

CITY OF ROCHESTER, NH
Granite State Business Park
Tax Increment Finance District (RSA 162K)
2013 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 underlining 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 frozen 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 limited, typically 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 2013:

The Granite State Business Park (GSBP) is located in the southeastern portion of Rochester adjacent to the Skyhaven Airport. A new bridge and extension of the new "Innovation Drive" is now in use, providing access to the northeast end of the Business Park, the new home of Safran Aerospace Composites.

Between January 1, 2013 and December 31, 2013 internal improvements continued within several buildings located in the Granite State Business Park:

NCS Global, previously known as Newport Computers, has moved into their new building at 32 Innovation Drive bringing with them approximately 30 employees. The new building was constructed to LEED standards, and as such will be the first of its kind in the city. LEED stands for Leadership in Energy and Environmental Design and was developed by the U.S. Green Building Council (USGBC) to set a benchmark for design, construction, and operation of high-performance green buildings. In addition

to the construction of the 30,000 square foot building, plumbing and mechanical work were completed in 2013 to prepare the building for use.

Improvements were made to the Albany building located at 112 Airport Drive including a new generator, interior electrical and mechanical work and fire suppression work. Heating and cooling, gas piping and fire protection work was completed on the new Safran building on Innovation Drive.

An Advisory Board has been appointed and their duties adopted by the Rochester City Council. The Board is scheduled to meet at the end of January, 2014 to review the Annual Report and make recommendations on next year's activity to the Mayor and City Council.

Goals for the Next Year:

Water system improvements are necessary for the future expansion and water security for investors in the park. A connecting or "looping" water system is needed from 216 Airport Drive, extending up Shaw Drive and connecting to the water system in Whitehall Road. This will be an FY15 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, Safran Aerospace 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 is already working on 3 shifts and Safran will be adding a 3rd shift shortly.

The business park currently lacks street lights on Airport Drive and sidewalks from Rochester Hill Road (Route 108) into the park, creating an unsafe commute for those employed in the business park. The only bus stop available to those taking public transportation is located outside the GSBP on Route 108.

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

- Water Loop to Whitehall Road
- Street Lights installed on Airport Drive
- Sidewalks constructed from Route 108 into the park
- Construction of a sheltered bus stop inside the GSBP
- New signage for the entrance to the Business Park

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**TIF 162-K - Granite State Business Park
Financial Report as of Tax Year 2013**

Assessment Information:	
Date of Adoption/Modification (mm/dd/yy)	07/05/11
A Original Assessed Value	13,292,007
B - Unretained Captured Assessed Value	-
C = Amounts Used on P2 (for tax rate purposes)	13,409,069
D + Retained captured assessed value	4,723
E = Current Assessed Value	13,413,792

Tax Rate Information:	
2013 Tax Rate per 1000 assessed value	26.36

Revenues	
Tax Increment District (Retained captured assessed value / 1000 * tax rate)	124.50
Investment Interest	-
Other	-
Total Revenues:	124.50

Expenditures	
Long Term Dept Payments	-
Principal	-
Interest	-
Outside Services	-
Other	-
Total Expenditures	-

Long-Term Debt Payable	
Principal	-
Interest	-
Total Long-Term Debt Payable	-

Beginning of Period - Fund Balance	-
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Excess (Deficiency) of Revenue	124.50
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End of Period - Fund Balance	124.50
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Fund Balance Reserved for Debt Service	-
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Deficit to be Raised by Tax Increment District	(124.50)
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