

CITY OF ROCHESTER, NH
Granite State Business Park
Tax Increment Finance District (RSA 162K)
Fiscal Year 2022 Report – Draft

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 FY 2022:

The Granite State Business Park (GSBP) is located in the southeastern portion of Rochester adjacent to the Skyhaven Airport..

The TIF District expanded by 47 acres on February 7, 2017. The land was acquired by the City of Rochester in FY2017. The land was divided into three lots, one, which was purchased by and built on by Prep Partners. Lot 0255-0021-0002 is still available and has 6.23 acres. A third lot is being held by the City for a potential future project, 0255-0021-0001 is 5.93 acres and is the potential site for a new State Courthouse.

Pella Windows and Doors of New England, LDI Solutions and Prep Partners buildings were completed in FY21 and another 198,000 square feet warehouse and manufacturing to the park. Due to the pandemic and ongoing supply chain issues, Pella Windows had to wait until FY22 to

complete their second floor. They finally received their elevator and were able to complete the install and complete the second floor in FY 22 for \$40,000.

Frisbie leased their unit at 61 Airport to Solid Machine.

Albany International Techniweave at 112 Airport Drive added gas piping, generator, equipment feeders and a cable tray in the amount of \$261,356

Advisory Committee Recommendations:

The Committee has no recommendations at this time

Prepared By:
Jennifer Marsh, October 2022
Assistant Director of Economic Development, City of Rochester