

**CITY OF ROCHESTER**  
**NOTICE of PUBLIC MEETING:**

*FINANCE COMMITTEE*

**Meeting Information**

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**Date:** February 9, 2021  
**Time:** 6:30 P.M.  
**Location:** This meeting will be conducted remotely via Microsoft Teams, with in-person public input option at Council Chambers, 31 Wakefield Street.

The Public may access the meeting by calling in to: 857-444-0744 Conference code: 843095

The meeting will also be broadcast on Atlantic Broadband Channel 26, Comcast Channel 22 and on our website: [www.RochesterNH.net](http://www.RochesterNH.net)

**Providing public access to the meeting by telephone:** The public can call-in to the above number using the conference code. This meeting will be set to allow the public to “listen-in” only, and there will be no public comment taken via conference line during the meeting. If any member of the public has difficulty accessing the meeting by phone, please call 603-335-7505.

To submit public input prior to the meeting, please leave a voicemail at 603-509-1908 by noon on the day of the meeting. Or email [Mark.Sullivan@RochesterNH.net](mailto:Mark.Sullivan@RochesterNH.net) by 5pm on the day of the meeting.

**City of Rochester, NH**  
**Preamble for the February 9, 2021 Finance Committee Meeting**

Good Evening, as Chairperson of the Finance Committee, I am declaring that an emergency exists and I am invoking the provisions of RSA 91-A:2, III (b). I also find that this meeting is imperative to the continued operation of City government and services, which are vital to public safety and confidence during this emergency. As such, this meeting will be conducted without a quorum of this body physically present in the same location.

**a) Public Input:** Due to the ongoing situation with COVID-19, the City of Rochester will be taking extra steps to allow for public input, while still ensuring participant safety and social distancing. In lieu of attending the meeting, those wishing to share comments are encouraged to do so by the following methods:

- **Email:** [Mark.Sullivan@RochesterNH.net](mailto:Mark.Sullivan@RochesterNH.net) by 5pm on the day of the meeting
- **Voicemail:** 603-509-1908 by noon on the day of the meeting

In addition to the above listed public access information, the Finance Committee will be allowing the public to enter Council Chambers and speak in person during the Public Input portion of this meeting. In an effort to adhere to CDC guidelines: please enter only at the front Wakefield Street entrance and exit on the side closest to the Police Department, and adhere to 6-foot social distancing while inside. Hand sanitizer and face masks will be available at the Wakefield Street entrance. Participants will be admitted to Council Chambers one at a time to speak, and will exit directly thereafter. Please note; the seating in Council Chambers will not be available for the public during the meeting.

At this time, I also welcome members of the public accessing this meeting remotely. The public can call-in to phone number: 857-444-0744 using conference code: 843095. This meeting will be set to allow the public to “listen-in” only, and there will be no public comment taken via conference line during the meeting. If any member of the public has difficulty accessing the meeting by phone, please call 603-335-7505.

**b) Roll Call:** Please note that all votes that are taken during this meeting shall be done by Roll Call vote.

Let's start the meeting by taking a Roll Call attendance. When each member states their name and ward, also please state whether there is anyone in the room with you during this meeting, which is required under the Right-to-Know law.

## **Agenda**

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- 1. Call to Order**
  
- 2. Public Input**
  
- 3. Unfinished Business-None**
  
- 4. New Business-**
  - 4.1 Sig Sauer PILOT and Financial Contribution-Summary. Pg.1**
  
  - 4.2 Granite Ridge Development District-Tax Increment Development Program and Financing Plan-Review/Update. Pg. 3**
    - 4.2.1 Economic Development summary memo. Pg. 4**
    - 4.2.2 REDC & Main Street Letters of Support. Pg. 7**
    - 4.2.3 Adopted Granite Ridge Development Program & Financing Plan. Pg. 9**
  
  - 4.3 PAB Recommendation-Human Resource Manager. Pg. 25**
  - 4.4 Building Permits FY21 Summary. Pg. 30**
  
- 5. Reports from Finance & Administration**
  - 5.1 Monthly Financial Report Summaries January 31, 2021, Pg.31**
    - 5.1 (a) January 31, 2021 Revenues-Pg.33**
    - 5.1 (b) January 31, 2021 Expenses-Pg.35**
  
- 6. Other**
  
- 7. Adjournment**

# FINANCE COMMITTEE

## Agenda Item

**Agenda Item Name:** Sig Sauer PILOT & Financial Contribution

**Date Submitted:** February 3, 2021

**Name of Person Submitting Item:** Michael Scala Director Economic Development

**E-mail Address:** michael.scala@rochesternh.net

**Meeting Date Requested:** February 9, 2021

**Issue Summary Statement:** Summary review of the Sig Sauer PILOT and financial contribution to the Milton Rd-Salmon Falls Rd. intersection.

**Recommended Action:** Review

**City of Rochester**  
**Finance Committee Meeting – February 9, 2021**

**Sig Sauer Brief**

- Sig Sauer Inc. (Sig) and the NH Business Finance Authority (BFA) crafted a deal where BFA would purchase the land and building at 7 Amarosa and lease to Sig for a 10-year term – This deal was approved by the Governor and Council on 11/18/20
- BFA is tax-exempt, and per RSA 162-I: 15, requires a Payment in Lieu of Taxes (PILOT) agreement between Sig and the City of Rochester.
- PILOT agreements need to assure the business entity contributes to basic municipal service expenses, Local and State School portions may be excluded.
- The PILOT was established at \$50,000 per year for first 5 years, provided Sig Sauer agreed to a \$500,000 cash contribution towards the Milton Rd/Salmon Falls Road/Amarosa Drive intersection.
- The \$500,000 cash contribution reduces tax payer contribution, and avoids bond interest. In Year 6 the PILOT escalates to \$275k, with a 3.5% escalator in Years 7-10
- The Sig/Rochester PILOT was reviewed and approved by the NH Board of Tax and Land Appeals (BTLA) on 12/21/20. BTLA found the agreement equitable and fair to the taxpayers of Rochester.
- As part of the intersection project, the City set out to purchase two lots located at 8 Amarosa and 0 Milton Road for use as part of the new intersection
- An MOU between Sig and the City has committed Sig to paying up to \$270,000 for the remaining land within these lots after completion of the intersection work.
- The City has also agreed to utilize \$250,000 in retained earnings from the Water and Sewer Funds to provide service to 7 Amarosa as required

# FINANCE COMMITTEE

## Agenda Item

**Agenda Item Name:** Granite Ridge Development District-Tax Increment Development Program & Financing Plan

**Date Submitted:** February 3, 2021

**Name of Person Submitting Item:** Michael Scala Director Economic Development

**E-mail Address:** michael.scala@rochesternh.net

**Meeting Date Requested:** February 9, 2021

**Issue Summary Statement:** Update of the Granite Ridge Development District Tax Increment Development Program and Financing Plan to allow residential housing as an allowable activity.

Mark Sullivan will provide a financial overview of the GRDD TIF including items in the GRDD Tax Increment Development & Financing Plan.

**Recommended Action:** Recommendation to update the plan.



City of Rochester, New Hampshire  
Office of Economic & Community Development  
33 Wakefield Street, Rochester, NH 03867  
(603) 335-7522, [www.rochesteredc.com](http://www.rochesteredc.com)

February 9, 2021

## **Overview - Amendment to the Granite Ridge Development District Tax Increment Development Program and Financing Plan to Allow for the Construction of Residential Housing**

The Department of Economic Development is requesting a recommendation from the Finance Committee in support of an amendment to the current Granite Ridge Development District (GRDD) Tax Increment Development Program and Financing Plan (GRDD Development & Financing Plan) that would accommodate the development of residential housing within the Granite Ridge Development TIF (GRDD TIF).

The GRDD Development & Financing Plan stipulates what type of development can occur within the GRDD TIF, and which infrastructure activities are eligible for GRDD TIF financing. Currently, residential housing development is not an eligible activity.

This amendment would allow residential housing to be incorporated into the GRDD Development & Financing Plan, and make any residential related infrastructure improvements eligible for GRDD TIF financing. It's important to note this is not a zoning amendment, this is simply a GRDD Development & Financing Plan amendment. The GRDD Development & Financing Plan requires an amendment prior to any zoning updates.

Also, any developer wishing to build residential housing within the GRDD TIF would still be bound by a Developer's Agreement as reviewed and approved by the City Council.

The original GRDD TIF concept planned for "backland" development of two-story office space that would eventually account for up to 50% of the total commercial space of the Primary District west of Route 11. Those original assumptions were not based on market demand but on the need to assign estimates of non-retail buildout for the purpose of the 2009 CLD traffic modeling report.

Even before the Covid-19 pandemic in 2020, demand for office space had begun to decline. All during the mid-2000's, companies increasingly allowed more and more employees to work remotely on either a full or part-time basis. As their needs changed, these companies began to demand and lease less and less workspace.

A CNBC article from December 2020 reported that in 2021 1 in 4 domestic employees will work from home, and by 2025 a total of over 36 million Americans (22% of the workforce) will work remotely. An increase of 87% over the next few years.



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For reference, the last new office build within the city was the construction of 120 Washington Street in 2013. Also of note, the Planning Board has seen an increase in requests for variance regarding change of use approval for businesses wishing to utilize available office space for purposes other than standard office work.

Alternatively, there has been no such downturn in the demand for housing within the Seacoast Region. Particularly in Strafford County.

According to the Workforce Housing Coalition of the Greater Seacoast, the vacancy rate for Strafford County stands at 2.1% for all units and 2.2% for 2BR's (a common benchmark). Rochester's vacancy rates are even lower coming in at 1.6% and .6% respectively. When compared to what is considered a "healthy" vacancy rate of 5-6%, a significant gap can be seen.

A December 2020 report from the New Hampshire Office of Strategic Initiatives (OSI) reports that Rochester added a total of only 471 new apartment units from 2010 to 2019. There was a slight uptick from 2015 to 2019 but not enough to reduce the housing deficit by a significant amount.

As Rochester's economy continues to grow, the demand for safe, clean, and convenient housing options becomes more of an issue for our local employers.

Three businesses (Sig Sauer, LDI, and Prep Partners) who recently decided to either relocate or expand into Rochester, have all inquired about the city's housing situation. These companies are creating over 500 new jobs within the city, and available housing options are always a concern.

Another consideration involves the future development with the GRDD-TIF, specifically Waterstone Phase II. Current plans call for an "entertainment-focused" build designed around retail and family activities. The addition of housing in close proximity to the various businesses within the two Phases would create a captive audience from which to draw.

The current Covid-19 pandemic has delayed, or in some cases, cancelled entire development projects. The only constant is the need for new housing. Allowing for the addition of residential housing to the GRDD-TIF would provide additional incremental assessed value and related tax revenues. These additional incremental assessed values will strengthen the financial position of the GRDD-TIF, and increase the retained assessed values that will ultimately be returned to the General Fund in the future. Amending of the TIF to allow for residential development makes sense, especially when weighed against shifts in both consumer and housing needs, but also the benefits to the overall economic health of the City and the Rochester business community.



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## Why Amend

- The current GRDD-TIF does not reflect recent real estate market trends
- To address housing crisis - Rochester currently has a 1.6% vacancy rate – substantially below “healthy”
- To attract businesses - employers look for a healthy housing market when exploring expansion plans
- To improve the probability of development which increases incremental assessed value, and improves overall financial health of the GRDD-TIF
- To increase the amount of discretionary income flowing into the local economy
- To increase available pool of workers
- To attract businesses to the downtown - more density = more customers
- To develop and fund the future infrastructure needs of the GRDD-TIF



City of Rochester, New Hampshire  
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33 Wakefield Street, Rochester, NH 03867  
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January 27, 2021

Ms. Caroline McCarley  
Mayor  
City of Rochester  
31 Wakefield Street  
Rochester, NH 03867

Re: Amendment to the Granite Ridge Development District TIF to Allow for the Development of Residential Housing

Dear Mayor McCarley:

The Rochester Economic Development Commission (REDC) is submitting this letter in support of amending the Granite Ridge Development District (GRDD) Tax Increment Finance Plan (TIF) to allow for the development of residential housing.

The commonly accepted value for a “healthy” residential vacancy rate is around 5-6%. According to the most recent analysis by the Workforce Housing Coalition of the Greater Seacoast, Rochester’s vacancy rate calculates to 1.6%. These numbers take into account all sizes and levels of housing.

The REDC recognizes that this housing deficit is detrimental to both employees wishing to live close to work, and employers interested in hiring local. The addition of housing to the GRDD TIF will not only assist in reducing the housing deficit but will increase the overall strength and vitality of the GRDD TIF District.

The REDC is supportive of the addition of any housing units on any level, and feels that the addition of residential to the GRDD TIF would only serve to benefit the overall economic health and stability of the city.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Shapleigh", written in a cursive style.

Jonathan Shapleigh  
Chairman, REDC



Rochester Main Street Program is a non-profit, volunteer organization devoted to the preservation, growth, and vitality of downtown Rochester.

Participate - Volunteer - Donate

February 1, 2021

Ms. Caroline McCarley  
Mayor  
City of Rochester  
31 Wakefield Street  
Rochester, NH 03867

Re: Amendment to the Granite Ridge Development District TIF to Allow for the Development of Residential Housing

Dear Mayor McCarley:

Rochester Main Street is submitting this letter in support of amending the Granite Ridge Development District (GRDD) Tax Increment Finance Plan (TIF) to allow for the development of residential housing.

After reviewing the plan, RMS feels that any residential housing in the GRDD will certainly benefit downtown businesses and have little to no ill effects on future sales volume or vacancy rates. We believe that increasing residency anywhere in the area is a win-win for the city.

Sincerely,

Michael Guillette  
President  
Rochester Main Street



*City of Rochester, New Hampshire*

**Granite Ridge Development District**

**Tax Increment  
Development Program  
& Financing Plan**

**Date Prepared: May 6, 2014**

**Date Adopted: June 17, 2014**

**THINK ROCHESTER**  
NEW HAMPSHIRE ECONOMIC  
DEVELOPMENT

## **A. Introduction and Objectives**

Tax increment financing (TIF), authorized by New Hampshire RSA 162-K may be used to provide municipal incentives for economic development. Tax increment financing allows property taxes derived from growth in assessed valuation within a TIF district to be retained to pay for public improvements made within the district that encourage new businesses and industries to locate there. Cities and towns in northern New England use the TIF mechanism to compete with financial incentives offered in other regions of the United States. TIF districts are limited in duration, generally by the time required to amortize bonded debt and the recovery of other municipal costs incurred in creating the TIF district and providing public infrastructure.

### 1. History of Granite Ridge Development District (GRDD)

Well thought out and planned commercial districts benefit the community and landowners within the district in many ways. The Granite Ridge Development District was first studied in 1998 and was included in Rochester's Land Use Master Plan and Transportation Master Plans at the turn of the century. The plan to attract significant commercial investment was further enhanced in the Economic Development Master Plan, completed and implemented in 2006. An early report of the TIF build-out potential was completed by Bruce Mayberry in September 2006. CLD was selected in 2008 to provide further analysis on wetlands and land capacity, and potential infrastructure needs to support the anticipated development. The Buxton Company provided a comprehensive retail analysis, leakage report and prospects for attraction in a study completed the same year.

Rochester has clearly stated benefits identified as maximized tax revenue, minimized infrastructure burden, efficient and easy to navigate roads, and minimized traffic impacts. A specific zoning district ordinance for the Granite Ridge Development District (GRDD) was approved in April 2010, to support and enhance the city's goals and objectives. The city completed an application for the District to become a New Hampshire Economic Revitalization Zone in 2013, which was approved by the Department of Resources and Economic Development.

### 2. Objectives of Granite Ridge Development District TIF Program

The objectives of the Tax Increment Financing Program are to:

- Stimulate significant opportunities for business creation and expansion within the District.
- Enhance employment and earnings opportunities for area residents.
- Stimulate increases in the commercial tax base within the City, reducing and/or stabilizing the residential tax burden.
- Minimize infrastructure cost to the City through efficient planning for the district as a whole.
- Maximize the developable areas on individual parcels within the district through flexible requirements.
- Manage traffic impacts to NH Route 11 through implementation of a public connector road between development and parcels, and shared intersections and driveways.

These objectives will be achieved by improving water, sewer and highway infrastructure, and by developing a public shared access connector road on the North-east side of NH Route 11. The proposed improvements are more specifically defined in Section III.

The conceptual TIF District has been evaluated along the NH Route 11 corridor with respect to its potential build-out and the incremental valuation and tax revenue that it might generate. The most recent analysis was completed by CLD Consulting Engineers and included a thorough analysis of build-out potential and infrastructure requirements.

All or a portion of incremental tax revenues generated from increased assessed valuation within a TIF may be captured to recover the City's investment in infrastructure development costs.

### 3. Development Potential of Granite Ridge Development District

The CLD Report of 2009 was used to estimate the amount of land in Granite Ridge that is available to be developed based on current Land Use Regulations. In the study of land areas the primary limitations to development are wetlands and steep slopes. These areas were mapped as part of the report.

- The GRDD was surveyed by a wetland scientist, who determined where the wetlands are based on current definitions of wetlands. A 50-foot buffer was added around the wetlands per local and state regulations.
- The areas of the district where the slopes are too steep (greater than 15%) for building were determined from topographic data. The wetlands (including the 50-foot buffer) and the steep slopes were plotted on the corridor base map of the area.

A summary of estimates of the type and size of development that would be supported based on these estimates is approximately 1.6 million square feet of combined retail and other commercial or office uses.

**Table 1: Granite Ridge Development Potential**

<b>Comparison Factor</b>	
Gross Land Area (Acres)	913.09
Building Floor Area	
Existing	594,316
Growth Potential	1,615,904
Buildout Total	2,210,220
Taxable Assessed Value	
Existing	\$62,326,773.00
Growth Potential	\$362,419,005.00
Buildout Total	\$424,745,778.00
Annual Property Tax Yield (1)	
Existing	\$1,642,993.74
Growth Potential (Increment)	\$9,553,364.97
Buildout Total	\$11,196,298.71

(1) Computed at total 2013 tax rate of \$26.36 per thousand assessed value

### 4. Public Benefits of Granite Ridge TIF District Program

The construction of new commercial and hospitality business facilities promotes the long-term growth, stability and diversity of employment and the City's taxable valuation. Long term growth in commercial and industrial valuation ultimately supports higher quality services at a lower tax expense to residential uses. The Granite Ridge Development District TIF Program is expected to provide a number of public benefits, including:

- 1) Enhancing the efficiency of land use and encouraging development consistent with the City's Master Plan and its Economic Development Strategy;
- 2) Concentrating new economic development in desired areas through the efficient use of public infrastructure;
- 3) Stabilizing or expanding the City's employment base and resident access to new employment opportunities;
- 4) Encouraging the creation of diverse economic opportunities and improving the standard of living for residents;
- 5) Providing for long-term growth in the City's non-residential property valuation;
- 6) Diversifying the property tax base to enable Rochester to continue providing quality municipal services and facilities for residents; and
- 7) Supporting general growth and prosperity of the City and the general welfare of its citizens.

**B. Description of the Granite Ridge Development District Tax Increment Financing Program Area**

1. District Boundaries

The Development District includes 71 properties indicated in a map of the area labeled Map A, and followed by a spreadsheet labeled Table 2. It encompasses land between Exit 15 of the Spaulding Turnpike, along the NH Route 11 Corridor to the Farmington town line. As indicated in Table 2, the proposed TIF District contains 913.09 acres, which represents 3.18% of the total land area in the City of Rochester (28,688.05 acres). The total assessed value of taxable property in the proposed district is \$62,326,773 or 3.04% of the total assessed value of taxable property in the City (\$2,048,617,212). Thus the district complies with the size standards of RSA 162-K:5 as amended.

2. District Characteristics

The TIF District as defined contains significant parcels with vacant developable land, and those estimated as most likely to benefit from investment in public infrastructure. The gross land area includes 913.09 acres with a current taxable valuation of about \$62.327 million. In some cases, the vacant land parcels within the TIF is valued under current use provisions. This would mean a substantial increment in value would be created upon conversion of this land from current use status as it develops. The development district contains approximately 594,316 sq ft gross floor area in existing buildings, including some residential uses.

**Table 2: Granite State Business Park TIF District Parcels  
Estimate of Original Assessed Valuation (Baseline) <sup>1</sup>**

Estimate of Original Assessed Valuation (Baseline)

Updated: January 2014

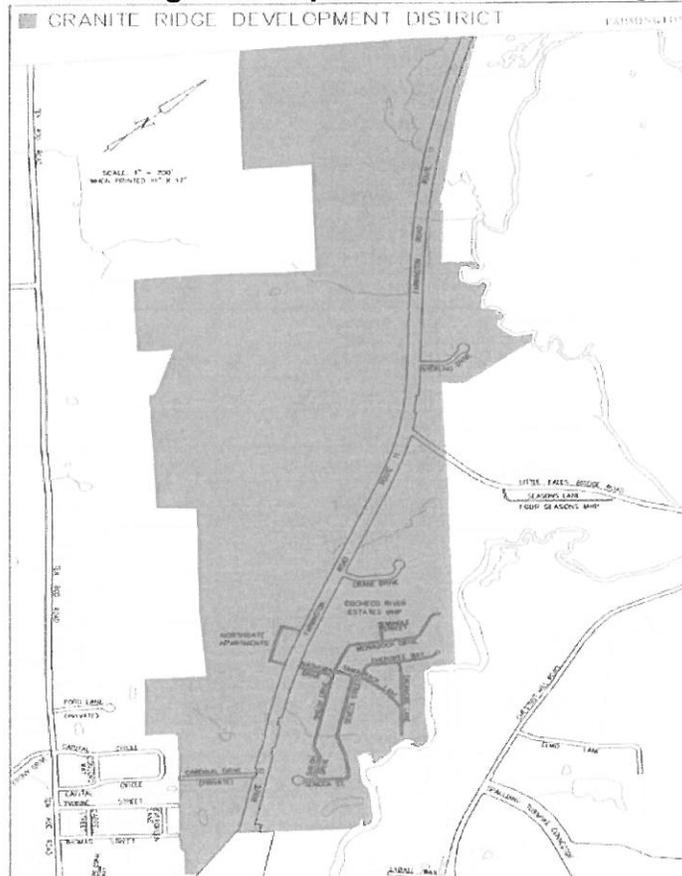
Parcel ID (PID)	Acres	Total Baseline Assessment	Other
0208-0001-0000	77.06	\$ 1,062,671.00	Partial CU
0208-0001-0001	34.18	\$ 13,838,300.00	
0208-0001-0002	5.44	\$ 291,600.00	
0208-0002-0000	32.00	\$ 1,736.00	CU
0208-0004-0000	1.30	\$ 155,200.00	
0208-0005-0000	0.63	\$ 144,300.00	
0208-0006-0000	1.05	\$ 328,200.00	

0208-0006-0001	0.94	\$ 392,800.00	
0208-0007-0000	1.33	\$ 348,100.00	
0208-0008-0000	60.00	\$ 2,423,333.00	Partial CU
0208-0008-0001	11.61	\$ 467,400.00	Partial CU
0208-0009-0000	4.30	\$ 915,900.00	
0208-0010-0000	1.02	\$ 712,800.00	
0208-0011-0000	4.00	\$ 394,100.00	
0208-0012-0000	75.00	\$ 177,580.00	
0208-0013-0000	16.09	\$ 118,061.00	CU
0208-0014-0000	165.49	\$ 2,623,500.00	Exempt
0208-0015-0000	0.29	\$ 46,800.00	Exempt
0208-0016-0000	1.66	\$ 234,900.00	
0208-0017-0000	8.90	\$ 233,100.00	
0208-0018-0000	1.65	\$ 234,700.00	
0208-0018-0001	2.08	\$ 241,200.00	
0208-0018-0002	2.88	\$ 1,638,700.00	
0208-0018-0003	5.02	\$ 285,300.00	
0208-0018-003A	0.64	\$ -	
0208-0019-0000	1.16	\$ 520,100.00	
0208-0019-0001	1.25	\$ 990,400.00	
0208-0019-0002	0.57	\$ 554,500.00	
0209-0001-0000	1.70	\$ 297,500.00	
0216-0001-0000	3.20	\$ 728,900.00	
0216-0002-0000	2.60	\$ 455,200.00	
0216-0003-0000	2.90	\$ 197,200.00	
0216-0004-0000	17.10	\$ 4,763,500.00	
0216-0005-0000	1.24	\$ 674,000.00	
0216-0006-0000	5.62	\$ 1,515,200.00	
0216-0007-0000	7.60	\$ 390,500.00	
0216-0008-0000	6.30	\$ 680,500.00	
0216-0009-0000	20.00	\$ 668.00	CU
0216-0010-0000	21.00	\$ 485,700.00	
0216-0011-0000	85.00	\$ 469,715.00	Partial CU
0216-0012-0000	1.89	\$ 187,900.00	
0216-0013-0000	11.80	\$ 39,700.00	Exempt
0216-0017-0000	12.00	\$ 40,300.00	Exempt
0216-0018-0000	3.50	\$ 1,565,400.00	
0216-0018-0001	2.75	\$ 769,400.00	
0216-0018-0002	3.60	\$ 2,675,200.00	
0216-0019-0000	4.50	\$ 303,800.00	
0216-0020-0000	6.09	\$ 1,979,800.00	
0216-0021-0000	4.80	\$ 259,500.00	
0216-0022-0000	5.30	\$ 267,000.00	
0216-0023-0000	3.16	\$ 257,400.00	
0216-0024-0000	4.01	\$ 1,562,700.00	
0216-0025-0000	2.60	\$ 1,339,100.00	
0216-0026-0000	68.00	\$ 4,745,600.00	
0216-0027-0000	3.40	\$ 11,900.00	

0216-0028-0000	1.70	\$ 1,136,300.00	
0216-0028-0001	0.10	\$ 181,500.00	Exempt
0216-0029-0000	2.15	\$ 366,800.00	
0221-0154-0000	20.80	\$ 235,095.00	Partial CU
0221-0156-0000	1.20	\$ 186,800.00	
0221-0157-0000	1.20	\$ 60,700.00	
0221-0158-0000	1.30	\$ 157,200.00	
0221-0159-0000	2.45	\$ 246,800.00	
0221-0160-0000	1.32	\$ 159,800.00	
0221-0162-0000	6.40	\$ 160,100.00	
0221-0163-0000	15.00	\$ 309,414.00	
0221-0164-0000	1.16	\$ 862,900.00	
0221-0165-0000	1.70	\$ 855,100.00	
0221-0166-0000	1.10	\$ 530,500.00	
0221-0167-0000	0.30	\$ 254,000.00	
0221-0168-0000	14.00	\$ 172,200.00	
0221-0169-0000	12.01	\$ 384,300.00	Exempt
0208-0001-A000	0.00	\$ 28,700.00	
	913.09	\$ 62,326,773.00	

CU = Current Use Property

**Map A: Granite Ridge Development District TIF Program:**



### 3. Compliance with Statutory Limits on TIF Land Area and Valuation

Table 3 compares baseline conditions in the GSBP TIF district to statutory limitations on taxable valuation and acreage allowed within the City. New Hampshire RSA 162-K:5 sets the maximum allowable base valuation of any individual TIF district, at not more than eight percent (8%) of the City's taxable value, and limits gross land area within a TIF to not more than five percent (5%) of the City's land area. Maximum base valuation for a single TIF district in Rochester is \$160.47 million (as of 2012) and maximum land area allowable in an individual district is 1,434 acres. Both the valuation and acreage of the Granite Ridge Development TIF District are well within statutory limits.

**Table 3: Compliance with Statutory Limits of RSA 162K**

Comparison Factor for Statutory TIF Limitations RSA 162-K:5	Taxable Valuation	Land Area in Acres
City Total 2011	\$2,048,617,212	28,688.05
Maximum Allowable - Individual TIF District <i>(8% of Taxable Value; 5% of Acreage)</i>	\$163,889,377	1,434.40
Granite Ridge Development District TIF Baseline <i>As Percent of City Total</i>	\$62,326,773 3.04%	913.09 3.18%
Maximum Cumulative TIFs Allowable <i>(16% of Taxable Value; 10% of Acreage)</i>	\$327,778,754	2,868.81
Granite Ridge Development District TIF	\$ 62,326,773	913.09
Granite State Business Park RSA 162k:5 TIF	\$ 13,413,792	335.26
Granite State Business Park RSA 205 TIF	\$ 24,169,200	56.45
Total Cumulative District Values 2013 <i>As Percent of City Total</i>	\$ 99,909,765 4.87%	1,304.80 4.55%

### **C. Proposed Development Activities**

The City's principal activities in developing the Granite Ridge Development District may include land acquisition and assembly, public infrastructure development, maintenance and administration of the commercial district, marketing and promotion, negotiation of development agreements.

#### 1. Acquisition of Land, Easements and Rights of Way

The City of Rochester proposes to encourage commercial development within the Granite Ridge Development District. It is anticipated that the development and public improvements will occur over two decades, taking advantage of economic cycles and developer and retailer interests. The public infrastructure has been divided in to roughly ten (10) sections.

##### a. Relocation and Displacement

The City intends to acquire all property through negotiated purchases. It does not anticipate the need to relocate persons, families, or businesses due to publicly financed acquisition or development activity within the Granite Ridge Development District TIF District. Any proposals for the involuntary displacement of persons or businesses would require an amendment to this TIF Development Program.

b. Property Disposition & Reuse of Private Property

The City may convey all or a portion of property it acquires within the TIF District to private developers under the terms of specific development agreements designed to promote the objectives of the Development Program. The terms of purchase and sale agreements or development agreements pertaining to properties transferred by the City must be approved by the City Council.

2. Environmental Remediation of City-Owned Sites

While there is no anticipated need for the remediation of contaminated sites to be acquired by the City within the TIF District, the City of Rochester may undertake environmental cleanup, remediation or monitoring of municipally owned real estate it owns within the District. The City shall have the authority to accept grants from the federal government, State of New Hampshire, or other entities, to finance remediation activities. Should a need arise for the environmental remediation within property owned by the City in the District, the City may use tax increment revenues for that purpose.

3. Public Facilities to be Constructed

a. Initial Infrastructure Projects

The City's initial capital investment in public infrastructure within the TIF District includes the following elements, which center on improvements necessary to enable development of the Granite Ridge Development District:

- Water & Sewer System Improvements
- Intersection Improvements – City Streets with NH Route 11
- Shared Access Points – City Streets: Two Rod Road, Marketplace Way, Crane Drive, Cinema Way, Healing Way, others as necessary
- Connector Road – Granite Ridge Boulevard
- Administration – administrative infrastructure, hardware & software, to increase the city's capacity to administer construction projects, developments and ongoing activity within the TIF District.
- Potential improvements Rails-to-Trails Pathway: Rochester to Farmington
- Possible Protection Areas, Environmental Controls
- Connections to Public Transportation and Alternative Transportation
- Adherence to Construction Standards
- Maintenance of Public Streets and Public Areas

**Table 4. Estimated Cost of Public Improvements**

Updated May 2014 Severino & Rochester Public Works

<b>Public Improvements - North Section</b>	
1. Intersection F - (Healing Way)	\$ 1,115,000.00
2. Sewer Pump Station & Sewer Improvements to T.L.	\$ 1,814,128.00
<i>Subtotal</i>	\$ 2,929,128.00
<i>Engineering 20%</i>	\$ 585,825.60
<i>Contingency 20%</i>	\$ 702,990.72
<i>Permitting &amp; Mitigation</i>	
<b>TOTAL</b>	<b>\$ 4,217,944.32</b>

<b>Public Improvements - Central Section</b>	
3. Frontage Road & Signals - Wal Mart to Two Rod Road	\$ 2,015,000.00
4. Severino Estimate - Access Roads to Boulevard & Intersection Little Falls Bridge Road	\$ 814,675.00
5. Severino Estimate - Frontage Road (Granite Ridge Boulevard) and Wetland Basin	\$ 1,500,440.25
6. Sewer & Water Improvements	\$ 1,000,000.00
7. Access C/ Crane Dr & Farmington Rd	\$ 1,900,000.00
<i>Subtotal</i>	\$ 7,230,115.25
<i>Engineering 20%</i>	\$ 1,446,023.05
<i>Contingency 20%</i>	\$ 1,735,227.66
<i>Permitting &amp; Mitigation</i>	\$ 500,000.00
<b>TOTAL</b>	<b>\$ 10,911,365.96</b>

<b>Public Improvements - Southern Section</b>	
8. Frontage Road & Interior Intersections	\$ 2,150,000.00
9. Access B/ Nashoba Dr & Farmington Rd	\$ 1,530,000.00
10. Access A & Farmington Road	\$ 1,010,000.00
<i>Subtotal</i>	\$ 2,540,000.00
<i>Engineering 20%</i>	\$ 508,000.00
<i>Contingency 20%</i>	\$ 609,600.00
<i>Permitting &amp; Mitigation</i>	
<b>TOTAL</b>	<b>\$ 3,657,600.00</b>

#### b. Other Public Costs

While the initial plan for infrastructure development centers on the above elements, additional projects to extend or improve public utilities and roadways may also be undertaken within the Granite Ridge Development District in the future, including but not limited to:

1. Further extension of public roadways and street lighting
2. Extension of water, sewer and underground services.
3. Sidewalks, bus shelters or other amenities for public use.
4. Intermodal transportation facilities
5. Other as recommended by the Advisory Board and Approved by the City Council

The Development Plan does not envision the creation of public open space by the City within the Granite Ridge Development District TIF Program, since the intent is to maximize the development potential on each site. However, reservations of land for public open space or conservation may be established outside the GRDD as conditions of Planning Board approval during the site plan approval process, and/or donated or offered by individual developments.

#### 4. Gas and Electric Utilities

Natural gas service is not currently provided to the Granite Ridge Development District. Unutil staff are aware of the development and may see more revenue potential in the future. They have policies which regulate extending service lines to provide service to new development sites.

Public Service Company of New Hampshire (PSNH) is the provider of electric service to the Granite Ridge Development District. The city has had very favorable discussions with their engineering and economic development staff.

The City may enter into such contracts and agreements as are necessary to enable the installation of electric service within the TIF District, cable and telephone, natural gas or other common services, and to provide for appropriate easements for the installation and maintenance of these facilities.

#### 5. Environment Controls

Private property within the District shall be developed or redeveloped in accordance with the goals, objectives, and standards set by the following City documents, as amended:

1. Rochester Master Plan and Economic Development Strategic Plan;
2. Zoning ordinances;
3. Special zoning overlay provisions relative to the Aquifer Protection District
4. Subdivision regulations;
5. Site plan review regulations;
6. Building and life safety codes;
7. All applicable state and federal laws pertaining to abatement of hazardous materials or environmental contamination.

In addition to applicable public regulations, other pertinent limits on development may be defined by the terms of development agreements between the City and individual private parties.

## D. Tax Increment Financing Plan

### 1. Objective

The objective of the Financing Plan is to provide funds for the construction of public improvements, to offset the net public cost of organizational and administrative expenses incurred in developing and maintaining the Granite Ridge Development District. The City intends to use the property tax revenue derived from captured (incremental) assessed valuation within the Granite Ridge Development District to fund public infrastructure and to reimburse the City for other expenditures relative to maintenance and administration.

### 2. Land Acquisition Costs

It is anticipated that land necessary to provide public infrastructure will be provided as "in kind" contribution from developers and property owners. Should land acquisition occur, this will be considered an expense eligible for reimbursement from tax increment revenues, but subordinate to the use of incremental revenues to pay debt service on bonds for public infrastructure.

### 3. Sale of City-Owned Real Estate within the TIF District

As part of the Development Program, the City may convey individual properties to private entities for the purposes of development consistent with the purposes of the District. Net revenues generated from the sale of these parcels shall be used to reimburse the City's Economic Development Fund for its prior investments in land acquisition.

### 4. Cost of Public Improvements

The City anticipates approaching public improvements over the course multiple years of the development of the Granite Ridge Development District. Bonding will occur in increments as infrastructure improvements are planned and necessary.

<b>Public Improvements - 2014-2015 Anticipated</b>	
4. Severino Estimate - Access Roads to Boulevard & Intersection Little Falls Bridge Road	\$ 814,675.00
5. Severino Estimate - Frontage Road (Granite Ridge Boulevard)	\$ 1,500,440.25
6. Sewer & Water Improvements	\$ 1,000,000.00
<i>Subtotal</i>	\$ 3,315,115.25
<i>Engineering 20%</i>	\$ 663,023.05
<i>Contingency 20%</i>	\$ 795,627.66
<i>Permitting &amp; Mitigation</i>	\$ 225,984.04
<b>TOTAL</b>	<b>\$ 4,999,750.00</b>

### 5. Revenue Potential from Captured Assessed Valuation in District

#### a. Annual TIF District Revenues

TIF revenues will be generated by property taxes levied on the captured assessed valuation within the District after the date of its creation. Long term projections of buildout of the Granite Ridge Development District indicate the following annual tax revenue potential generated by 100% retention of captured assessed value.

**Table 5: Projection of Assessed Valuation for Known Development**

Tax Rate for 2013 is \$26.36 per Thousand of Valuation

Revised 5/6/14

<b>Est. New Construction</b>	<b>Estimated New Assessed Value</b>	<b>Estimated Incremental Revenue</b>
16,100 ft2	\$ 1,100,000	\$ 28,996
120,000 ft2	\$ 6,000,000	\$ 158,160
150,000 ft2	\$ 12,000,000	\$ 316,320
150,000 ft2	\$ 12,000,000	\$ 316,320
50,000 ft2	\$ 4,000,000	\$ 105,440
<b>Cumulative Est. Revenue</b>		<b>\$ 925,236</b>

The above revenue estimates rely on assumptions that include anticipated near-term development commitments, and a large commercial development coming online in the Central Phase in August 2015, as well as additional commercial activity on a related parcel during the same window. The portion of captured assessed valuation required to be retained for TIF expenses may change over time depending on the actual pace and character of new development within the TIF, actual valuations assigned to TIF properties, and property tax rate.

**Table 6. Estimates of Future Development**

<b>Northern Section</b>	<i>Through 2030</i>	Value	
Acres - 375.05	Est. Future Construction - 325,000 ft2	Increment	\$ 21,953,864
<b>Central Section</b>	<i>Through 2020</i>	Value	
Acres - 339.89	Est. Future Construction - 850,000 ft2	Increment	\$ 61,093,494
<b>Southern Section</b>	<i>Through 2030</i>	Value	
Acres - 184.93	Est. Future Construction - 653,100 ft2	Increment -	\$ 53,821,000

**b. Annual Allocation of Captured Value**

Where annual tax increment revenues from the Granite Ridge Development District, together with unexpended balances of such revenues from prior years exceed the amount necessary for annual debt service payments, the balance may be used to offset other approved costs for prior expenditures for land acquisition or TIF development costs, to fund public improvements within the District, to create reserve funds set aside for future improvements, or for the operation and maintenance of public infrastructure. The priority for use of incremental TIF revenues shall be:

1. Bonded debt service, if any;
2. Repayment of past expenditures for funds drawn from the Economic Development Fund, if any;
3. The recovery of initial costs for land capability analysis, cost estimates and proposals, legal and consulting fees pertinent to the creation or development of the District;

4. Funding of capital reserve accounts or other improvement funds designated for upgrade or replacement of water, sewer, roads, traffic safety, or storm water drainage facilities.
5. Approved operating costs for public infrastructure within the TIF District.

#### c. Impact of TIF District on Related Taxing Jurisdictions

In accordance with RSA 162-K10, tax revenues generated by the original assessed value (base value) of the TIF District will continue to accrue to the City's general fund, as well as to the Rochester School District, Stafford County, and the State of New Hampshire.

The captured assessed valuation that is created and retained within the District to fund TIF expenses is not included as part of the taxable valuation of the City when computing property tax rates. While all or a portion of captured assessed valuation may be retained by the District to fund internal public improvement costs for a period of time, the original taxable valuation within and outside the TIF remain available to all taxing jurisdictions. Consequently the assessed valuation and revenue base available to all taxing jurisdictions is not diminished as a result of forming the District.

During the operation of the TIF District, tax revenue from captured valuation that are not required to fund eligible expenses of the TIF Development Program will become available to all tax jurisdictions. Upon expiration of the TIF District, all incremental valuation that has been created within the TIF becomes available property tax revenues for the City's general fund and to all other taxing jurisdictions.

The estimated impact of tax increment financing on the assessed values of all other taxing jurisdictions within the City of Rochester is minimal, since:

- The proposed district contains 3.04% of the total assessed value of the City.
- The proposed improvements are designed to encourage commercial investment and lessen the residential tax burden. The effects of additional commercial development will benefit all taxing jurisdictions (municipal, school and county) in the long term since the proposed improvements will enable the commercial tax base to increase at a faster rate than could otherwise be achieved.
- Current Use Penalty will be collected in the same proportion and not be negatively affected by the TIF District. The possibility exists for faster-than-average development rates and faster-than-average collections of current use fees by the City.

#### 6. Reimbursement of Previous City Expenditures

The City has invested in the predevelopment and planning of the Granite Ridge Development District in the form of legal and consulting costs for TIF District development, land capability analysis, environmental review of land capability, development potential, and estimates of infrastructure development costs. Prior investment by the City that is directly related to TIF land acquisition and public infrastructure development, planning and development-related consulting and legal costs shall be eligible to be reimbursed from TIF incremental revenues. The recovery of these past expenditures will be subordinate to the principal use of incremental revenues to fund current year debt service payments for infrastructure costs, and must be reviewed for eligibility by the Finance Director and City Attorney.

#### 7. Operation and Maintenance

The City will be responsible for the operation and maintenance of all public facilities, including the cost of winter and summer maintenance of roads, bridges and street lighting, and the operation and maintenance of storm drains and catch basins, public water and public sewer utilities. The

cost of public water and sewer operations are offset by connection and user charges to individual properties served by these systems.

The Rochester Department of Public Works will complete an estimated budget of the proportional cost of operation and maintenance of road and drainage facilities to be budgeted against the incremental revenues of the TIF District, and to be borne by the incremental revenues of the TIF District while it is in operation. Budget estimates and actual expense will be reported to the District Administrator as requested, and be subject to the recommendations of the TIF Advisory Board. The Public Works Department and the City Manager may determine to contract for these services.

The City will own and maintain public improvements of water, sewer and road systems once accepted as meeting City standards. The planning, design and construction of all public improvements will be done with participation and approval of the City's Public Works Commissioner, or the City Engineer as assigned, to insure quality of capital improvements and minimal incremental maintenance costs.

The City may also establish capital reserve accounts for the replacement or upgrades of public infrastructure within the District using TIF incremental revenues.

#### Development Agreements

The City will establish Development Agreements with property owners and/or real estate developers prior to public improvements occurring in the Granite Ridge Development District.

Goals of the City in these Agreements will be:

- Contributions for the public infrastructure improvements.
- Adherence to the Granite Ridge Development Construction & Design Standards
- Participation in management and administration of the District
- Maximize development and commercial tax base
- Establish financial guarantees should development fall short of projections and adequate increment to meet bond payments is not collected.

Benefits to the Property Owners/Tenants:

- Significant investment in Public Infrastructure by the City.
- Use of the City's credit and bonding ability.
- Guarantee of quality standards in development and construction.
- City-owned infrastructure and maintenance.

### **E. District Administration**

#### 1. Administrator

The administrator of the Granite Ridge Development TIF District shall be the City Manager or designee, who shall make an annual financial report to the City Council.

#### **§ 162-K:11 Annual Report.**

The municipality's annual report shall contain a financial report for any development district in the municipality. The report shall include at least the following information: the amount and source of revenue of the district; the amount and purpose of expenditures, the amount of principal and interest on any outstanding bonded indebtedness, the original assessed value of the district, the captured assessed value retained by the district, the tax increments received and any additional information necessary to demonstrate compliance with the tax increment financing plan.

## 2. Advisory Board

In accordance with RSA 162-K: 14, the City Council shall pass a resolution which shall create an Advisory Board for the Granite Ridge Development District. A majority of the Advisory Board shall be owners or occupants of real property within or adjacent to the District. The same resolution shall incorporate provisions of 162-K: 14 and stipulate the powers and authority of the Advisory Board. The purpose of the Advisory Board shall be to review the policies and actions of the district administrator in the planning, construction and implementation of the Development Program and the operation of the District after the program is completed.

The Advisory Board shall have 30 days to appeal any decision of the district administrator to the City Council for review and appropriate action. The Advisory Board shall meet either as determined by the chair of the Board or the Mayor or the City Manager to examine operation and maintenance of the TIF District.

### **§ 162-K:14 Advisory Board.**

I. The legislative body of the municipality shall create an advisory board for each development district. The board shall consist of such number of members appointed or elected as determined by the legislative body. A majority of members shall be owners or occupants of real property within or adjacent to the development district. In a substantially residential development district, however, the board shall consist solely of owners or occupants of real property within or adjacent to the district.

II. The advisory board shall advise the governing body and district administrator on planning, construction and implementation of the development program and on maintenance and operation of the district after the program has been completed.

III. The governing body shall by resolution delineate the respective powers and duties of the advisory board and the planning staff or agency. The resolution shall establish reasonable time limits for consultation by the advisory board on the phases of the development program, and provide a mechanism for appealing to the governing body for a final decision when conflicts arise between the advisory board and the planning staff or agency, regarding the development program in its initial and subsequent stages.

The Advisory Board shall consist of five (5) members, two (2) of which members shall be the Chair or Designee of the Rochester Economic Development Commission and a designee of the Mayor. RSA 162-K:4 requires that a majority of the Advisory Board members be owners or occupants of real property within the district. Three (3) members who represent owners or occupants of the TIF District shall be appointed for a term of three (3) years with vacancies being filled by the City Council for any unexpired terms. The initial appointments will have staggered term expirations. Should the owner or occupant status of an appointed Advisory Board member change, the member will resign from the position on the Board.

The City Manager or designee will serve as District Administrator and will be an ex-officio member of the Advisory Board.

The Granite Ridge Development TIF District Advisory Board shall perform the following functions:

- (1) Meet annually or as scheduled by the District Administrator, not more than quarterly.
- (2) Review compliance with the adopted Granite Ridge TIF District Financing and Development Plan.
- (3) Review the Annual Report with the financial data as required by RSA 162-K:11, and make a report to the Rochester City Council.
- (4) Review and consult with the District Administrator regarding maintenance, operations, construction and development within the TIF District.
- (5) Make recommendations to the City Council in the event of changes to legislation, or should modification to the TIF District Financing and Development Plan be suggested.

### 3. Amendments

Amendments to the boundaries of the TIF District, the Development Program or Financing Plan shall be undertaken in accordance with the public hearing process set forth within RSA 162-K:4, including its requirements for reasonable notification to the Rochester School District and Strafford County, in accordance with RSA 162-K:9.

### 4. Duration of Program

The Granite Ridge Development Tax Increment Financing District will remain in existence until all eligible public expenditures of the District have been repaid through tax increment revenues, the debt service retired and exit strategies implemented for ongoing care and maintenance of public infrastructure.

# FINANCE COMMITTEE

## Agenda Item

**Agenda Item Name:** PAB Recommendation – Human Resource Manager

**Date Submitted:** February 3, 2021

**Name of Person Submitting Item:** Katie Ambrose, Deputy City Manager/Director of Finance & Administration

**E-mail Address:** Kathryn.ambrose@rochesternh.net

**Meeting Date Requested:** February 9, 2021

**Issue Summary Statement:** The Human Resource Manager position will be posted soon due to an upcoming retirement. The position classification and job description have been reviewed in preparation for recruitment, and a pay grade adjustment has been identified.

The Personnel Advisory Board reviewed data from a recent salary market review of the City's non-union positions, and recommended a pay grade adjustment for the Human Resource Manager position from grade 14 to 15.

**Recommended Action:** Recommendation to the full City Council in support of approving the proposed pay grade adjustment.

**Personnel Advisory Board  
January 28, 2021 – 4:00PM  
Via MS TEAMS**

**Members present:**

Joanne Sylvain  
David Dubois

**Members absent:**

Thomas J. Jean

**Others Present:**

Blaine Cox, City Manager  
Kathryn Ambrose, Deputy City Manager

Review and recommendation of pay grade adjustment per MRI Market Study.

1. Human Resource Manager – David Dubois **moved** to recommend pay grade change from 14 to 15. Joanne Sylvain **seconded** the motion. The **motion carried** by a unanimous vote.

Meeting adjourned at 4:15 PM.

## ROCHESTER, NH FY21 MARKET DATA REPORT

Position Title	FY21 Rochester	Concord	Derry	Keene	Merrimack	Nashua	Portsmouth		Comp Data Points	75th percentile of Market	Comp Lo-Hi Range	Comp Median	Comp Average	% Rochester Higher/Lower than Comp Ave
Human Resource Manager	36.43	41.34	42.76	46.28	33.74	30.56	47.94		6	45.40	30.56	42.05	40.44	-11.0%
	48.18	58.40	56.58	57.67	47.43	40.21	61.08		6	58.22	61.08	57.13	53.56	-11.2%

## Non Union Classification Schedule

Grade	Position Title
1	Library Page
2	Community Center Attendant
3	Custodian (part-time)
4	Legal Assistant I
5	Lead Custodian (inactive position)
6	Legal Assistant II
6	Victim/Witness Advocate
7	Financial Analyst (inactive position)
7	Library Emerging Technologies Specialist
7	Payroll/Human Resource Specialist
8	Executive Secretary
9	Accountant I
9	Executive Assistant
10	Senior Executive Assistant
10	Public Information & Community Engagement Manager
11	DPW Operations Manager (inactive position)
11	Accountant II
12	No positions in this grade.
13	Lieutenant Prosecutor
13	Police Lieutenant
13	Police Prosecuting Attorney (inactive)
14	Deputy Finance Director/Deputy Treasurer
14	Police Captain
<b>14 15</b>	<b>Human Resource Manager</b>
15	Deputy City Attorney
16	Chief Information Officer (CIO)
16	Deputy Police Chief
17	Director of Finance (inactive position)
18	Fire Chief
18	Chief of Police
18	City Attorney
18	Deputy City Manager - Community Development (inactive)
18	Deputy City Manager - Finance & Administration
18	Director of City Services
19	No positions in this grade

## Non-Union Pay Plan

### Full and Part-time regular employees

Grade	FY21 ANNUAL			
	Min	Max	Min	Max
1	11.13	14.74	23,159	31,137
2	14.47	19.14	30,107	40,447
3	15.63	20.68	32,517	43,699
4	16.88	22.33	35,114	47,185
5	18.23	24.12	37,921	50,974
6	19.69	26.07	40,962	55,091
7	21.27	28.14	44,237	59,466
8	22.97	30.38	47,769	64,192
9	24.80	32.79	51,582	69,291
10	26.78	35.42	55,700	74,836
11	28.92	38.25	60,144	80,824
12	31.23	41.32	64,964	87,304
13	33.73	44.60	70,157	94,252
14	36.43	48.18	75,771	101,808
15	39.34	52.04	81,830	109,972
16	42.49	56.21	88,379	118,768
17	45.89	60.71	95,445	128,289
18	49.55	65.54	103,071	138,489
19	53.48	70.79	111,306	149,577

# FINANCE COMMITTEE

## Agenda Item

**Agenda Item Name:** Building Permits Review by Category FY21

**Date Submitted:** February 3, 2021

**Name of Person Submitting Item:** Mark Sullivan Deputy Finance Director

**E-mail Address:** mark.sullivan@rochesternh.net

**Meeting Date Requested:** February 9, 2021

**Issue Summary Statement:** Follow up on the question regarding building permit categories. See below summary chart derived from BZLS permit data 7-1-20 to 1-15-21.

Category	Permits Issued	Construction Value	Permit Revenue	Permit Revenue %	Permit Volume %
Residential	1,642	\$21,946,716.44	\$136,676	39.99%	87.53%
Commercial	205	\$14,918,388.00	\$90,811	26.57%	10.93%
Industrial - Mixed Use	29	\$18,564,764.00	\$114,284	33.44%	1.55%
<b>Totals</b>	<b>1,876</b>	<b>\$55,429,868.44</b>	<b>\$341,771</b>	<b>100.00%</b>	<b>100.00%</b>

**Recommended Action:** Informational/Discussion

# FINANCE COMMITTEE

## Agenda Item

**Agenda Item Name:** Monthly Financial Statements Summary – as of January 31, 2021

For the full detail report, click here: [January 31, 2021 Financial Detail Report](#)

**Name of Person Submitting Item:** Mark Sullivan Deputy Finance Director

**E-mail Address:** mark.sullivan@rochesternh.net

**Meeting Date Requested:** February 9, 2021

### **Issue Summary Statement**

The January 31, 2021 financial summary reports are attached. January represents approximately 60% completion of FY21. Below is a summary of revenues & expenses that Finance continues to monitor.

#### **Revenues:**

**Motor Vehicle Registrations:** FY21 motor vehicle registrations remain strong at 82% collected, or \$3,310, 571.

**Waste Management Host Fees:** Three quarterly checks have been received. The year to date total is \$2,833,181, 141% of budget. Transfer of the School Department's allocation of \$878,000 pending.

**Building Permits:** Building permits remain strong, and this revenue is at 184% of the FY21 Adopted amount of \$200,000 at \$367,783.

**Interest Income:** Interest Income remains soft at 30% received, or \$75,936. Interest income rates remain low at approximately .50%

**Interest on Delinquent Taxes:** Trend is up at 57% received, or \$198,296

**State of NH Rooms & Meals:** DRA final rate confirmed at \$1,568,269, same level as FY20.

**Water-Sewer User Fees:** Payments have seen a recovery, will continue to monitor.

**Highway Block Subsidy:** First two quarterly payments are \$370,491 slightly less than FY20.

**Cable Franchise Fees:** Only received the Atlantic Broadband first quarterly payment of \$42,463, which is down approximately 16% from FY20. There are two Atlantic Broadband, and Comcast.

**Covid-19 Cares Act Reimbursements:** \$672,414 in Cares Act reimbursements have been received.

**Expenses:**

Overall General Fund salaries and benefits are trending below budget at 54% expended.

Fire Overtime is at 87% expended, or \$208,958. Same period FY20 was 88%.

Police Overtime is 74% expended, or \$79,967. Same period FY20 was 77% .

Welfare Direct Assistance is 30% expended, or \$46,723. Same period FY20 was \$113,434 or 71%.

Total General Fund expenditures trending to budget at 60.5%. Same period FY20 was 73%.

**Summary:** Cash position remains strong, and in a good position. Finance will monitor all FY21 revenue and expense activities.

FOR 2021 07

	ORIGINAL ESTIM REV	ESTIM REV ADJSTMTS	REVISED EST REV	ACTUAL YTD REVENUE	REMAINING REVENUE	PCT COLL
1000 GENERAL FUND						
11011 ECONOMIC DEVELOPMENT REVENUE	0	0	0	750.70	-750.70	100.0%
11031 CITY CLERK REVENUE	124,850	0	124,850	59,470.35	65,379.65	47.6%
11051 ASSESSORS REVENUES	0	0	0	30.00	-30.00	100.0%
11061 BUSINESS OFFICE REVENUE	250,000	0	250,000	75,936.67	174,063.33	30.4%
11062 BUSINESS OFFICE REVENUE	1,000	0	1,000	.00	1,000.00	.0%
11071 TAX COLLECTOR REVENUE	33,409,885	28,053	33,437,938	33,501,936.95	-63,998.95	100.2%
11072 TAX COLLECTOR REVENUE	3,308	0	3,308	2,971.00	337.00	89.8%
11081 GENERAL OVERHEAD REVENUE	3,460,991	1,740,000	5,200,991	3,263,949.50	1,937,041.50	62.8%
11082 GENERAL OVERHEAD REVENUE	2,186,077	0	2,186,077	2,260,497.01	-74,420.01	103.4%
11083 GENERAL OVERHEAD - FEDERAL	0	0	0	672,414.00	-672,414.00	100.0%
11101 PLANNING	18,250	0	18,250	18,107.22	142.78	99.2%
11201 REV LEGAL OFFICE	50,000	0	50,000	29,166.66	20,833.34	58.3%
12011 POLICE CITY REVENUE	363,479	0	363,479	206,549.78	156,929.22	56.8%
12021 FIRE CITY REVENUE	25,500	0	25,500	3,668.31	21,831.69	14.4%
12022 FIRE STATE REVENUE	41,812	0	41,812	3,375.00	41,563.20	8.1%
12031 DISPATCH CENTER	60,982	0	60,982	.00	60,982.00	.0%
12041 CODE ENFORCEMENT REVENUE	244,210	0	244,210	379,735.47	-135,525.47	155.5%
13011 PUBLIC WORKS REVENUE	35,400	0	35,400	19,231.38	16,168.62	54.3%
13012 STATE HIGHWAY SUBSIDY	519,175	0	519,175	370,491.44	148,683.56	71.4%
14011 WELFARE REVENUE	2,500	0	2,500	5,400.39	-2,900.39	216.0%
14021 RECREATION REVENUE	60,050	0	60,050	12,070.00	47,980.00	20.1%
14031 LIBRARY REVENUE	10,800	0	10,800	4,444.20	6,355.80	41.2%
TOTAL GENERAL FUND	40,868,269	1,768,053	42,636,322	40,890,196.03	1,749,252.17	95.9%
5001 WATER ENTERPRISE FUND						
510001 WATER WORKS REVENUE	6,710,052	125,000	6,835,052	2,096,308.93	4,738,743.07	30.7%
TOTAL WATER ENTERPRISE FUND	6,710,052	125,000	6,835,052	2,096,308.93	4,738,743.07	30.7%
5002 SEWER ENTERPRISE FUND						
520001 SEWER WORKS REVENUE	7,945,222	125,000	8,070,222	2,347,426.72	5,722,795.28	29.1%
520002 SEWER WORKS REVENUE	396,081	0	396,081	48,398.00	347,683.00	12.2%
TOTAL SEWER ENTERPRISE FUND	8,341,303	125,000	8,466,303	2,395,824.72	6,070,478.28	28.3%

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	ORIGINAL ESTIM REV	ESTIM REV ADJSTMTS	REVISED EST REV	ACTUAL YTD REVENUE	REMAINING REVENUE	PCT COLL
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5003 ARENA ENTERPRISE FUND						
530001 ARENA REVENUE	416,031	0	416,031	120,575.67	295,455.33	29.0%
TOTAL ARENA ENTERPRISE FUND	416,031	0	416,031	120,575.67	295,455.33	29.0%
6000 COMMUNITY CENTER SP REV FUND						
600001 COMMUNITY CENTER REVENUE	889,241	0	889,241	542,735.42	346,505.58	61.0%
TOTAL COMMUNITY CENTER SP REV FUND	889,241	0	889,241	542,735.42	346,505.58	61.0%
GRAND TOTAL	57,224,896	2,018,053	59,242,949	46,045,640.77	13,200,434.43	77.7%

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	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
1000 GENERAL FUND							
11000051 CITY MANAGER	409,559	5,381	414,940	261,378.34	4,404.14	149,157.52	64.1%
11012351 ECONOMIC DEVELOPMENT	512,693	4,096	516,789	206,662.40	21,717.41	288,409.19	44.2%
11020050 IT SERVICES	897,327	30,808	928,135	466,502.61	68,671.79	392,960.60	57.7%
11030051 CITY CLERK	334,501	0	334,501	196,547.05	50,299.38	87,654.57	73.8%
11040050 ELECTIONS	70,168	0	70,168	78,324.50	3,821.13	-11,977.63	117.1%
11050070 ASSESSORS	570,520	47,461	617,981	308,774.53	35,771.55	273,434.92	55.8%
11060051 BUSINESS OFFICE	608,770	1,352	610,122	353,761.18	865.24	255,495.58	58.1%
11063151 HUMAN RESOURCES	225,528	1,250	226,778	132,033.44	15,710.83	79,033.73	65.1%
11070070 TAX COLLECTOR	379,761	3,020	382,781	232,945.26	2,847.80	146,987.94	61.6%
11080050 GENERAL OVERHEAD	1,169,916	-258,870	911,046	228,838.94	173,941.42	508,265.64	44.2%
11090050 PB CITY WIDE 50	687,246	58,952	746,198	366,036.13	87,118.60	293,043.27	60.7%
11090051 PB CITY HALL 51	65,698	0	65,698	41,922.83	18,044.88	5,730.29	91.3%
11090052 PB OPERA HOUSE 52	48,769	0	48,769	18,544.78	20,570.24	9,653.98	80.2%
11090054 PB CENTRAL FIRE 54	10,945	0	10,945	5,899.83	1,888.50	3,156.67	71.2%
11090055 PB GONIC FIRE 55	10,787	0	10,787	6,382.45	2,325.48	2,079.07	80.7%
11090056 PB LIBRARY 56	19,313	0	19,313	12,611.89	4,465.53	2,235.58	88.4%
11090057 PB DPW GARAGE 57	12,155	0	12,155	9,262.65	2,795.51	96.84	99.2%
11090061 PB HISTORICAL MUSEUM 61	1,320	0	1,320	423.34	875.00	21.66	98.4%
11090063 PB HANSON POOL 63	6,700	0	6,700	163.64	2,766.90	3,769.46	43.7%
11090064 PB GONIC POOL 64	1,100	0	1,100	48.18	100.00	951.82	13.5%
11090065 PB EAST ROCHESTER POOL 65	800	0	800	48.18	100.00	651.82	18.5%
11090068 PB GROUNDS 68	10,880	0	10,880	2,886.69	645.00	7,348.31	32.5%
11090069 PB DOWNTOWN 69	17,000	0	17,000	5,247.88	4,467.20	7,284.92	57.1%
11090070 PB REVENUE BUILDING 70	21,368	0	21,368	11,987.69	5,969.95	3,410.36	84.0%
11090071 PB PLAYGROUNDS 71	3,000	0	3,000	1,800.00	.00	1,200.00	60.0%
11090075 PB NEW POLICE STATION	24,066	0	24,066	13,427.35	5,278.24	5,360.41	77.7%
11090077 PB ANNEX	11,140	0	11,140	2,922.25	759.15	7,458.60	33.0%
11102051 PLANNING	427,669	4,518	432,187	209,920.16	1,760.83	220,506.01	49.0%
11200051 LEGAL OFFICE	611,159	0	611,159	322,492.42	6,592.78	282,073.80	53.8%
12010053 PD ADMINISTRATIVE SERVICES	2,076,031	0	2,076,031	1,048,004.19	81,059.00	946,967.81	54.4%
12012453 PD PATROL SERVICES	5,463,738	0	5,463,738	2,893,440.99	.00	2,570,297.01	53.0%
12012553 PD SUPPORT SERVICES	417,396	10,035	427,431	237,774.21	.00	189,656.79	55.6%
12020054 FIRE DEPARTMENT	4,991,261	10,000	5,001,261	2,715,915.88	73,749.30	2,211,595.82	55.8%
12020055 FIRE DEPT 55 GONIC SUBSTAT	28,592	0	28,592	9,848.24	12,905.61	5,838.15	79.6%
12020754 CALL FIRE	29,890	0	29,890	6,605.70	.00	23,284.30	22.1%
12023354 EMERGENCY MANAGEMENT	42,101	0	42,101	.00	.00	42,101.00	.0%
12030153 DISPATCH CENTER	869,310	30,085	899,395	502,535.57	5,664.85	391,194.58	56.5%
12040051 CODE ENFORCEMENT	593,170	8,974	602,144	310,276.22	6,446.71	285,421.07	52.6%
12050050 AMBULANCE	282,321	0	282,321	16,160.25	48,480.75	217,680.00	22.9%
13010057 PUBLIC WORKS	2,412,336	6,021	2,418,357	1,224,647.08	283,053.19	910,656.73	62.3%

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	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
13010957 WINTER MAINTENANCE	530,920	0	530,920	89,490.15	79,446.01	361,983.84	31.8%
13020050 CITY LIGHTS	218,000	0	218,000	93,579.54	82,223.26	42,197.20	80.6%
14010051 WELFARE	480,831	9,409	490,240	196,485.95	13,074.73	280,679.32	42.7%
14022072 RECREATION ADMINISTRATION	671,686	8,561	680,247	354,478.92	-858.54	326,626.62	52.0%
14022150 RECREATION PLAYGROUNDS/CAM	101,305	-3,000	98,305	26,870.84	295.05	71,139.11	27.6%
14022250 RECREATION POOLS	94,924	0	94,924	63,781.13	9,092.26	22,050.61	76.8%
14030056 LIBRARY	1,342,026	0	1,342,026	711,128.96	51,464.36	579,432.68	56.8%
15000051 COUNTY TAX	6,941,353	0	6,941,353	6,752,536.00	.00	188,817.00	97.3%
17010051 TRANSFERS/PAYMENTS DEBT SV	4,471,220	0	4,471,220	1,791,508.99	.00	2,679,711.01	40.1%
17030050 OVERLAY	350,000	0	350,000	.00	.00	350,000.00	.0%
17040051 TRANSFER TO CIP & OTHER FU	1,290,000	1,790,000	3,080,000	1,980,000.00	.00	1,100,000.00	64.3%
TOTAL GENERAL FUND	40,868,269	1,768,053	42,636,322	24,522,865.40	1,290,671.02	16,822,785.58	60.5%
5001 WATER ENTERPRISE FUND							
51601057 WATER WORKS EXPENSE	5,353,392	125,000	5,478,392	2,163,232.04	42,515.25	3,272,644.71	40.3%
51601073 WATER TREATMENT PLANT	1,287,559	0	1,287,559	624,746.33	109,233.42	553,579.25	57.0%
51601570 WATER REVENUE OFFICE	69,101	0	69,101	40,891.04	.00	28,209.96	59.2%
TOTAL WATER ENTERPRISE FUND	6,710,052	125,000	6,835,052	2,828,869.41	151,748.67	3,854,433.92	43.6%
5002 SEWER ENTERPRISE FUND							
52602057 SEWER WORKS EXPENSE	4,106,648	125,000	4,231,648	2,886,019.66	35,868.80	1,309,759.54	69.0%
52602074 SEWER TREATMENT PLANT	4,167,052	0	4,167,052	853,173.46	173,264.52	3,140,614.02	24.6%
52602470 SEWER REVENUE OFFICE	67,603	0	67,603	40,887.31	.00	26,715.69	60.5%
TOTAL SEWER ENTERPRISE FUND	8,341,303	125,000	8,466,303	3,780,080.43	209,133.32	4,477,089.25	47.1%
5003 ARENA ENTERPRISE FUND							
53603060 ARENA EXPENSE	416,031	0	416,031	214,047.49	53,979.84	148,003.67	64.4%
TOTAL ARENA ENTERPRISE FUND	416,031	0	416,031	214,047.49	53,979.84	148,003.67	64.4%
6000 COMMUNITY CENTER SP REV FUND							

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6000	COMMUNITY CENTER SP REV FUND	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
6070572	COMMUNITY CENTER EXPENSE	889,241	0	889,241	428,427.92	59,981.10	400,831.98	54.9%
	TOTAL COMMUNITY CENTER SP REV FUND	889,241	0	889,241	428,427.92	59,981.10	400,831.98	54.9%
	GRAND TOTAL	57,224,896	2,018,053	59,242,949	31,774,290.65	1,765,513.95	25,703,144.40	56.6%

\*\* END OF REPORT - Generated by Mark Sullivan \*\*