan, a public hearing shall be held as part of the hearing on the development district under RSA 162-K:4.
- III. Before formation of a development district, the municipality shall provide a reasonable opportunity to the county commissioners of any county in which any portion of the development district is located and to the members of the school board of any school district in which any portion of the development district is located to meet with the governing body. The governing body shall fully inform the county commissioners and the school boards of the fiscal and economic implications of the proposed development district. The county commissioners and the school boards may present their recommendations at the public hearing. A municipality's tax increment financing plan may include agreements with the county commissioners and the school boards in which the district is located to share a portion of the captured tax increments of the district.
- IV. A tax increment financing plan may be modified provided such modification shall be approved by the legislative body upon such notice and hearing and agreements as are required for approval of the original plan. Any modification shall maintain use of dedicated tax increments for retirement of bonds and notes as required.

162-K:10. Computation of Tax Increments

- I. Upon formation of a development district, the assessors of the municipality in which it is situated shall determine the current assessed value of the real property within the boundaries of the development district. The current assessed value so determined shall be known as the "original assessed value." Property exempt from taxation at the time of the determination shall be included at zero, unless it later becomes taxable, in which case its most recently determined assessed valuation shall be included. Each year thereafter, the assessors shall determine the amount by which the assessed value has increased or decreased from the original assessed value. The assessors shall also determine the proportion which any increase or decrease bears to the total assessed value of the real property in that district for the year.
- II. Any amount by which the current assessed value of a development district exceeds the original assessed value is referred to as the captured assessed value. The assessors shall determine the amount of the captured assessed value each year.
 - (a) The tax increment financing plan shall designate the portion of captured assessed value which will be dedicated for retirement of bonds and notes and the portion of captured assessed value which will be dedicated to the operation and further development of the tax increment financing district.
 - (b) The portion of captured assessed value which is not used either for the purpose of retirement of bonds and notes or for the purpose of the operation and development of the tax increment

financing district shall be deemed excess captured assessed value. Excess captured assessed value shall be returned to the tax lists.

III(a) Each subsequent year the assessors shall determine current assessed valuation, and tax increments and shall report them to the commissioner of the department of revenue administration according to the following method:

- (1) If the municipality retains the full captured assessed value for the development district the assessors shall certify to the commissioner of revenue administration, for the purposes of the report required by RSA 41:15, the current assessed value, as the basis to equalize annually the valuation of property throughout the state, and the full captured assessed value, to be deducted from the current assessed valuation for the calculation of the property tax rate. The assessors shall extend all rates as established by the commissioner of revenue administration under the provisions of RSA 41:15 against the current assessed value, including all captured assessed value. In each year for which the current assessed value exceeds the original assessed value, the municipal tax collector shall remit to the municipality that proportion of all taxes paid that year on real property in the district which the captured assessed value bears to the total current assessed value. The amount so remitted each year is referred to in this section as the tax increment for that year.
- (2) If the municipality retains only a portion of the captured assessed value for the development district and returns the remaining portion to the tax lists, the assessors shall include the current assessed value, to be used as a basis to equalize annually the valuation of property throughout the state, and that portion of the captured assessed value which the municipality does retain, to be deducted from the current assessed valuation for the calculation of the property tax rate. The assessors shall extend all rates against the total current assessed value. In each year for which the current assessed value exceeds the original assessed value, the municipal tax collector shall remit to the municipality that proportion of all taxes billed on real property in the district that the retained captured assessed value bears to the total current assessed value in the district. The amount so remitted each year is referred to as the tax increment.

III (b) The general court finds that municipalities that have adopted a tax increment financing plan and issued tax increment financing plan bonds under this chapter before April 29, 1999, or which have adopted a tax increment financing plan and entered into contracts and incurred liabilities in reliance upon the tax increment plans under this chapter before April 29, 1999, have incurred obligations which must be honored. The general court recognizes also that in accordance with the intent of this chapter, such obligations were entered into in order to accomplish a public purpose and for the improvement of development in municipalities. Accordingly, the provisions of subparagraph III(a) shall not apply to tax increment financing plan districts which authorized and issued tax increment bonds under this chapter before April 29, 1999 or which adopted a tax increment financing plan under this chapter and entered into contracts and incurred financial liabilities in reliance upon such tax increment plan before April 29, 1999. This subparagraph shall only apply to tax development districts as they existed as of April 29, 1999. To the extent such tax increment financing plan is amended to increase the amount of bonded indebtedness, to increase the cost of the development program, or to extend the duration of the program's existence, this subparagraph shall not apply. The assessors shall determine assessed valuation and tax increments according to the following method:

- (1) If the municipality retains the full captured assessed value for the development district, the assessors shall certify to the commissioner of revenue administration for the purposes of the report required by RSA 21-J:34, no more than the original assessed value of the real property in the development district. The assessors shall extend all rates as established by the commissioner of revenue administration under the provisions of RSA 21-J:35 against the current assessed value, including all captured assessed value. In each year for which the current assessed value exceeds the original assessed value, the municipal tax collector shall remit to the municipality that proportion of all taxes billed that year on real property in the district which the captured assessed value bears to the total current assessed value. That amount is referred to in this section as the tax increment for that year.
- (2) If the municipality retains only a portion of the captured assessed value for the development district and returns the excess to the tax lists, the assessors shall certify to the commissioner of revenue administration for the purposes of the report required by RSA 21-J:34 the original assessed value and that portion of the captured assessed value which is shared with all the affected taxing districts for the purposes of determining the assessed value for computing property tax rates. The commissioner of revenue administration shall compute the rates of all taxes levied by the state, county, municipality, school district and every other taxing district in which the district is located on this aforementioned assessed value. The assessors shall extend all rates against the total current assessed value, including that portion of the captured assessed value which the municipality is retaining for the development district only. In each year for which the current assessed value exceeds that original assessed value, the municipal tax collector shall remit to the municipality that proportion of all taxes paid on real property in the district that the retained captured value bears to the total current assessed value in the district. That amount is referred to as the tax increment for that year.

§ 162-K: 11. Annual Report

The municipality's annual report shall contain a financial report for any development district in the municipality. The report shall include at least the following information: the amount and source of revenue of the district, the amount and purpose of expenditures, the amount of principal and interest on any outstanding bonded indebtedness, the original assessed value of the district, the captured assessed value retained by the district, the tax increments received and any additional information necessary to demonstrate compliance with the tax increment financing plan.

§ 162-K:12. Maintenance and Operation

Maintenance and operation of the systems and improvements constructed under this chapter shall be under the supervision of the district administrator. The cost of maintenance and operation of the non-revenue-producing facilities together with excess of costs of operation and maintenance of revenue-producing facilities, if any, shall be charged against the development district in which it is located. The charges against each property within the district shall be in proportion to the benefit to the properties within the district 60 days before the budget submission date. The district administrator shall submit to the governing body of the municipality the maintenance and operating budget for the following year, and the prorated share of the budget to be charged to each property in the district. The budget for the district as approved by the municipality shall contain necessary appropriations and provisions for collecting charges against affected properties in the district.

§ 162-K:13. Administration

The municipality may create a department or designate an existing department or office or agency or municipal housing and redevelopment authority, or form a corporation under RSA 292, to administer development districts. The district administrator may, subject to such rules and limitations as may be adopted by the governing or legislative body, be granted the power to:

- I. Acquire property or easements through negotiations;
- II. Enter into operating contracts on behalf of the municipality for operation of any of the facilities authorized to be constructed under this chapter,
- III. Lease space to private individuals or corporations within the buildings constructed under this chapter;
- IV. Lease or sell land and lease or sell air rights over structures constructed under this chapter;
- V. Enter into contracts for construction of several facilities or portions thereof authorized under this chapter;
- VI. Contract with the housing and redevelopment authority of the municipality for the administration of any or all of the provisions of this chapter;
- VII. Certify to the governing body of the municipality, for acquisition through eminent domain, property that cannot be acquired by negotiation, but is required for implementation of the development program;
- VIII. Certify to the governing body of the municipality the amount of funds, if any, which must be raised through sale of bonds to finance the program for development districts;
- IX. Apply for grants from the government of the United States or other source.

§ 162-K:14. Advisory Board

- I. The legislative body of the municipality shall create an advisory board for each development district. The board shall consist of such number of members appointed or elected as determined by the legislative body. A majority of members shall be owners or occupants of real property within or adjacent to the development district. In a substantially residential development district, however, the board shall consist solely of owners or occupants of real property within or adjacent to the district.
- II. The advisory board shall advise the governing body and district administrator on planning, construction and implementation of the development program and on maintenance and operation of the district after the program has been completed
- III. The governing body shall by resolution delineate the respective powers and duties of the advisory board and the planning staff or agency. The resolution shall establish reasonable time limits for consultation by the advisory board on the phases of the development program, and provide a mechanism for appealing to the governing body for a final decision when conflicts arise between the advisory board and the planning staff or agency, regarding the development program in its initial and subsequent stages.

§ 162-K:15. Relocation

Unless they desire otherwise, provision shall be made for relocation of all persons who would be displaced by a proposed development district prior to displacement in accordance with the provisions of RSA 162-K:6. Prior to undertaking any relocation of displaced persons, the municipality shall insure that housing and other facilities of at least comparable quality be made available to the persons to be displaced.

12. Do you have an established Tax Increment Financing Plan?

If YES:

- What are your goals for the TIF District?

Have those goals changed at all? _____

If YES:

- How have they changed?
- May we have a copy of your TIF District Plan? _____

10. Is the TIF District a component of a larger community master plan or economic development plan?

Y / N

If YES:

- What other funding sources have you used within the TIF District to achieve the community or economic development goals?

11. Based on your annual TIF report, what was the initial valuation of your TIF District _____

12. To date, have you captured an incremental increase in valuation within the District? _____

If YES:

- How much of an increment have you captured? \$ _____
- Are you directing any of this increment towards improvements? _____

If YES:

- What types of improvements have been made?

- What types of improvements are planned for the near future?

- How much of the increment is directed towards debt reduction? _____ (\$ or %)

- Is this increment increase due to: (circle)
 - new business/industry
 - business/industry retention
 - business expansion
 - other _____

- Is the captured increment matching your expectations so far?

14. Are there any important lessons your community has learned so far in working with TIF's or success stories you would like to share?