

## TIF Districts & CIP Summary

<u>Budget Summary</u>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Budgeted</b>	<b>2019 Estimated</b>	<b>2020 Budget</b>
<b>Revenue</b>					
Capital Projects	\$17,483,308	\$13,283,674	\$13,721,908	\$13,721,908	\$15,382,057
N End Opportunity Corridor TIF	\$498,741	\$505,839	\$510,520	\$519,290	\$512,240
Sears Block TIF District	\$777,242	\$1,081,751	\$1,046,530	\$1,102,013	\$1,140,740
Penacook Village TIF District	\$58,558	\$60,328	\$60,595	\$60,687	\$60,825
<b>Total Revenue</b>	<b>\$18,817,849</b>	<b>\$14,931,591</b>	<b>\$15,339,553</b>	<b>\$15,403,898</b>	<b>\$17,095,862</b>
<b>Expense</b>					
Capital Projects	\$17,483,308	\$13,283,674	\$13,721,908	\$13,721,908	\$15,382,057
N End Opportunity Corridor TIF	\$199,916	\$204,105	\$244,280	\$229,300	\$236,733
Sears Block TIF District	\$885,088	\$961,556	\$1,005,005	\$1,005,011	\$1,085,245
Penacook Village TIF District	\$51,688	\$51,009	\$58,410	\$58,410	\$58,530
<b>Total Expense</b>	<b>\$18,619,999</b>	<b>\$14,500,344</b>	<b>\$15,029,603</b>	<b>\$15,014,629</b>	<b>\$16,762,565</b>

## TIF Districts & CIP Summary

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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 137 acres of land. Since their inception, the City has made a combined investment of \$36,159,805 in infrastructure improvements within these Districts, of which \$17,993,000 were TIF funds and \$18,166,805 were supported by other funding sources. These investments have served as a catalyst for \$91,973,560 in new assessed value generated by several real estate development projects (FY 2020 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 \$7,796,000; all of which were TIF funds. To date, this investment has yielded \$50,831,500 in new private development (FY 2020 estimate). Presently, the NEOCTIF District encompasses approximately 67 acres.
- 2) The **Sears Block (a.k.a. "Capital Commons") Tax Increment Finance District (SBTIF)** was established on September 8, 2003, and most recently amended on July 30, 2014. 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 \$22,984,840, of which \$9,712,000 were TIF funds. To date, this investment has served as a catalyst for \$39,396,460 in new private development (FY 2020 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 21 acres.
- 3) The **Penacook Village Tax Increment Finance District (PVTIF)** was established on June 14, 2010, and most recently amended on June 9, 2014. This district was established to facilitate cleanup and redevelopment of the former Allied Leather Tannery Site and surrounding properties in Penacook Village. The City's total capital investment in the PVTIF District has been \$5,378,965, of which \$485,000 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 \$1,745,600 in new private development (FY 2020 estimate). Presently, the PVTIF District encompasses approximately 47 acres.

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<u>NEOCTIF Fund Summary</u>	<b>2019 Budgeted</b>	<b>2019 Estimated</b>	<b>2020 Budget</b>
<b>Revenue</b>	<b>\$510,520</b>	<b>\$519,290</b>	<b>\$512,240</b>
<b>Expense</b>	<b>\$244,280</b>	<b>\$229,300</b>	<b>\$236,733</b>
<b>Net Income (Loss)</b>		<b>\$289,990</b>	<b>\$275,507</b>
<b>Beginning Working Capital</b>		<b>\$1,334,110</b>	<b>\$1,624,100</b>
<b>Ending Working Capital</b>		<b>\$1,624,100</b>	<b>\$1,899,607</b>

<u>NEOCTIF Fund Detail</u>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Budgeted</b>	<b>2019 Estimated</b>	<b>2020 Budget</b>
<b>Revenue</b>					
Property Taxes-NEOCTIF	\$494,118	\$489,942	\$500,520	\$489,570	\$492,240
Investment Income	\$4,624	\$15,897	\$10,000	\$29,720	\$20,000
<b>Total Revenue</b>	<b>\$498,741</b>	<b>\$505,839</b>	<b>\$510,520</b>	<b>\$519,290</b>	<b>\$512,240</b>
<b>Expense</b>					
Outside Services	\$7,200	\$9,624	\$38,000	\$23,000	\$23,600
Debt Service	\$47,031	\$41,481	\$45,630	\$45,650	\$44,450
Transfer Out	\$145,685	\$153,000	\$160,650	\$160,650	\$168,683
<b>Total Expense</b>	<b>\$199,916</b>	<b>\$204,105</b>	<b>\$244,280</b>	<b>\$229,300</b>	<b>\$236,733</b>

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### North End Opportunity Corridor Tax Finance District

The FY 2020 projected total incremental assessed value of new development constructed within the NEOCTIF District is \$50,831,500.

In 2005, 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 2005 was \$16,462,800. In FY 2020, the City will allocate \$33,712,272 of incremental assessed value created in the District, which represents 66% of total incremental assessed valuation, to support the City's General Fund and other taxing authorities. It is projected that the \$33,712,272 of allocated assessed value will yield approximately \$969,356 in revenues for the City's General Fund, as well as the other taxing authorities.

The remaining \$17,119,228 of incremental assessed value created in the NEOCTIF shall be retained to support the District's debt service and operating costs.

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 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 Project #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.

The FY 2020 Capital Improvement Program (CIP) contemplates appropriating \$650,000 for design and permitting of CIP #18 Storrs Street Extension North. However, these capital transfer dollars are asterisked in the CIP, meaning that the appropriation process for these funds will occur separately from the FY 2020 budget adoption process due to certain statutory requirements set forth within RSA 162-K (New Hampshire's Tax Increment Finance statute).

The FY 2020-2029 CIP also tentatively includes \$6,650,000 in CIP #18 in FY 2021 for construction of the new roadway and related improvements to be supported by the funds generated by the TIF District. Water and sewer improvements associated with the new roadway would be financed by the Water and Sewer funds in FY 2021, as set forth in CIP #86 (water main construction, \$575,000) and CIP #91 (sewer mains rehabilitation and construction, \$450,000). In addition, potential improvements associated with the Storrs Street / North Main Street intersection, which is located outside of the NEOCTIF District, are also programmed in FY 2021 in CIP #34 (\$400,000).

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.

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<u>SBTIF Fund Summary</u>	<b>2019 Budgeted</b>	<b>2019 Estimated</b>	<b>2020 Budget</b>
<b>Revenue</b>	<b>\$1,046,530</b>	<b>\$1,102,013</b>	<b>\$1,140,740</b>
<b>Expense</b>	<b>\$1,005,005</b>	<b>\$1,005,011</b>	<b>\$1,085,245</b>
<b>Net Income (Loss)</b>		<b>\$97,002</b>	<b>\$55,495</b>
<b>Beginning Working Capital</b>		<b>\$220,387</b>	<b>\$317,389</b>
<b>Ending Working Capital</b>		<b>\$317,389</b>	<b>\$372,884</b>

<u>SBTIF Fund Detail</u>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Budgeted</b>	<b>2019 Estimated</b>	<b>2020 Budget</b>
<b>Revenue</b>					
Property Taxes-Sears Block TIF	\$776,610	\$1,079,800	\$1,046,330	\$1,096,398	\$1,132,740
Investment Income	\$632	\$1,951	\$200	\$5,615	\$8,000
<b>Total Revenue</b>	<b>\$777,242</b>	<b>\$1,081,751</b>	<b>\$1,046,530</b>	<b>\$1,102,013</b>	<b>\$1,140,740</b>
<b>Expense</b>					
Outside Services	\$2,800	\$1,904	\$16,000	\$16,000	\$24,150
Debt Service	\$263,561	\$284,640	\$295,370	\$295,376	\$374,660
Transfer Out	\$618,727	\$675,012	\$693,635	\$693,635	\$686,435
<b>Total Expense</b>	<b>\$885,088</b>	<b>\$961,556</b>	<b>\$1,005,005</b>	<b>\$1,005,011</b>	<b>\$1,085,245</b>

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### Sears Block Tax Finance District

The FY 2020 projected total incremental assessed value of new development constructed within the Sears Block TIF (SBTIF) District is \$39,396,460.

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 which 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 \$22,984,840 for infrastructure improvements and other investments within the District. Of this total, \$9,712,000 were TIF funds, and \$13,272,840 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 2020 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 2020, the SBTIF will transfer \$461,291 to the General Fund, as follows:

- 1) \$22,754 in Administrative Fees associated with management and administration of the SBTIF District;
- 2) \$179,993 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) \$38,712 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) \$219,832 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 \$225,144 to the Parking Fund in FY 2020. 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. This amount will be \$216,586 in FY 2020.

The cost of maintaining landscaping and plazas at the Storrs Street Parking Garage is included within the SBTIF, as are the costs of maintaining the grounds at the former NH Employment Security building at 32 South Main Street.

When the SBTIF District was first established in 2003, it was anticipated that it would terminate when debt service was to be fully repaid on June 30, 2027. This date was subsequently extended to FY 2039 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, and \$2.5 million in bonded debt for the construction of CIP #460 Downtown Complete Streets Project. However, this date may fluctuate depending upon future development in the District creating incremental value, or additional investments in infrastructure improvements supported by the District.

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<u>PVTIF Fund Summary</u>	<b>2019 Budgeted</b>	<b>2019 Estimated</b>	<b>2020 Budget</b>
<b>Revenue</b>	<b>\$60,595</b>	<b>\$60,687</b>	<b>\$60,825</b>
<b>Expense</b>	<b>\$58,410</b>	<b>\$58,410</b>	<b>\$58,530</b>
<b>Net Income (Loss)</b>		<b>\$2,277</b>	<b>\$2,295</b>
<b>Beginning Working Capital</b>		<b>\$93,320</b>	<b>\$95,597</b>
<b>Ending Working Capital</b>		<b>\$95,597</b>	<b>\$97,892</b>

<u>PVTIF Fund Detail</u>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Budgeted</b>	<b>2019 Estimated</b>	<b>2020 Budget</b>
<b>Revenue</b>					
Property Taxes-Penacook TIF	\$58,198	\$59,211	\$60,395	\$58,652	\$59,825
Investment Income	\$360	\$1,117	\$200	\$2,035	\$1,000
<b>Total Revenue</b>	<b>\$58,558</b>	<b>\$60,328</b>	<b>\$60,595</b>	<b>\$60,687</b>	<b>\$60,825</b>
<b>Expense</b>					
Outside Services	\$9,920	\$9,406	\$17,050	\$17,050	\$17,580
Debt Service	\$35,077	\$34,577	\$33,980	\$33,980	\$33,200
Transfer Out	\$6,690	\$7,025	\$7,380	\$7,380	\$7,750
<b>Total Expense</b>	<b>\$51,688</b>	<b>\$51,009</b>	<b>\$58,410</b>	<b>\$58,410</b>	<b>\$58,530</b>

## TIF Districts & CIP Summary

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### Penacook Village Tax Increment Finance District

The FY 2020 projected total incremental assessed value of new real estate development within the Penacook Village TIF (PVTIF) District is \$1,745,600. This amount is largely associated with the new medical office building located at 4 Crescent Street. This amount is captured by the PVTIF District and is available to support the District's operating, administration, and debt service costs.

The City's total capital investment in the PVTIF District has been \$5,378,965, of which \$485,000 was directly supported by the TIF District. This estimate 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.

The FY 2020-2029 Capital Improvement Program (CIP) includes \$50,000 of PVTIF supported funds in FY 2020 for CIP #567 Penacook Riverfront Parks to commence design of a new Riverfront Park at the residual portion of the former Allied Leather Tannery site located at 35 Canal Street, which is being retained by the City as part of the forthcoming Penacook Landing Redevelopment Project. However, these capital transfer dollars are asterisked in the CIP, meaning that the appropriation process for these funds will occur separately from the FY 2020 budget adoption process due to certain statutory requirements set forth within RSA 162-K (New Hampshire's Tax Increment Finance statute).

Construction of the new Riverfront Park is tentatively programmed in FY 2022 in the amount of \$900,000 and is subject to completion of Phase I and II of the Penacook Landing Redevelopment Project by the Caleb Development Corporation. Phase I of that project is scheduled to begin construction in September 2019. Both phases combined, the Penacook Landing Project is projected to create approximately \$3,000,000 of incremental assessed value upon completion.

Presently, the PVTIF District is scheduled to terminate when existing debt service is fully repaid on June 30, 2032. However, this date will likely be extended should the City Council approve any additional appropriations to support redevelopment of the remaining City-owned portion of the former Allied Leather Tannery (CIP #508), or any other privately owned property within the District, as well as design and construction of the new Riverfront Park as contemplated in CIP #567.