

MINUTES
SELECT BOARD
TOWN OF PETERBOROUGH
Tuesday, December 20, 2011 – 6:00pm
1 Grove Street, Peterborough, New Hampshire

Present: Joe Byk, Barbara Miller, Elizabeth Thomas

Also Present: Pamela Brenner, Carol Ogilvie, Michael Price, Fash Farashahi, Linda Guyette, Nicole MacStay

Chair Miller called the meeting to order at 6:00pm.

Greater Downtown Tax Increment Finance District Public Hearing

Chair Miller explained that the Select Board held the first public hearing on the proposed extension and expansion of the Greater Downtown Tax Increment Finance District (GDTIF) on October 4th. In response to the comments and questions at that hearing, Carol Ogilvie will make a presentation which explains what a TIF District is, and Pam Brenner will make a presentation about the GDTIF specifically.

Ms. Ogilvie explained through a PowerPoint presentation that TIF districts are a way to finance public improvements by using new tax revenue that is generated within the district. This financing tool was authorized by Town Meeting in the 1990's. We call it a district and a plan; the district is the defined area, and the plan is the description of projects which have been discussed. The projects have not been developed or planned – these are hypothetical projects that may be financed through the district. Each district has an advisory board made up of residents or business owners from within the district, and all are administered by the Economic Development Authority and the Director of the Office of Community Development jointly. The TIF plan describes the district, identifies public projects and estimates cost. Ms. Ogilvie then provided examples of how TIF capture works when there is an increase in the value of different types of property, and explained the advantage of using a TIF district, noting that twenty communities in New Hampshire are currently using TIF plans.

Ms. Brenner began her presentation on the current status of TIF districts by saying that the GDTIF has captured \$1,809,213 of value. There is currently \$104,300 in the fund with \$20,780 appropriated for FY 2012. The West Peterborough TIF (WPTIF) is more substantial, having captured \$11,675,665 in value, despite the fact that 30% of the value has been returned to the General Fund by the Select Board to help offset the downshifting of expenses from the state. Ms. Brenner then reviewed examples of property increasing and decreasing in value and how it affects the TIF. She then showed what would happen to the tax rate if there was no GDTIF and the projects had been funded through the general fund. Projects being considered in the proposed plan are sidewalks and crosswalks, stormwater management, street scaping of lower Main Street, utility line management, and the reconfiguration of the Fire Department parking lot to increase the number of public parking spaces in the downtown area. That project was approved by the Capital Improvements Plan Committee and Budget Committee last year but had to be taken out of the budget in the end. The parking lot plan has been reapproved for FY '13, but only with funding from a reauthorized GDTIF district. Ms. Brenner then showed how that parking lot project would affect the tax rate without TIF funding, with TIF funding, and compared those figures with the tax rate without either the TIF or the reconstruction.

Ms. Ogilvie then reviewed the proposed TIF plan, and explained that the current plan will expire in April 2012. If readopted, the proposal also recommends including new parcels. Some reasons to consider readoption are that in a slow economy there are modest tax revenues and few funding options. The Granite Block hotel project could result in enough increased tax revenue to finance some public infrastructure projects. Some possible sources of revenue are the Granite Block/Anderson building renovation, Centertown, Peterborough Plaza, Monadnock Plaza, the Gulf Station "Brooks Pharmacy" land. A conservative estimate of revenues could be up to \$155,815 a year. The duration of the district is typically matched to the amount of time deemed necessary to raise enough funds for a project or payoff a bond, and

to allow enough time for development to occur. She then described the likely timeline of a project on the scale of the Granite Block renovation which likely would not be complete and generating tax revenue in less than three years.

Craig Hicks, Chairman of the EDA, said that he thinks that what Ms. Ogilvie has presented is a conceptual of what could happen; the town has identified projects including the bridge, sidewalks, parking and so on that the town has to do. He said that he would like to extend the TIF for another twenty years so that it may not miss any opportunities as the GDTIF did in the beginning when the majority of Depot Square improvements were complete before the GDTIF was established. **Mr. Byk** asked how Mr. Hicks reconciled his stated opinion that the town needs to increase the commercial tax base with plans to put the entire commercial district in TIF for twenty years so that there would be no incremental tax revenue. **Mr. Hicks**, referring to a slide from Ms. Brenner's presentation, said that if \$0.66 of each dollar goes to the school and county, the best that the town can do is keep the assessed value flat. He said that he would rather have whole dollar in improvements in the district than just the nickel of tax revenue that remains for public projects. A TIF district takes nothing away from the Peterborough taxpayer. **Mr. Byk** asked how he answers the argument that the TIF statute is intended to create economic development, not roads and bridges. **Mr. Hicks** said that for the last two or three years the town has been looking at the Main Street Bridge; it was going to be \$1.5 million with a \$200,000 share from the town – now with the increased cost of reconstructing rather than renovating the bridge, the town's share could be anywhere from \$1 – 2 million, and that assumes that the state will be funding bridge projects at the same level. If there is no bridge directly into downtown Peterborough, there may be economic adversity. The WPTIF took \$200,000 and put it aside for the Wilder Street Bridge and the Union Street Bridge. We have more infrastructure items on our plate than any town in the ConVal community. If 66% of our dollar is going out of town, we need to control that dollar; a nickel is not going to do it.

Fran Chapman said that he sees this proposal as a gamble, and that he had vigorously supported the Healthcare TIF District and since then the hospital has renegotiated. **Mr. Hicks** corrected Mr. Chapman, saying that the EDA and the Hospital agreed that if the hospital property did not increase in value then they would make the payments on the bond, which they have done. **Mr. Chapman** said that there is a risk that the hotel may not be complete, and said that the hotel in Keene went belly-up. **Mr. Byk** said that even if we assumed that were true, the Town would not have invested any more money or subsidized the Granite Block, and the building would still pay tax on the same value as it pays today. **Mr. Hicks** added that there is no risk; the town still has to finance the projects, and if there is no money in the TIF district to finance with, then the financing would come out of the general fund. There isn't a penny more of risk to approve this extension. **Marsha Patten** said that we are not talking about taking out a bond to build anything in downtown Peterborough, which is what happened with the hospital.

Andrew Dunbar said that it appears that there are three properties on the east side of Summer Street that are residential, and not commercial. **Mr. Hicks** said that the WPTIF is almost entirely residential, and said that the RSA does not restrict the residential. **Chair Miller** asked Mr. Dunbar what his concern is; he replied that this proposal is an incremental encroachment of a commercial district and those residential properties may be seized. **Susan Phillips-Hungerford** said looking at the WPTIF as an example, the TIF captured the improvements made on all the buildings in the district, some of which were residential, and the infrastructure improvements were implemented through the whole district, including sidewalks and lighting. She said that does not make the district a commercial district, but if those parts of the neighborhood are not included in the district, they cannot receive any of the benefits of the district financing. **Mr. Hicks** said that there are receiver properties, and there are generator properties. The first projects being proposed by the plan are to enhance the parking on Summer Street by bringing the public parking out front where it is more visible, and to improve the sidewalks and lighting on that section of the street. **Mr. Dunbar** said that he would ask the Board not include those three properties. **Chair Miller** said that she does not understand Mr. Dunbar's concern, since those properties stand to benefit from the proposed improvements. **Mr. Dunbar** said that if the Board would look at the condition of the sidewalks they would understand his concern; the existing sidewalks were constructed very poorly. He then added that he does think the utility line management would be a big improvement, but he thinks that when parking is addressed, transportation issues should also be addressed.

Rod Christy of High Street said that he came down to learn more about TIF districts, and said that he has a perception that citizens are more inclined to vote for a project if they think that someone else is paying for it. He said that he thinks there is an illusion that someone else is paying for projects if they are in a TIF district. What concerns him is that the other towns in the school district and the county make up the revenue, but when we say we have to increase tax dollars, people are less likely to do it. **Ms. Brenner** said that it does increase the school rate, and if Peterborough does a project without a TIF it does increase the school rate because the assessments increase, however when projects are financed by a TIF district the assessments within the district are frozen, and there is not change to the school rate. The financing works to benefit the tax rate.

James Kelley, member of the CIP Committee, said that the committee supported the use of the GDTIF to pay for improvements such as the public parking at the fire station; that project will improve the value of the commercial district. **Trey Horn**, a member of a visiting Boy Scout Troop, said that it seems to him that a TIF District is a way to raise money and make sure that it stays where it is needed.

Motion:

Ms. Thomas made a motion to place the proposed expansion and extension of the Greater Downtown Tax Increment Finance District on the 2012 Town Meeting Warrant; **Mr. Byk** seconded.

Vote:

Ms. Thomas, Mr. Byk and Chair Miller voted in favor of the motion; the motion carried.

Bruce Baowler, Chairman of Amherst Board of Selectmen

Mr. Baowler read from a statement thanking the Select Board and Public Works Director Rodney Bartlett for sending Highway crews and vehicles to Amherst to help clean up after the recent damaging storm. He added that Amherst will be happy to return the favor in the future, should it be needed.

Review and Approval of Minutes of November 1, 2011

Motion:

Chair Miller made a motion to accept the minutes of November 1, 2011 as presented; **Ms. Thomas** seconded.

Vote:

Chair Miller, Ms. Thomas and Mr. Byk voted in favor of the motion; the motion carried.

Joint Select Board & Budget Committee Meeting

At 7:27pm the Board was joined by **Chair Kemp, Mr. Patten, Mr. Lambert, Mr. Jones, Ms. Mansfield, Ms. Harris, Mr. Parkhurst and Ms. Duffy** of the Budget Committee.

Town Clerk

	FY 2012	FY 2013	% Inc. or Dec.
Net Operating	-\$784,476	-\$788,982	-0.6%
Net Capital	\$0	\$0	N/A
To be raised through taxation	-\$784,476	-788,982	-0.6%

Mr. Lambert, also a part-time employee of the Town Clerk's Office, recused himself from hearing this budget. **Ms. Guyette** said that the budget is relatively flat except for the planning of the upcoming elections in November. Supervisors of the Checklist salaries will be reduced by \$900.00 thanks to reimbursement from the School District, bringing expenditure budget down from what was given out in the packets. Overall department expenditures will be up 2.95%. **Mr. Byk** asked why equipment repair and maintenance is up;

Ms. Guyette said that is the maintenance from the acu-vote machine used to be lumped in with computer services, and was moved. **Chair Miller** asked what is included in contracted services; **Ms. Guyette** said that the ballot clerks and moderators are paid out of that line, and it was increased to reflect the additional need in November. **Ms. Brenner** noted that anticipated revenues are up.

Library

	FY 2012	FY 2013	% Inc. or Dec.
Net Operating	\$532,449	\$534,267	0.3%
Net Capital	\$0	\$0	N/A
To be raised through taxation	\$532,449	\$534,267	0.3%

Mr. Patten, whose wife is a Library Trustee, recused himself from hearing this budget. **Mr. Price** said that the expenditure budget is up 0.5% and the overall budget will be up 0.3%. the library now offers downloadable ebooks through a contract they have with the State library, and next year they will be able to show films. Ms. Mansfield noted that building repair and maintenance is down; **Mr. Price** said that the ductwork and the roof have both been repaired.

Office of Community Development

	FY 2012	FY 2013	% Inc. or Dec.
Net Operating	\$254,646	\$277,399	8.9%
Net Capital	\$0	\$0	N/A
To be raised through taxation	\$254,646	\$277,399	8.9%

Ms. Ogilvie said that there has been no significant change to the budget other than the Code Enforcement Officer becoming full-time as expected. Otherwise they have tried hard to either decrease or level fund everything else, except for the cost of advertising and gasoline over which they have no control. Ms. Mansfield asked why millage is down; **Ms. Ogilvie** said that all of Mr. Carrara’s travel is covered in the gasoline budget, and this is for staff travel to conferences and trainings which they are trying to keep down.

Technology

	FY 2012	FY 2013	% Inc. or Dec.
Net Operating	\$100,868	\$96,915	-3.9%
Net Capital	\$43,100	\$43,400	0.7%
To be raised through taxation	\$153,468	\$140,315	-8.6%

Mr. Farashahi said that IMS is down over 8.5% overall. Consulting is down, which has been dropping incrementally over the years as backups and systems have been improved. Software costs have decreased now that all of the Microsoft licensing has been renewed, and some capital items have gone down. **Mr. Byk** asked how much work does Cole Royal, the consultant, do now; **Mr. Farashahi** said that Mr. Royal’s services are used sparingly now, and he is generally only called in on high-level security and internet tasks. Mr. Byk noted that they have achieved their goal with bringing Alex Oakes on full-time they have been able to use Mr. Royal less. **Ms. Brenner** said that they are also extending the life of the PCs now. **Mr. Farashahi** said that the hardware costs have gone down dramatically of the past few years. He and Mr. Oakes have been rebuilding and redeploying PCs whenever possible. Sometimes they do that by upgrading hardware such as memory because those components are now so inexpensive, and some machines are upgraded from Windows XP to Windows 7. The average life of a PC is now up to five to six years.

Cable Station (PEG)

Ms. MacStay said that all of the upgrades to the cable station equipment planned for this year have been completed. She said that no large expenditures are anticipated for the next year while the fund balance is rebuilt.

As there was no further business, Chair Kemp adjourned the meeting at 7:55pm.

Respectfully Submitted,
Nicole MacStay, Assistant to the Town Administrator

PETERBOROUGH
SELECT BOARD:



Barbara A. Miller, Chair



Joe Byk



Elizabeth M. Thomas

ACTION ITEM PENDING LIST

- 1.