

CITY OF ROCHESTER, NH
Granite Ridge Development District
Tax Increment Finance District (RSA 162K)
Fiscal Year 2020 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 2022:

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.

Economic Development and Planning Departments applied for a zoning amendment to add a residential component to The Granite Ridge District. City Council vote will be held in FY 22 on July 5th. Public Works plans to have the pump upgrades completed by November 2022.

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 \$144,354 for repairs on a roof leak at Old Navy and tenant set up for Wentworth Douglas Hospital.

Meredith Village Savings Bank (MVSb) purchased the land located at 21 Farmington Road. MVSb pulled permits for just over one million dollars with plans to open in the fall of 2021.

Two homes located at 148 and 150 Farmington were demolished. Granite State Credit Union received approvals from Planning Board to build a bank branch on these properties. No building permits were applied for in FY22.

Walmart located at 116 Farmington Road did extensive upgrades on the restrooms with permits amounting in \$495,000.

Northgate apartments located at 36 Farmington Road sold. The new owners completed renovations for \$200,000.

Other improvements in the Granite Ridge District include: Furnace upgrades at The Holiday Inn Express located at 72 Farmington in the amount of \$20,000. Rochester Volkswagon located at 20 Farmington Road installed solar panels for \$50,000. One unit located at 17 Farmington Road was fit up a Hair Salon that was going to be moving into the space.

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. 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.

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