

**CITY OF ROCHESTER, NH**  
**Granite State Business Park**  
**Tax Increment Finance District (RSA 162K)**  
**2014 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 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.

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**Granite State Business Park TIF District- (RSA 162K)**

*District Activity for 2014:*

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

Between late February and late July there were extensive internal improvements to the Safran Aerospace Composites building located at 85 Innovation Drive. These renovations were all interior renovation, plumbing, fire protection and the addition of a new heating system. Total investments for improvements were estimated at \$994,300.

The Frisbee Foundation building located at 88 Airport Drive added an addition to the building which also prompted permits to be pulled for additional fire protection, plumbing, electrical and

the addition of generator power. Total investments for improvements were estimated at \$346,100.

The Albany International building located at 112 Airport Drive applied for interior renovation permits as well which prompted for extensive electrical work. Total investments for improvements were estimated at \$280,000.

Rand Whitney located at 216 Airport Drive completed some major renovations and an addition to their building which also promoted for additional fire protection and electrical work. Total investments for improvements were estimated at \$1,206,600.

An Advisory Board has been appointed and their duties adopted by the Rochester City Council. The Board will meet 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 needed for future expansion and water security for investors in the park include connecting or "looping" the water system from 216 Airport Drive, extending up Shaw Drive and connecting to the water system in Whitehall Road. This will be an FY16 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 are already working on 3 shifts and Safran will be adding a 3<sup>rd</sup> shift shortly.

The business park currently lacks street lights and sidewalks from Rochester Hill Road (Route 108), up Innovation Drive to the bridge, and along Airport Drive 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 projects will be priority for the next year.

- Water Loop to Whitehall Road
- Street Lights installed on Airport Drive
- Sidewalks constructed within the park
- Identification of a location and construction of a safe and sheltered bus stop inside the GSBP

Land has been identified to create a Phase 3 to the Granite State Business Park. This is currently being pursued outside the confines for the TIF District Map or Financing Plan.

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**TIF 162-K - Granite State Business Park  
Financial Report as of Tax Year 2014**

<b>Assessment Information:</b>	
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	3,189,751
E = Current Assessed Value	16,598,820

<b>Tax Rate Information:</b>	
2014 Tax Rate per 1000 assessed value	27.47

<b>Revenues</b>	
Tax Increment District (Retained captured assessed value / 1000 * tax rate)	87,622.46
Investment Interest	-
Other	-
<b>Total Revenues:</b>	<b>87,622.46</b>

<b>Expenditures</b>	
Long Term Dept Payments	-
Principal	-
Interest	-
Outside Services	-
Other	-
<b>Total Expenditures</b>	<b>-</b>

<b>Long-Term Debt Payable</b>	
Principal	-
Interest	-
<b>Total Long-Term Debt Payable</b>	<b>-</b>

Beginning of Period - Fund Balance	124.50
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Excess (Deficiency) of Revenue	87,622.46
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End of Period - Fund Balance	87,746.96
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Fund Balance Reserved for Debt Service	-
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Deficit to be Raised by Tax Increment District	(87,746.96)
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