

CITY OF ROCHESTER, NH
Granite Ridge Development District
Tax Increment Finance District (RSA 162K)
2019 Report – Final 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 Ridge Development District TIF District- (RSA 162K)

District Activity for 2019:

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.

Phase I of The Ridge (Waterstone Retail) with addresses on Marketplace Blvd, and consists of plans for 295,000 square feet of commercial space. The project is nearly 95% complete. In FY 2019 Waterstone submitted approximately \$2.86 million in permits that included fit ups for Old Navy, Mattress Firm, Bloomin Cow that all opened. Fit ups for Peppers Landing were started with open date in the early spring of 2020.

Phase 2 of The Ridge would add an additional 185,000 square feet of entertainment and shopping. Waterstone Retail asked for an extension from the Planning Board in FY2019 as they work to finalize the plans and seek tenants.

Rochester Toyota located at 48 Farmington Road was approved for a 9,500 square foot addition of the rear of the existing building. The expansion will help streamline the service aspect of the business. Toyota entered permits amounting to \$1.352 million.

Other improvements were completed in the Granite Ridge District including: Packy Investment Properties pulled a sign permit for \$29,312 at 46 Farmington Road; Façade and signage improvements amounted to \$87,000 for the gas station located at 95 Farmington Road; Walmart located at 116 Farmington pulled permits for just over \$155,000 worth of improvements; 115 Farmington Road replaced walls and added signage totaling \$28,425; Coyote Creek located at 26 Farmington improved their existing building and pulled permits for a new pre-engineered building that will hold an indoor archery range all totaling approximately \$600,000; Toyota installed lighting and added parking with permits totaling \$70,000 in improvements.

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:

1. Creating a more multi use district by adding permitting housing as an allowed use in the district. The Advisory Board reviewed the “GRDD Potential for Apartments as Secondary Use” report by Bruce Mayberry and recommends adding a residential component to the district. This would include updating the TIF Plan and Developers Agreement.
2. Based on the above mentioned report by Bruce Mayberry, the Advisory Board recommends staff to rezone the GRDD and add Residential to the district.
3. Adding a light at the intersection of the Northgate Apartments and the mobile home park. Left hand turns out of the mobile home park are difficult with the added traffic to Route 11.
4. Adding a light at the main entrance to Market Basket. Mr. Levy stated that he is working with DOT to add a pedestrian crossing for pedestrian and snow mobile crossing as both are already present on Route 11. This would be good location for pedestrians and snowmobiles due to current trail access on the opposite side of the street from the Waterstone project.
5. The Advisory Group recommends looking at the City’s existing trail system and making connections from Farmington, through downtown via the Riverwalk and continuing to Dover if possible.

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