

Tax Increment Financing (TIF) District Advisory Board

2.14.08 Meeting minutes

Town Hall Board of Selectmen's meeting room

Present:

John McCormack, Chairman

Tom Brennan

Jim Dannis

Al Hicks

Mike Trojano

Excused:

Dave Roedel

George Infanti

Bill Parker, Director Community Development/TIF Administrator

Jacob Akers, Grubb & Ellis/Coldstream R.E.

Shirley Wilson, Recording secretary

John McCormack called the meeting to order at 7:30AM.

Review of Agenda & Minutes

J. McCormack reviewed the agenda. No changes were made to the minutes.

Membership and terms of office:

J. McCormack stated that it has been particularly helpful to have Jim Dannis serve on the Board with us. Discussion pertaining to the current members followed with no changes in membership. J. McCormack inquired if there should be any consideration given to additional members. B. Parker noted that Heather Leach of Centrix Bank expressed interest in getting involved with this committee and maybe we could extend an invitation. B. Parker then read the by-laws and explained the membership requirements, noting that we are covered with two representatives from property owners; one representative from MIDC; two representatives from abutting properties; one citizen at large; and one representative from the School Board. B. Parker also noted that Mel Reeve and Tom Wilson filled in as alternates.

J. Dannis suggested adding a Budget Advisory Committee member to this Board merely as a representative. It would be beneficial to have an insider as part of the process. They could hopefully bring back discussions and provide explanations to the committee. B. Parker said that was a very good idea, but added that the BAC was not a year round group; there's a gap and he's not sure about the time frame. J. McCormack also commented that extending an invitation was part of our initiative for outreach and to get more people involved. We should also have more Planning Board involvement on a regular basis, and invite Janet Langdell the upcoming chairman with her focus on long-range planning and policy. The idea is to incorporate other people's thinking.

After brief discussion, J. Dannis made a motion to respectfully request that John McCormack, the current chairman, serve another term. T. Brennan seconded. J. McCormack then nominated Tom Brennan as vice-chair. T. Brennan accepted. All members were in favor of both motions. B. Parker then inquired how to stagger the terms. After additional discussion and it was decided that the terms be assigned alphabetically between one, two and three year terms. M. Trojano inquired about how terms are filled for vacancies and requested a one year term as he will be retiring in September.

J. Dannis said that the communication has to be more frequent. Maybe this Board could set up periodic or quarterly updates to get the momentum going and frankly, to provide an understanding of the basic questions to the Board of Selectmen, which would be very helpful. J. McCormack said that the expansion warrant article was helpful in that it flushed out some of those questions and Jim's point is well taken; at the same time we would come back to Jim saying we rely on him as part of the communication process and we value his input. J. Dannis reminded everyone that the Select Board is a political board. It's not a question of education, but of political consensus and stated that "group" presentations are really valuable in that process.

Board objectives:

J. McCormack reviewed the 2007 town report and said that it contained a series of points raised which also summarized the objectives of this Board. In looking ahead to 2008, we will continue our efforts to increase the tax base which is our overall objective. J. Dannis commented that it was a good report and it read well.

2008 main objectives:

1. Revisions to the district development plan and financial plan to reflect infrastructure improvements in an expanded district;
2. Updating the inventory of vacant developable commercial and industrial properties;
3. Promoting Milford's strengths and advantages for new development;
4. Assisting the Town in establishing an economic development policy and strategy that builds upon Milford's growing role as a center of commerce while maintaining the Town's small-town character.

TIF District Expansion/Warrant article:

J. Dannis said for all those who did not come to the presentation to the Board of Selectmen, it went very well and John did a very good job on behalf of the committee.

The Board of Selectmen wants to express deep gratitude to all those participating and for those efforts involved. The whole Select Board recognized that this is a unique committee in town that draws on local business leaders and can cut through the process despite all the challenges with getting a warrant article to the place we want. J. McCormack said that this was a learning exercise as Bill, Al and he met with the various interested groups. J. McCormack said the general intent was to bring more focus on development in the west end of town and we learned that we have more homework to do, in terms of better defining what was in this area.

B. Parker explained the final area for the proposed expansion on the map and noted that there was discussion by the Budget Advisory Committee to include the Scarborough Industrial area. J. McCormack added that we did come to some better understanding of the wetlands, but also an understanding for the need for an updated traffic study. To be proactive, we should look at the larger area and some of the needed infrastructure improvements down the way.

J. McCormack said that things went along reasonably smoothly regarding economic development and infrastructure needs when we met with the Board of Selectmen, the Water and Sewer Commissioners, and the Planning Board; however, there was one individual on the Budget Advisory Committee with concerns about the beaver and heron habitat and with legitimate concerns about the actual spending mechanisms. It was clarified that we indeed have no authority within the TIF committee under the current structure, nor did the Town Administrator or even the Board of Selectmen. There are also individuals concerned about giving any authority to the Select Board to spend, in terms of investment or infrastructure, wanting this to come back to the voters. This really points to the challenge of TIF. This same thing happened a year ago and voters, led by a few vocal individuals, really do not want to extend this authority which makes the whole idea of TIF less than it could be and less than it is in other areas. These have been good exercises to go through, but TIF and the expanded TIF are clumsy. J. Dannis said he was less daunted by the process so far. Although the Town hasn't given authority to the Select Board to get a deal done, under delegative authority, that doesn't undercut the TIF. The TIF is still a very good idea in that it provides a way for incremental tax revenues to enhance infrastructure costs. There may be a need for a town vote for a project but we accept that reality and build the steps to go forward; having a TIF district, a plan that is specific as possible without preempting what a developer wants, and recognizing that at the end the ultimate bonding authority will still go to the voters. That is a reasonable set of objectives in our current political environment; probably as good as can be.

M. Trojano added that TIF isolating potential for economic development from the general budget process gives the town the ability to carve out and fund separately. That is of key importance, otherwise development of Brox may never happen. J. McCormack said it was clear that we have more homework to

do; the infrastructure needs, updated traffic study and further engineering. We will need to look for those funds first to be in a position to move forward with expansion. J. Dannis said to move forward we may need to look backwards; understanding that the town may want to vote, we will need to explain why commercial/industrial development is good for the tax base and the average taxpayer. We will need to explain that the TIF is a good way to encourage that development and we will need to explain how TIF works, increasing good economic development. We have to come up with a set of beliefs and a set of good points as to why this is good for the taxpayers. B. Parker added that working at this from the inside will foster acceptance and acknowledgement. We may now be able to incorporate money in the budget, which has been hard to do in the past. We are getting people involved and to acknowledge the importance of economic development; we are making great strides. J. Dannis said the key for this group to get the help it needs, is to go to the Select Board for money and momentum. The question to ask; is it better for the town just to keep the land as it is or should it become a part of an economic development program? We should get a vote by the Board of Selectmen to reaffirm the mission of this group. As directed by the Selectmen, in the interests of the town, to find the best way to develop this land or provide infrastructure to develop this land for the commercial or industrial tax base. That is the start of an economic development strategy. With that in mind, when we find extra money in the budget, we can request that it be used to get some actual studies done so we can answer questions. For example, what are the top three components of infrastructure that will be needed to develop this land? J. McCormack said he is still collecting information on this process, but commented that it is good to respect the past and previous initiatives, but also to look towards the future. Some of the first steps will be to look at the NH RSA Master Plan sections and objectives, the 2007 Milford Community Character section and the 1999 Economic Development section. J. McCormack read excerpts from Chapter 5 of the 1999 Master Plan and commented that the document was well written and not a lot has really changed from 1999 to 2008 in terms of the trend analyses. (Section attached to minutes)

Economic Development:

J. McCormack said that based on the partnership program's findings and some of the items identified in the master plan, we have made some progress in terms of our strengths. Our Planning dept is responsive and doesn't hold up the process, we are pushing ahead with marketing initiatives, and with the website. Don has given us some excellent ideas and suggestions defining initiatives and action-oriented recommendations as opposed to submitting another plan. One such initiative might be to align this Board with the Planning Board; it is useful to reflect on other groups' successes. We have also looked at the economic development plans for Goffstown (2006), Lebanon (2005-2006), Derry and Nashua and indeed the economic challenges in each of these areas are quite similar to ours although some of these communities are further ahead regarding development and infrastructure.

J. Dannis thought that Don's email was interesting and in some ways realistic, but on the other hand, life, TIF, and economic development interests may be slighted. People are concerned about the value of their houses and taxes in this economic downturn and this is an ideal time to once again raise the mindset of the value of the commercial/industrial elements of our tax base, as a benefit to the town. This group could volunteer to assist the Planning Board in updating and revising the Economic Development section of the Master Plan. That way there would be a formal process of Master Plan updates, and yet it would kick start economic development to the pending queue and update the fundamental differences since 1999. With the Master Plan section updated we would have a concrete economic development design that Brox and TIF would fit into showing substance to developers. This is starting to be the right time in the political cycle where people will care; a trade off now between the Heron Ponds and healthy taxes.

J. McCormack added that Don's suggestions are to be considered tools that we can sharpen and keep developing for use as part of our ongoing marketing. B. Parker said that the Planning Board is meeting this month to set goals and he can carry this discussion of updating the Master Plan to them. However, the Select Board may have to broaden our charge just a bit. J. McCormack clarified that we would be offering support to the Planning Board and asked if he and Bill could meet with Janet Langdell, who is

very aware of what is going on. J. Dannis noted that Hooksett's Regional Planning Commission created a great draft document illustrating the equalized tax burden and the percentages of commercial versus residential tax base, showing that there is an obvious correlation; the better you build the commercial/industrial tax base, the lower your equalized tax burden is. The less expensive it is for residents and businesses to operate and live in town. We in Milford do not yet have the day to day fluency with that analysis at the policy level or the day to day understanding on a public level and both are needed to make the effort successful. J. McCormack provided a good example using two Ohio cities.

T. Brennan asked if this was our role and responsibility adding that we are pushing some of these ideas successfully and felt that we are making progress. More and more people are getting onboard and are being educated. He again noted that Hendrix has monthly employee meetings and said we could pull in the Chamber of Commerce and Hitchiner. Maybe we could create a sub-committee to just focus on educating the citizens. J. McCormack agreed that working with local industry is a good tool for educating the general public. T. Brennan said we could incorporate what would happen to the normal tax base if Hendrix or Hitchiner left Milford, or turn that around to ask what if two more Hendrix came into Milford. The message is simple to put together. J. Dannis added this is not even on the radar screen right now and Tom's point is such an important one. J. Dannis said that Hooksett and Portsmouth have interesting Master Plans and minutes of their discussions and Durham and Dover have done good analyses in tax base planning. These may not be the best examples and there are trade offs, but there is an intentional positive side to commercial and industrial development. We should take a closer look at communities with tax based planning. Maybe at some stage in this process, somebody could write a letter to the local papers using graphs to show where we stand and with an updated Master Plan, we can encourage commercial/industrial development to show there is a benefit to developing rather than just keeping an open piece of land. Maybe an IRR should be done on Brox.

J. Akers brought up developer feedback referencing an email from Greg Kirsch of Astoria Properties stating some basic concerns; low traffic flow, egress, low population base. J. Akers said from Grubb & Ellis's standpoint, without engineering, we don't really know what's out there. We need to be able to visualize the square footage on individual lots in order to market them to tenants or industries. We have made some steps with the wetlands study, but right now, we're marketing raw land and there is plenty of raw land available. J. McCormack asked how to prioritize this. B. Parker said some of this is already at the top of the work list in our department. We can pull something together from our pictometry and GIS files within the month to get a better idea of developable property out there, which may identify a need to get more engineering done. J. Akers asked if we had in house assets for this. B. Parker replied to a degree. J. Akers also said that clearing some of the woodland areas on this property would make it more appealing and show the land for potential development. J. Dannis inquired about the areas to be cleared. J. Akers said the cutting would only be for visibility, so in a range of two to ten acres. Discussion on the land and foliage followed. B. Parker stated there have been no directives from DPW. J. Dannis commented that firewood is priced well and maybe this Board could go to the Select Board with a map for the areas to be cut. We can then get bids out and proceed. More discussion followed. J. Akers said the town really needs to determine the best use for the land. Discussion on tax neutrality then followed. J. Dannis noted that Mark Fougere did a very good physical impact study at the onset of the LandQuest possibility. B. Parker said that this opens up an avenue to get the Planning Board interested, if they are so inclined to, to look at some long range planning for that area. J. McCormack inquired about the vacant land inventory. B. Parker said that the general inventory for vacant land will be done next month and that too could be linked on the website. J. Dannis said that financial analysis should be done to show the tax benefits if the land is developed. A lengthy discussion on a broad range of alternatives for development of this parcel ensued.

Other Business:

- **MIDC:** A. Hicks said that the additional \$500.00 for the economic partnership was approved and he will have Scott Myers cut a check to Northeastern University.

- **Marketing update:** J. Akers gave a marketing update:
 - Distributed a copy of the quarter page ad in the December issue of *Avenues Section of the Union Leader*
 - Received minor feedback from the December *Cabinet* article, which was written ok overall, but critical information was missing
 - Quarter page ad in the February 1-7 *New England Real Estate Journal*.
 - Only thirty-nine (39) hits counted for viewing their website which has been up for about five months; not a high amount because that included their own hits.
 - No one has actually looked at the site.
 - The abutting Trot property is still for sale and they have been talking to LandQuest. There is still interest although this is a sensitive issue. LandQuest is still focusing on residential development but could be open to mixed use.
 - Coldstream bought the domain name www.milfordtifiand.com that way there will be a clear and easier link for marketing that can interface with what the town has.
 - Distributed a list of 200 + that mailers were recently sent to, so they have not received any responses yet. J. Akers said that things are really slow; smaller level development such as industrial condos is moving, but no large transactions. Residential development does affect us and we will wait out the next sixteen to eighteen months.
- M. Trojano said that he has been trying to interest the school in doing an alternative energy source; geothermal coupling under Jacques, Bales and Heron Pond schools. This might be something to help promote Brox. Discussion on geothermal systems and water sources followed.

- **Next meeting**

The next meeting was scheduled for Friday March 14th at 7:30 AM

The meeting was adjourned at 9:05AM.

To do items:

- ⇒ Set up meeting between John, Bill and Janet Langdell of the Planning Board
- ⇒ Prioritize infrastructure study update needs and establish required budget support with BOS
- ⇒ Assist Planning Board with Master Plan revisions
- ⇒ Vacant lands inventory
- ⇒ Quarterly updates for BOS
- ⇒ BOS reaffirmation of TIF mission
- ⇒ Draft minutes on the website
- ⇒ Invite reps from the Budget Advisory Committee and Planning Board to our regular meetings
- ⇒ Meet with other neighboring towns to review their economic development plans-what can we learn?

Continuing items:

- ⇒ Website
- ⇒ Education and exposure
- ⇒ Brox industrial property
 - ⇒ Site presentation/clean up/clearing quotes
- ⇒ Maintain an on-going progress file.
- ⇒ Meet with developers.
- ⇒ State support
 - ⇒ Ten year plan for access to the property
 - ⇒ Job creation within two-year periods
- ⇒ On-going contact with Land Quest.
- ⇒ Continuous revisions/updates to the Economic Development Self Assessment survey