

**CITY OF ROCHESTER, NH**  
**Granite State Business Park**  
**Tax Increment Finance District (RSA 162K)**  
**2015 Report**

**Tax Increment Financing: Overview**

Cutbacks in federal and state infrastructure aid over the last two decades have minimized the amount of financing available to municipalities for infrastructure, increasing the use of tax increment financing (TIF), an economic development tool that has been around since the 1950's. The creation of TIF districts are crucial to New England towns and cities that compete with the financial incentives offered in other regions of the United States.

The underlying concept of a TIF District is that an area with development potential that is blighted or otherwise in need of economic improvement, becomes designated by a municipality as a tax increment financing district. The improvements made to the infrastructure stimulate development or redevelopment, which in turn generates incremental tax revenues. These revenues are then directed to the infrastructure debt service incurred by the municipality for the improvements.

The taxable valuation of the district is tabulated at the time of its creation, referred to as the original taxable value (OTV) or simply "base." Tax revenues from the base value continue to go to the general fund tax base. As the TIF district matures and private sector development and redevelopment occurs due to improvements, the City retains the incremental tax revenues generated above the base. The annual "tax increment" is used to pay the public expenditures on improvements in the district. The duration of a TIF district is typically limited by the time required to amortize bonded debt and the recovery of other municipal costs incurred in creating the TIF district and provide public infrastructure.

Public infrastructure investments typically include water supply, sewer expansion and repair, storm water drainage, street and sidewalk construction, street lighting, park improvements, and parking structures. These improvements are intended to make the area more attractive for development and reduce infrastructure costs to private developers.

---

**Granite State Business Park TIF District- (RSA 162K)**

*District Activity for November 2014-October 2015:*

The Granite State Business Park (GSBP) is located in the southeastern portion of Rochester adjacent to the Skyhaven Airport. Extensive improvements have been made to three buildings in FY14, those are as follows:

The Albany International building located at 112 Airport Drive applied for interior renovation permits as well which required additional electrical and fire protection work. Heating improvements were done as well as an addition of a generator. Total investments for improvements were estimated at \$53,650. Albany Engineered Composites also applied for permits at the 216 Airport Drive location. Those consisted of interior renovations and electrical work estimating \$124,950.

HM Machine, a CNC machining company currently located at 9 Great Falls Avenue in Rochester purchased the two remaining lots on Airport Drive. They received Planning Board approval for 24,000 sq foot steel framed machine shop on lots 6 and 7 of the subdivision. An additional 16,000 square foot addition was also approved for future expansion. HM started clearing the lot for excavation work in late October 2015 and plan to open in the summer of 2016. There are no remaining available lots for sale in this Industrial Park.

The Granite State Business Park sign and directional sign were installed at the park entrance which was funded through capital improvements. These are illuminated signs that allow for tenant expansion and are very impressive looking from the road.

An Advisory Board has been appointed and their duties adopted by the Rochester City Council. The Board will meet to review the Annual Report to make recommendations on next year's activity to the Mayor and City Council.

*Advisory Committee Endorsement:*

Water system improvements needed for future expansion and water security for investors in the park include connecting or "looping" the water system from 216 Airport Drive, extending up Shaw Drive and connecting to the water system in Whitehall Road. This will be an FY17 CIP request and if undertaken as a TIF project, will require changes to the TIF Map and Financing Plan.

As businesses such as Albany Engineered Composites, Newport Computers and Phase 2 Medical grow within the Granite State Business Park, so will the need to accommodate the employees of the GSBP who already have a 24/7 presence. Albany and Phase 2 Medical are already working on 3 shifts. Safran Aerospace Composites has additional impacts on the traffic and safety of the park because their entrance to the site is through the main entrance of the park and they will also be adding additional employees and a 3<sup>rd</sup> shift. Currently the FY2016 CIP Budget appropriated \$70,000 for a bus stop, lighting and sidewalks.

The business park currently lacks street lights and sidewalks from Rochester Hill Road (Route 108), up Innovation Drive to the bridge, and along Airport Drive into the park. The only bus stop available to those taking public transportation is located outside the GSBP on Route 108, which is quite a distance from most of these buildings. Adding additional lighting, sidewalks and a bus stop will enhance both vehicular and foot traffic in the park.

To best accommodate the growth of these businesses and to encourage new business in the GSBP, the following projects will be priority for the next year.

- Water Loop to Whitehall Road
- Street Lights installed on Airport Drive
- Sidewalks constructed within the park
- Identification of a location and construction of a sheltered and well lit bus stop inside the GSBP

Prepared By:  
Jennifer Marsh  
Economic Development Specialist, City of Rochester