

TIF Districts & CIP Summary

<u>Budget Summary</u>	2021 Actual	2022 Adopted	2022 Revised	2022 Projected	2023 Budget
Revenue					
Capital Projects	\$11,718,349	\$12,042,749	\$15,947,601	\$17,784,379	\$20,039,290
North End Opp Cor TIF District	\$432,330	\$368,325	\$368,325	\$420,974	\$442,848
Sears Block TIF District	\$1,104,653	\$1,049,830	\$1,049,830	\$1,073,757	\$1,099,499
Penacook Village TIF District	\$147,917	\$206,260	\$229,660	\$219,219	\$451,493
Sub Total	\$13,403,248	\$13,667,164	\$17,595,416	\$19,498,329	\$22,033,130
Expense					
Capital Projects	\$16,757,687	\$12,042,749	\$15,947,601	\$13,895,676	\$20,039,290
North End Opp Cor TIF District	\$220,647	\$245,810	\$245,810	\$245,810	\$246,639
Sears Block TIF District	\$1,172,091	\$1,200,550	\$1,200,550	\$1,199,800	\$1,277,990
Penacook Village TIF District	\$49,559	\$81,125	\$104,525	\$59,125	\$448,370
Sub Total	\$18,199,983	\$13,570,234	\$17,498,486	\$15,400,411	\$22,012,289

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Tax Increment Finance (TIF) Districts

The City currently has three Tax Increment Finance (TIF) Districts. These Districts were enacted in accordance with NH RSA 162-K. In accordance with State law, the City has the ability to capture and retain tax revenues generated by new development constructed within each TIF District after their enactment. These captured revenues are used to support debt service incurred for infrastructure improvements within the TIF Districts, as well as operating and administrative costs.

Combined, these TIF Districts encompass approximately 333+/- acres of land. Since their inception, the City has made a combined investment of \$41,982,010 in infrastructure improvements within these Districts, of which \$20,803,500 were TIF funds and \$21,178,510 were supported by other funding sources. These investments have served as a catalyst for \$111,036,870 in new assessed value generated by several real estate development projects (FY 2023 estimate).

An overview of each TIF District follows. More specific information concerning the financial details for each TIF District is included elsewhere in this document.

- 1) The **North End Opportunity Corridor Tax Increment Finance District (NEOCTIF)** was established on March 23, 1998, and most recently amended on April 14, 2014. This district was established to facilitate cleanup and redevelopment of the former Concord Lumber property and surrounding parcels in the vicinity of Horseshoe Pond and Exit 15 on Interstate 93. Since 1998, the City's total capital investment in the NEOCTIF District has been \$7,796,200, of which \$6,846,700 were TIF supported funds and \$949,500 were non-TIF funds (\$849,500 from the City's Economic Development Reserve Fund and \$100,000 in donations from the Capital Regional Development Council). To date, this investment has yielded \$50,662,000 in new private development (FY 2023 estimate). Presently, the NEOCTIF District encompasses approximately 68 acres.
- 2) The **Sears Block Tax Increment Finance District (SBTIF)** was established on September 8, 2003, and most recently amended on August 12, 2019. This district was established to facilitate cleanup and redevelopment of the former Sears Block and surrounding properties located in downtown Concord. The former Sears Block is now occupied by the Hotel Concord mixed use building and the Storrs Street Municipal Parking Garage. Since 2003, the City's total capital investment in the SBTIF District has been \$23,054,840, of which \$9,232,000 were TIF funds. To date, this investment has served as a catalyst for \$42,901,870 in new private development (FY 2023 estimate). This figure excludes properties located at 5-7 South State Street, and 15 Pleasant Street, which are currently subject to RSA 79-E Community Revitalization Tax Relief abatements. Presently, the SBTIF District encompasses approximately 22 acres.
- 3) The **Penacook Village Tax Increment Finance District (PVTIF)** was established on June 14, 2010, and most recently amended on April 12, 2021. This district was established to facilitate cleanup and redevelopment of the former Allied Leather Tannery Site and surrounding properties in Penacook Village, as well as to foster development at Whitney Road. The City's total capital investment in the PVTIF District has been \$11,130,970, of which \$4,725,000 was directly supported by the TIF District. This estimate includes moneys expended by the City on the acquisition, cleanup, and redevelopment of the former Allied Leather Tannery and Amazon Realty sites prior to the establishment of the PVTIF in 2010. To date, the City's investment in TIF improvements has yielded \$17,473,000 in new private development (FY 2023 estimate). Presently, the PVTIF District encompasses approximately 243 acres.

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<u>NEOCTIF Fund Summary</u>	2022 Revised	2022 Projected	2023 Budget
Revenue	\$368,325	\$420,974	\$442,848
Expense	\$245,810	\$245,810	\$246,639
Net Income (Loss)		\$175,164	\$196,209
Beginning Working Capital		\$2,125,597	\$2,300,761
Ending Working Capital		\$2,300,761	\$2,496,970

<u>NEOCTIF Fund Detail</u>	2021 Actual	2022 Adopted	2022 Revised	2022 Projected	2023 Budget
Revenue					
Property Taxes	\$430,752	\$366,025	\$366,025	\$419,774	\$441,348
Investment Income	\$1,578	\$2,300	\$2,300	\$1,200	\$1,500
Total Revenue	\$432,330	\$368,325	\$368,325	\$420,974	\$442,848
Expense					
Outside Services	\$13,440	\$24,880	\$24,880	\$24,880	\$25,129
Debt Service	\$43,231	\$42,040	\$42,040	\$42,040	\$40,831
Transfer Out	\$163,975	\$178,890	\$178,890	\$178,890	\$180,679
Total Expense	\$220,647	\$245,810	\$245,810	\$245,810	\$246,639

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North End Opportunity Corridor Tax Finance District

The FY 2023 projected total incremental assessed value of new development constructed within the NEOCTIF District is \$50,662,000.

In FY 2006, the City began to allocate a portion of the captured tax revenues generated by the new development within the District to support the City's General Fund, as well as those of other taxing authorities such as the County and Concord School District. This had no negative impact on the District's ability to meet current debt service or maintenance cost obligations, as real estate development within the District has significantly surpassed the expectations of the City's original financial pro forma.

The amount of increment initially allocated to support the City's General Fund and other taxing authorities in FY 2006 was \$16,462,800. In FY 2023, the City will allocate \$33,436,920 of incremental assessed value created in the District, to support the City's General Fund and other taxing authorities. It is projected that the \$33,436,920 allocated assessed value will yield approximately \$856,734 in revenues for the City's General Fund, as well as the Concord School District, Merrimack County, and State of New Hampshire, combined.

The remaining \$17,225,080 of incremental assessed value created in the NEOCTIF shall be retained to support the District's debt service and operating costs, as well as grow working capital to support future investments within the District. Future investments may include CIP #18 Storrs Street North Extension (Storrs Street to Constitution Avenue), as well as that portion of CIP #543 Merrimack River Greenway Trail, which may traverse through the NEOCTIF District for the purposes of connecting Terrill Park to the Northern Main Line Railroad corridor at Horseshoe Pond Lane.

Timing of the construction of CIP #18 remains subject to the determination of a final preferred design concept for the I-93 Bow/Concord Widening Project by the State of New Hampshire, as well as ongoing negotiations with Pan Am Railways and the State of New Hampshire regarding modifications to railroads associated with the Storrs Street North project.

The exact route and potential timing of the Merrimack River Greenway Trail (CIP #543) extension through the NEOCTIF District are also subject to a variety of factors.

The NEOCTIF District was originally set to terminate at the end of FY 2019. However, this date was subsequently extended due to the appropriation of \$1,050,000, including \$600,000 in NEOCTIF supported bonds, to acquire the former Tsunis property for the extension of Storrs Street to Constitution Avenue, as set forth within the City's Capital Improvement Program (CIP #18). The \$600,000 bond issuance was sold in January 2015 with a 20-year term, thereby extending the District's sunset date to FY 2037.

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<u>SBTIF Fund Summary</u>	2022 Revised	2022 Projected	2023 Budget
Revenue	\$1,049,830	\$1,073,757	\$1,099,499
Expense	\$1,200,550	\$1,199,800	\$1,277,990
Net Income (Loss)		(\$126,043)	(\$178,491)
Beginning Working Capital		\$454,050	\$328,007
Ending Working Capital		\$328,007	\$149,516

<u>SBTIF Fund Detail</u>	2021 Actual	2022 Adopted	2022 Revised	2022 Projected	2023 Budget
Revenue					
Property Taxes	\$1,104,283	\$1,049,580	\$1,049,580	\$1,073,442	\$1,099,249
Investment Income	\$370	\$250	\$250	\$315	\$250
Total Revenue	\$1,104,653	\$1,049,830	\$1,049,830	\$1,073,757	\$1,099,499
Expense					
Outside Services	\$5,075	\$44,765	\$44,765	\$44,765	\$25,108
Utilities	\$1,321	\$1,200	\$1,200	\$450	\$1,200
Debt Service	\$394,960	\$388,410	\$388,410	\$388,410	\$497,648
Transfer Out	\$770,735	\$766,175	\$766,175	\$766,175	\$754,034
Total Expense	\$1,172,091	\$1,200,550	\$1,200,550	\$1,199,800	\$1,277,990

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Sears Block Tax Finance District

The FY 2023 projected total incremental assessed value of new development constructed within the Sears Block TIF (SBTIF) District is \$42,901,870.

Property tax revenues generated by the incremental assessed value are retained by the District to support debt service and operating expenses. This value includes all new development within the District that has been constructed since its establishment in 2003, but excludes those properties currently receiving RSA 79-E Community Revitalization Tax Relief Incentives. Such properties include 5-7 South State Street and 15-17 Pleasant Street (RSA 79-E is projected to expire on March 31, 2025 for both, respectively).

Since its inception in 2003, the City has appropriated \$23,054,480 for infrastructure improvements and other investments within the District. Of this total, \$9,232,000 were TIF funds, and \$13,822,840 were from other funding sources.

Infrastructure investments within the SBTIF District include construction of the Storrs Street Parking Garage and related improvements, the Main Street Complete Streets Project, installation of underground utilities on South Main Street, as well as acquisition of the former NH Employment Security property at 32 South Main Street.

The FY 2023 budget continues the practice of transferring TIF revenues to the General Fund and Parking Fund for the purposes of: 1) reimbursing these funds for past investments in the Capital Commons/Storrs Street Parking Garage project, and 2) transferring debt service costs traditionally supported by the General Fund and Parking Fund for the Storrs Street Parking Garage Project to the SBTIF.

Specifically, in FY 2023, the SBTIF will transfer \$437,273 to the General Fund, as follows:

- 1) \$23,907 in Administrative Fees associated with management and administration of the SBTIF District.
- 2) \$165,893 to support debt service payments associated with those portions of the Main Street Project (CIP #460) which are located within the SBTIF. This figure excludes debt service associated with burying aerial utilities on South Main Street, as those debt costs are paid from the SBTIF District directly.
- 3) \$42,698 to support cleaning and maintenance operations carried out by the Downtown Services Team within the SBTIF District, as initiated in FY 2017. Approximately 53% of the Main Street Complete Streets Project is located within the SBTIF; therefore, financial support, to the extent the TIF can afford to make such investments, is appropriate.
- 4) \$205,075 for current and past debt service associated with the \$2,281,500 General Fund supported bond issued for the Capital Commons/Storrs Street Parking Garage Project in 2007.

The SBTIF will also transfer \$316,761 to the Parking Fund in FY 2023. As initiated in FY 2016, the SBTIF will continue to absorb a portion of debt service payments associated with \$7,109,000 in Parking Fund supported bonds previously issued for the Capital Commons/Storrs Street Parking Garage Project in 2005 and 2007.

When the SBTIF District was first established in 2003, it was anticipated that it would terminate when debt service was to be fully repaid in FY 2027. This date was subsequently extended to FY 2042 due to the appropriation of \$1,990,000 in bonded debt for redevelopment of the NH Employment Security Property at 32-34 South Main Street, \$1.52 million in bonded debt for installation of underground utilities within a section of South Main Street, \$2.5 million in bonded debt for the construction of CIP #460 Downtown Complete Streets Project, and \$150,000 to support utility improvements associated with the Bank of NH Stage Project (which were authorized in August 2019, but remain unissued pending completion of said improvements). This date may fluctuate depending upon future development in the District creating incremental value, or additional investments in infrastructure improvements supported by the District.

Subject to future development and potential future TIF supported capital investments in the District, it is anticipated that the SBTIF will begin releasing a portion of the captured assessed value, and property tax revenues related thereto, in FY 2027 to support the City's General Fund, as well as the Concord School District, Merrimack County and State of New Hampshire.

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<u>PVTIF Fund Summary</u>	2022 Revised	2022 Projected	2023 Budget
Revenue	\$229,660	\$219,219	\$451,493
Expense	\$104,525	\$59,125	\$448,370
Net Income (Loss)		\$160,094	\$3,123
Beginning Working Capital		\$241,261	\$401,355
Ending Working Capital		\$401,355	\$404,478

<u>PVTIF Fund Detail</u>	2021 Actual	2022 Adopted	2022 Revised	2022 Projected	2023 Budget
Revenue					
Property Taxes	\$147,507	\$202,935	\$202,935	\$202,112	\$448,645
Investment Income	\$410	\$1,000	\$1,000	\$500	\$500
Use of Fund Balance	\$0	\$0	\$23,400	\$0	\$0
Other Revenue	\$0	\$2,325	\$2,325	\$16,607	\$2,348
Total Revenue	\$147,917	\$206,260	\$229,660	\$219,219	\$451,493
Expense					
Outside Services	\$9,146	\$38,475	\$61,875	\$16,475	\$42,234
Supplies	\$0	\$0	\$0	\$0	\$5,000
Utilities	\$0	\$0	\$0	\$0	\$4,000
Debt Service	\$32,277	\$31,430	\$31,430	\$31,430	\$357,621
Transfer Out	\$8,135	\$11,220	\$11,220	\$11,220	\$39,515
Total Expense	\$49,559	\$81,125	\$104,525	\$59,125	\$448,370

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Penacook Village Tax Increment Finance District

The FY 2023 projected total incremental assessed value of new real estate development within the Penacook Village TIF (PVTIF) District is \$17,473,000. This amount is captured by the PVTIF District and is available to support the District's operating, administration, and debt service costs. This incremental assessed value is largely associated with the Penacook Family Physicians medical office building located at 4 Crescent Street, Phase I of the Caleb Development Corporation's Penacook Landing housing development located at 33 Canal Street, as well as new development associated with the Merchants Way project located at 1 Whitney Road. Phase I of the Merchants Way project specifically includes a State Liquor and Wine Outlet, as well as a Homegoods store and Market Basket supermarket.

The City's total capital investment in the PVTIF District to date is \$11,130,970, of which \$4,725,000 was directly supported by the TIF District. This figure includes monies expended by the City on the acquisition, cleanup, and redevelopment of the former Allied Leather Tannery and Amazon Realty sites prior to the establishment of the PVTIF in 2010, as well as a \$500,000 Community Development Block Grant for site improvements associated with the Caleb Development Corporation's "Penacook Landing" affordable housing development in 2019. This figure also includes funds appropriated by the City Council for CIP #30 Hoit Road (US Route 4) / Whitney Road Intersection Improvement Project to support the "Merchant's Way" development located at 1 Whitney Road.

Due to the District's success, starting in FY 2023, the PVTIF shall release 10% of its captured incremental assessed value to support the City's General Fund, Merrimack Valley School District, Merrimack County, and State of New Hampshire. In total, \$1,747,300 of captured assessed value shall be released, generating \$49,850 of property tax revenue for these entities, combined. Subject to future development and capital investments within the PVTIF, it is anticipated this amount will increase over time.

Also starting in FY 2023, the PVTIF shall begin reimbursing the City's Economic Development Reserve Fund for past investments which it financed within the District primarily associated with redevelopment of the Allied Leather Tannery ("Penacook Mill") site. The total outstanding principal and interest balance owed to the EDR Fund is \$771,116. The FY 2023 Budget includes \$25,000 to commence repayment of this debt. Annual payments will increase over time, and it is anticipated the EDR Fund will be fully repaid by FY 2032. Repayment of the EDR Fund is expressly included in the PVTIF District's Development Program and Financing Plan, and shall be undertaken in accordance therewith.

On September 18, 2019, the City sold 2.5 acres of the former Allied Leather Tannery site located at 33-35 Canal Street to the Caleb Development Corporation for \$540,000. As part of that transaction, the City retained a 1.5 acre parcel located at 11 Canal Street for a new riverfront park. The property features 500' of frontage on the Contoocook River. Originally conceived in the 1986 Penacook "Sense of Place" Master Plan, the concept of the Canal Street Riverfront Park was also included in the 2004 Penacook Mill Visioning Charrette Plan and 2015 Penacook Village Master Plan. It is presently included in the Capital Improvement Program as part of CIP #567.

Development of CIP #567 was included in the PVTIF Development Program and Financing Plan, which was readopted by the City Council on April 12, 2021. In FY 2022, the City Council appropriated \$110,000 of recreational impact fees to design and permit the new Canal Street Riverfront Park. A design team has been engaged and the project is currently underway. The FY 2023 Budget includes \$1,747,760 for the construction of the new park, of which \$1,025,000 will be supported by PVTIF District. Presently, it is anticipated that construction will be substantially complete in fall 2023 (FY 2024). Upon completion, operating and maintenance costs for the park will be supported by the PVTIF District. The projected operating costs for the new park in Year 1 of operation are approximately \$30,000.

In accordance with its Development Program and Financing Plan, the PVTIF District shall terminate when the purposes for which the District was established are fulfilled, and all debt service supported by the District is fully satisfied. Including appropriations for CIP #30, as well as proposed PVTIF appropriations for CIP #567, the projected termination date for the Penacook Village Tax Increment Finance District is currently FY 2044. This date may fluctuate depending upon future development in the District creating incremental value, or additional investments in infrastructure improvements supported by the District.