GREATER DOWNTOWN
TAX INCREMENT FINANCE PLAN
PETERBOROUGH, NH

ADOPTED MAY 9, 2012

EXPIRARION DATE AND MAP AMENDED MAY 12, 2015

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I. Authority and Purpose

In accordance with RSA 162-K, the Town of Peterborough hereby adopts the following Tax Increment Financing Plan (TIF) for the Greater Downtown area of Peterborough. It is the purpose in forming this district to encourage revitalization, re-investment and new investment within those portions of Town that are either used for commercial activity and/or are zoned for commercial development. Without improvements to both the physical infrastructure and visual appearance of this area, the existing tax base could erode. Also, without these additional investments, the capacity does not presently exist to support all of the development for which these areas are zoned. It is the Town's intention to use tax increment financing to help pay for necessary improvements to the infrastructure in order to support anticipated development.

II. Location of District

The Greater Downtown Peterborough Tax Increment District encompasses the historic downtown area and the commercial areas for approximately 1/2 mile on Route 202 south of the Route 101 intersection, connected by the Contoocook River; this area is illustrated on the accompanying map.

This District comprises about 115 acres and has an assessed valuation of over $30 million. By law, no TIF district can be larger than 5% of the total town land area, and when added to other TIF Districts may not exceed 10% of the total town land area. Further, no one district can exceed 8% of total assessed value, and when combined with other TIF Districts may not exceed 16% of total assessed value.

This District is approximately .48% of the total town land area, and when combined with the West Peterborough and the Monadnock Community Healthcare TIF Districts, all three districts account for 3.18% of the total town land area. Assessed property values in this District amount to approximately 5% of the total town assessed property values, and when combined with the West Peterborough and the Monadnock Community Healthcare TIF Districts, all three districts account for 12% of the total town assessed property values.

III. Statement of Objectives

The purpose of the district is to fund improvements to roads, intersections, sidewalks, sewer, water, drainage, lighting, signage, utility poles and lines, landscaping, or other associated improvements that will create economic vitality and ensure the continued economic vitality of those areas that are already so developed. Pursuant to the enabling legislation, RSA 162-K, some of the valid public purposes for a TIF district include: the acquisition of land; the improvement of physical facilities, quality of life and transportation through acquisition or construction; the accommodation of pedestrian systems; and the installation of landscaping and streetscaping. It is recognized that this district represents a core commercial area in the Town that provides a substantial number of jobs and services, and represents an important part of the non-residential tax base.

The Greater Downtown TIF District and Plan has been in effect since 1998. The original Plan identified only a parking study, which was completed. This Plan was updated and taken back to the voters in 2004, in order to address some of the public infrastructure issues identified by the Master Plan. That Plan was scheduled to expire in 2012; for a variety of reasons (including an economic recession) there has not yet been the anticipated development in the area that would have generated the funds to complete any of the planned infrastructure projects. Now, however, there appears to be some potential for redevelopment in the District that could generate TIF revenues, as well as a re-thinking of some of the public infrastructure needs (described later). For these reasons it seems prudent to re-adopt an amended Plan in order to be able to capture these new funding opportunities.

IV. District Administrator and District Advisory Board

Pursuant to RSA 162-K:13, the Select Board initially appointed the Director of the Office of Community Development to serve as the TIF District Administrator. A warrant article in 2004 added the Peterborough Economic Development Authority and the Advisory Board as a co-administrators. A five-member District Advisory Board has been appointed by the Select Board and, in accordance with the provisions of RSA l62-K:14, is made up of a majority of members who are owners or occupants of real property that is within or adjacent to the District. A member of the Economic Development Authority serves as Chairman, and a member of the Planning Board serves as Vice-Chairman.

This Board shall advise the District Administrator, EDA and Select Board on the maintenance and implementation of the District Plan. All meetings of the Advisory Board shall be public, and both the Administrator and Board are encouraged to obtain extensive public input as they prepare to implement the plan.

V. District Plan

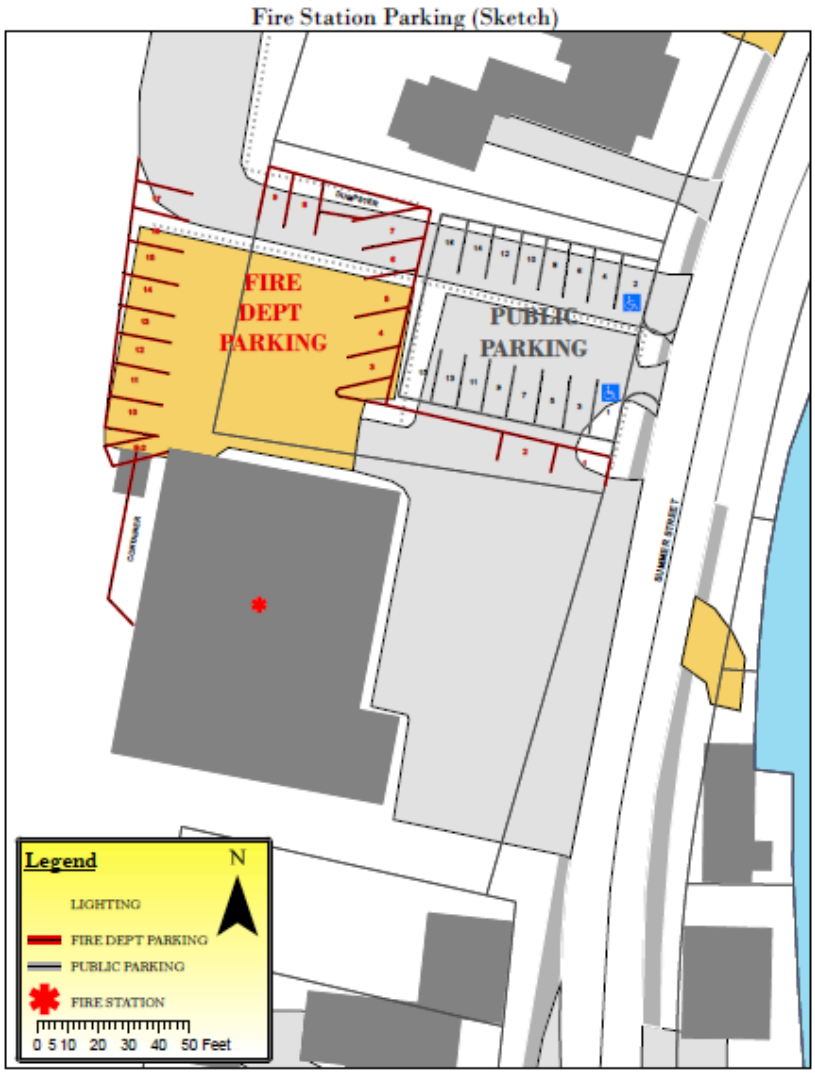
Peterborough's Master Plan identifies the importance of economic vitality in the downtown area for the overall well-being of the Town. In addition, the Economic Policy Plan notes that "[I]nvesting in infrastructure is necessary to maintain and expand the existing tax and job base." In order to meet these planning goals, the Planning Board proposed for Town Meeting 2004, which was approved by the voters, the creation of a new Village Commercial District, in order to facilitate more opportunities for investment and re-investment in those areas that are contained within the TIF District boundaries. Subsequent to these changes, the Planning Board rewrote the zoning regulations for the Downtown Commercial District to create additional and expanded opportunities for commerce; at the 2007 Town Meeting these changes were also adopted by the voters.

In order to facilitate or enable investment in the TIF District and meet several of the goals of the Master Plan, improvements need to be made in the public infrastructure of the Greater Downtown area. Further, in addition to the Master Plan, a number of other planning studies have been undertaken over the last decade, work that now informs this Plan. The several specific projects that are described below have all been part of some sort of public planning process, in one forum or another. Please note, however, that this Plan does not identify all possible projects; rather, the intent of this Plan is to authorize the District Administrator, the EDA and the TIF Advisory Board to consider other appropriate projects based on a well-grounded public process.

A. Identification of Projects

1. Sidewalk/Crosswalk Construction and Improvement. TIF funds have been used for a number of years to build and repair sidewalks and crosswalks in the downtown area. These are generally not very costly projects, and well worth the investment to keep the downtown a pedestrian-friendly place for residents and visitors alike.

2. <u>Fire Station/Public Parking Lots.</u> The plan is to move the public parking area that is currently located adjacent to the Fire Station and behind the houses just north of the Fire Station to the area in the front of the Fire Station. The Fire Department would then use the public parking area for fire equipment (see accompanying sketch).



The thought behind this plan is that the public parking would be much more utilized than it is now, with its current location being not well lit and out of the way. This is a good location for fire apparatus that don't need to move that often; and the public will be more inclined to park in a more visible and well-lit area.

3. <u>Lower Main Street/Centertown Area</u>. This section of the downtown has been the subject of much discussion and some visioning work aimed at making physical improvements to the public spaces. Some of the ideas suggested include landscaping, streetscaping, lighting, improving existing and adding on-street parking, adding public benches, or other public amenities.

The overall goal would be to revitalize this area by improving pedestrian access to and through the Downtown, possibly create access to the River, and ultimately make Lower Main Street more attractive and functional. The replacement of this bridge is tentatively scheduled for 2016/2017, and there are possibly opportunities to incorporate some of these improvements into the Bridge Project, thus taking advantage of some cost savings.

View of Centertown from the West toward Concord/Pine/Granite Streets

4. Stormwater Management. An ongoing project for the Downtown is to separate stormwater catch basins from existing sanitary sewers, reconstruct existing storm drainpipes, manholes, and catch basins, and provide new storm drainage in the roadways where drainage is non-existent. This work is currently being funded at $35,000 a year, but could benefit from additional revenue.

5. Comprehensive Parking Approach. Parking in the Downtown has long been a topic of concern, and was addressed in the 1998 Greater Downtown TIF Plan. As the Downtown becomes more of a destination for visitors and more of an anchor for the town (both of which are seeing some levels of improvement), there is an increasing demand for parking. Available land for additional parking in the Downtown area is scarce, and other options are also limited, including the construction of parking facilities. It seems clear that a comprehensive approach is needed, one that would explore not just brick and mortar solutions, but also consider such things as improvements to the existing parking areas, the creation of more on-street parking, the leasing of private parking spaces, and the possibility of a shuttle service to and from a satellite parking area. Therefore, while there is no specific plan for parking at this time, all options should be kept open so that should an opportunity present itself, the EDA and Advisory Board could consider the use of TIF funds for financing some portion of a solution.

View of Municipal and Private Parking Areas between School and Depot Streets

6. Utility Line Management. Associated with other discussions about downtown infrastructure improvements is the concept of burying utility lines, especially those that traverse the parking lots between School and Depot Streets; in the picture below it is just possible to make out some of the poles and lines. There may be an opportunity to combine this work when the Granite Block and Anderson Building are reconstructed into a hotel with restaurant and retail space. And depending on other work, this could also potentially be incorporated into a parking garage project.

B. Estimated Project Costs

Estimated costs to finance the six specific projects herein described are presented below. Some of these numbers are more certain than others, but all would need to be revisited at the time of design or implementation. For example, the figure for sidewalks and crosswalks represents what the Town has spent annually for the past several years, not what could be spent on these items; the same is true of the stormwater management program. It is important to bear in mind, however, that based on the scale and

estimated costs of these projects, in addition to updated cost estimates, each project would also be required to go through the full budgeting process and to Town Meeting approval of the requested appropriation.

1) Sidewalks and Crosswalks	=	$40,000/year
2) Fire Station/Public Parking Lots	=	$75,000
3) Lower Main Street/Centertown Improvements	=	$1 million
4) Stormwater Management	=	$35,000/year
5) Comprehensive Parking Approach	=	$1.8 million
6) Utility Line Management	=	$1 million

The total of all of these projects lies somewhere in the $4 - $5 million dollar range. It seems reasonable to expect that bonding could be used for the construction costs, in which case there would be annual payments for a specified period of time as opposed to one large payment.

C. Sources of Revenue

The current assessed valuation of the area designated as the Greater Downtown Tax Increment Finance District is approximately $30 million. At this time, there are no current applications for new or substantially improved projects that would impact the tax revenue from this District. There are, however, some possible development opportunities in the District upon which projected increases can be calculated; for example:

1. Reconstruction/Reuse of the Granite Block. A pending project as of this writing is the reconstruction of the Granite Block and the abutting Anderson Building, both of which would be rebuilt as a boutique hotel, with a restaurant, and meeting and commercial space.

2. Improvements to Centertown. If any of the improvements to Lower Main Street are implemented, as described in #3 above, the property values of Centertown would no doubt increase and may, in fact, spur improvements to the property.

3. Improvements to the Shopping Plazas. Both of these Plazas, located in close proximity to one another along Route 101 and 202 have been in existence for a number of decades, and continue to be economic contributors to the Town. The Peterborough Plaza, on Route 101, has recently undergone some renovation on one section of the building to accommodate a new tenant. Over time, it seems reasonable to expect more of this type of upgrade from both plazas.

4. Redevelopment of the Gulf Station. This property sits at the southwestern corner of Routes 101 and 202 and has been vacant for a number of years. Recently there has been interest in the property, and some reason to anticipate that it could come under new ownership and be redeveloped.

5. Development of "Brooks Pharmacy" Land. This is a five-acre parcel situated between Route 202 to the west and the Peterborough Plaza to the east. Part of this land was the site of an application for a Brooks Pharmacy that was approved by the Planning Board in 2005 but was never constructed. The land is still vacant and, as one of the few vacant parcels in the Village Commercial District, there is reason to expect some level of development there.

The estimated incremental tax revenue from these potential projects is as follows:

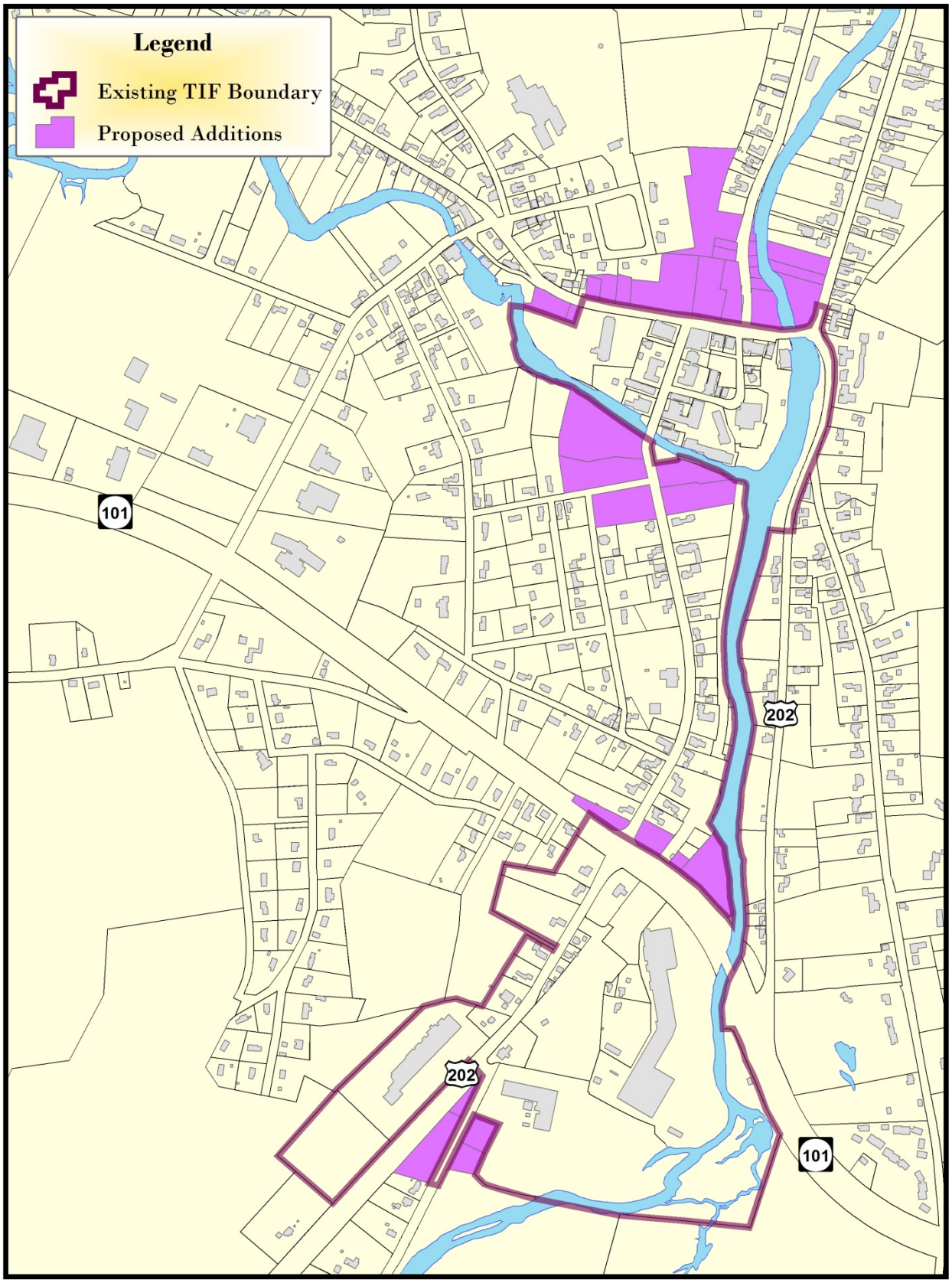
	Current Assessed Value	Estimated Increase in Value	Incremental Difference	Estimated Incremental Tax Revenue
Granite Block/Anderson Building	$708,500	$2,600,000	$1,891,500	$51,714
Centertown	$497,400	$600,000	$102,600	$2,805
Peterborough Plaza	$5,234,100	$5,725,000	$490,900	$13,421
Monadnock Plaza	$1,968,900	$2,000,000	$31,100	$850
Gulf Station	$413,100	$1,000,000	$586,900	$16,046
"Brooks Pharmacy" Land	$220,600	$1,500,000	$1,279,400	$34,979
Current Annual Revenues				$36,000
TOTAL	$9,042,600	$13,425,000	$4,382,400	$155,815

Based on the information above, and understanding that these numbers are estimates, both for projects and anticipated revenue, it seems reasonable to expect within a 10-year period over $1.5 million dollars could be raised within the district. This is not enough money to fund all of the identified projects at the estimated costs; therefore the EDA, Downtown TIF Advisory Board and the voters will need to decide which are the most important projects to fund, if they are approved by the voters to move forward.

VI. Duration of District

It is the intention of the Town that once a plan has been adopted and sufficient funds have been allocated to pay for necessary improvements the District will no longer be needed. It is anticipated that it would take roughly **10 years** to complete the projects described in this Plan. Therefore the District will expire on **May 31, 2022,** unless extended by Town Meeting vote. It shall be the duty of the Administrator and the Board of Selectmen to ensure that any obligations or unexpended funds of the District will be adequately addressed prior to or as part of this expiration, and a detailed report shall be provided at the **May 2022** Town Meeting detailing the steps to be taken to properly meet any obligations or provide for unexpended funds.

Addendum: At Town Meeting May 2015, the Town voted to adopt Article 10 as follows: "To see if the Town will vote to modify the 2012 Greater Downtown Tax Increment Finance District Area and duration of the Plan with a new effective date of July 1, 2015 and an expiration date of June 30, 2035, as presented at a public meeting on February 3, 2015 and a public hearing on March 3, 2015."


Legend
Existing TIF Boundary
Proposed Additions
101
202
202
101