

**CITY OF ROCHESTER, NH**  
**Granite Ridge Development District**  
**Tax Increment Finance District (RSA 162K)**  
**Fiscal Year 2021 Draft 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 "retained captured assessed value". 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 Ridge Development District TIF District- (RSA 162K)**

*District Activity for Fiscal Year 2021:*

The Granite Ridge Development District (GRDD) is located in the Northern portion of Rochester on NH Route 11 (Farmington Road), from Exit 15 of the Spaulding Turnpike to the Farmington Town Line on both side of the State Highway.

Phase I of The Ridge (Waterstone Retail) with addresses on Marketplace Blvd, consists of approximately 295,000 square feet of commercial space. The project is nearly 95% complete. In FY 2021 Waterstone submitted approximately \$243,000 in permits that included fit up Tropical Smoothie Café. Extensions were given to Waterstone on Phase II of the Ridge during FY 2021.

Permits were pulled for the demo of 148 and 150 Farmington Road, 2 single-family homes. The parcels were purchased by a bank with the intentions of combining the lots and building a branch.

The garage and building were remodeled at 154 Farmington Road to incorporate a mechanics garage. Those permits were approximately \$153,000.

Other improvements in the Granite Ridge District include: A mini warehouse self-storage building was approved at 17 Sterling Drive with permits for \$485,000. Renovations and breaking up the space to include six smaller commercial units. These permits pulled for these upgrades were about \$80,000. 20 Farmington Road pulled permits for solar trackers and hanging heating units for \$185,000.

Note: The World Health Organization (WHO) on March 11, 2019, declared the novel coronavirus (COVID-19) outbreak a global pandemic. Many non-essential businesses were shut down for a period between mid-March and early June affecting businesses along the corridor. There were no reports of permanent business closures in the GRDD during this time.

An Advisory Board has been appointed and their duties adopted by the Rochester City Council, in accordance with RSA 162:K. The Board will meet to review the Draft Annual Report to make recommendations to the Mayor and City Council. The incomplete financial statement will be completed once data is made available by the Finance Department.

*Advisory Committee Recommendations: last year's recommendations for your review, these will be updated after our annual TIF meeting.*

1. The committee recommends that traffic needs to be a focal point in regards to safety and lively hood of the Granite Ridge District Businesses. They believe the City should push to accelerate upgrades on Route 11. The committee recommended that since the lights at Nashoba and Crane Drive have already been approved by DOT that the City should push to have those installed sooner rather than later. That may help with traffic while other improvements are being discussed in the ten year plan including widening the road and adding sidewalks.
2. Continue working to create a multi-use district by adding permitting housing as an allowed use in the district. The Advisory Board reviewed the "GRDD Potential for Apartments as Secondary Use"
3. The Advisory Group recommends looking at continuing conversations regarding the City's existing trail system, making connections from Farmington, through downtown via the Riverwalk, and continuing to Dover if possible.

Prepared By:  
Jennifer Marsh – November 2020  
Assistant Director of Economic Development  
City of Rochester