

Tax Increment Financing (TIF) District Advisory Board

3.26.08 Meeting minutes

3rd floor Banquet Hall

Present:

John McCormack, Chairman
Tom Brennan
Gary Daniels
Al Hicks
George Infanti
Janet Langdell
Mike Trojano
Tom Wilson

Excused:

Dave Roedel

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 welcomed Janet Langdell, the new Planning Board Chairman and Gary Daniels, the new Selectmen's representative to the meeting. J. McCormack then reviewed the agenda and the previous meeting minutes.

Economic Development Policy and Plan:

J. McCormack said that he Bill and Janet met to review general background for the economic development section of the 1999 Master Plan. The effort was well done and the general points made are still very much applicable today. The trend continues with concerns related to developing in-balance residential tax revenue versus commercial-industrial revenue and is at the top of our priority list. Our objective is to bring some tax relief to the residents and insure that existing industry, such as Hendrix, Hitchiner and others, is encouraged and new industry developed; hence our efforts to more actively market the Brox property. We also discussed various initiatives such as the partnership program through Northeastern.

J. McCormack read an email from Dave Roedel commenting that *he wasn't surprised at how little interest there was in the land, as Jacob had conveyed. The real estate development market is very, very slow in all sectors. His company is looking at property in several states and they are not making any offers because, quite honestly, land values are due for a major price correction. All industrial and commercial sectors are cutting back including the large retailers who were expanding as fast as possible over the last few years. Wall Street has essentially stopped lending money, leaving it up to local and regional banks to provide the money necessary to complete the developments. Bill had asked if the \$2M price tag made sense and if it should be evaluated. Jacob/Grubb Ellis would know the local market better, but I don't think it makes sense to drop the price at the moment; groups with cash are waiting around hoping the market tanks to make some money on speculating. The town does not need to unload this property; they need to find a good user who is willing to develop the property. Once they find the user, we can always negotiate the best deal for the town, including dropping the price to help the end user to develop the property and put it on the tax roles.* J. Akers concurred with Dave's sentiments. J. McCormack said we have our work cut out for us, but we also have time to do some planning and to become well prepared.

J. McCormack said that in regards to updating the Master Plan, a lot of the general philosophy and direction are still appropriate today, although we'll have to add recent input. B. Parker said several of the goals from the economic development chapter were accomplished; the Tax Increment Finance District was established, the Town purchased the Brox property, and we actively marketed that property as much as resources would allow. M. Trojano added that the elementary school was also built. B. Parker said that we also recognize the importance of planning out that area of town and how everything ties in; traffic and transportation, utilities and housing. More and more all this relates so closely and as we update this next chapter of the master plan we will need to consider every aspect of economic development. J. McCormack solicited thoughts on how to make it more actionable. J. Langdell said that actionable was the key word; in some respects our Master Plan does sit on the shelf and moving forward, the economic development chapter can be the foundation. All this needs to dove-tail; the economy of that area will drive everything else. B. Parker said that the recurring theme through the 90's was community character and that section has now been updated. We've got everyone buying into the common philosophy that we do want to preserve as much as we can and we've taken some measures with design standards and subdivision amendments. We have done a lot in the last seven or eight years to get everybody on the same page in certain areas, but there is a lot more to be done and a good example was all the issues that came up when LandQuest showed some interest out there. G. Daniels inquired what local groups would be involved. B. Parker said he thought this group (TIFD), MIDC, Chamber of Commerce, Do-It and maybe search for one or two additional business persons. G. Daniels said that we have numerous groups, such as the Brox Community Development Committee, working on different factions of things that all fit under the umbrella of economic development or the master plan. If you want to market this in town, get those people on board so that they understand TIF and how it works and they in turn become marketers for your plan. J. McCormack said that we could ask each group to identify a resource and provide input. J. Langdell said this was a good expansion list from the Planning Board and Budget Advisory Committee. G. Daniels said we should invite those representatives to our meetings so that they will understand.

A. Hicks said one point we may have missed was that there is still a feeling out there that the Brox property was bought, not for industrial development, but to prevent housing from going in. At the same time we may have done an insufficient job of educating people on the value of industrial development. We should make the point that industrial development is important because it does affect the tax rate. Discussion on open space versus development followed. G. Infanti noted that Milford was not alone. Every town has a faction or an outspoken individual saying we don't want any more growth, promoting the open space mindset and that just isn't realistic today. We need to pitch and educate.

G. Daniels said that another reason promoting the purchase of the Brox property back then was the dirt resources because they could stretch out for decades. We would get back what we put out in the future through the resources. G. Infanti said years ago we felt that Brox had taken a lot of the value right off that property and taken the fill right down to the water table in some spots; we never expected to get a million dollars in sand and gravel. B. Parker said there was still a lot out there.

J. McCormack brought up other economic development plans and the similar economic challenges for area communities. He said that it would be beneficial for Bill, Janet, and himself to meet with a few of those other communities to get a better perspective and to share what worked and didn't, especially those who had success with TIFs. We could bring some of their input into our thinking. Some real life examples close to home would give us a better perspective that we could hopefully learn something from. J. Langdell inquired which towns in the general area had TIF districts. The following towns were cited: Hooksett, Keene with several and has been the most active, Peterborough has two TIFs but on a smaller scale, Nashua, and Antrim.

Items for discussion with the other towns :

How effective has the TIF mechanism been?

Have they managed to make it actionable?

Have they managed to draw in the rest of the community using this as a mechanism?

How did they work it in with their master plan and economic development plans?

How did they make the TIF experience work?

J. Langdell stated that when the Planning Board was doing the publicity for the overlay district, we put a PowerPoint display on the PEG access channel and we got a lot of feedback. People actually saw it and remembered some of the information. J. McCormack said our website has been good, but we do need more. J. Langdell also mentioned possibly doing something with the NRPC saying that they are creating NRPC TV where their presentations are being filmed and put as streaming video on the web as well as using local PEG access channels. B. Parker suggested holding some type of forum to identify the issues and get reactions from the other groups. J. Langdell said it looked like we were heading in that direction; get the information we need from the other communities, build a presentation, invite these folks in as part of the educational plan and maybe get it videotaped for airing on PEG and put a copy in the library for citizens to borrow.

G. Infanti reiterated that there is still a mindset out there and even now he thinks that the community doesn't understand the principle of a TIF district, how a TIF works, and the long term value; however, in this down economy people may look at this a little differently. Discussion followed. T. Brennan said that the missing piece is educating the people on the street who are not getting the message. There is a huge gulf between realities. J. McCormack said that we missed it with last year's warrant article and it was clear that there wasn't a connection.

A. Hick commented that a citizen could certainly say that we could do the same thing without a TIF; we could sell the Brox land without the TIF district and the Town could still put in the infrastructure with or without the TIF district. So some people may be confused by what benefit the TIF brings. J. McCormack said that we should ask the other communities for some solid examples when we visit. The TIF mechanism can be somewhat cumbersome and we should ask the other towns what they did. G. Daniels said we should also ask the businesses within those districts to see if the TIF was the compelling reason they moved there or would they have done so without a TIF.

Updates:

Grubb & Ellis/Coldstream Associates marketing update:

J. Akers classified the top priorities for the Brox property.

1) **Engineering conceptals:** B. Parker said he will follow up with that, we will try to overlay the Clough-Harbor CAD files onto our pictometry and GIS within the next week or two and we should get a fairly good idea of useable/buildable land areas out there. J. Akers said they have a user coming up from the Boston office in April to look at putting in a 200,000SF distribution facility and another showing for a mixed use developer. Discussion ensued. J. Akers said they've had a few inquiries, such as a retired military officer wanting to put in a horse farm and a couple small retailers.

2) **Selective tree clearing:** B. Parker said that he has spoken to Guy and to Bill Ruoff, but hasn't gotten any firm commitment. J. Akers suggested the areas along Rte 101 for visibility with a traffic flow of 21,000 vehicles going past there each day. G. Infanti inquired if the Vear sign was still there. J. Akers said it came down after several phone calls.

3) **2nd phase of the wetlands study:** B. Parker said we had to wait to see if the budget passed and now that it has, he'll follow up with Guy to see if there is money.

J. Akers then summarized their marketing efforts. We are still working on the www.milfordtifiand.com website; put three articles in the NE Real Estate Journal, and sent out our monthly broadcast email. LandQuest is still on the back burner and maybe that could be re-visited, even with all the negative association. J. Akers reinforced Dave Roedel's comments that the industrial economy is slow and land is not moving. Although there is some spring marketing activity, it's on the smaller end.

J. Akers said there are four comparable industrial properties to the Brox land at \$2M. Three are in Wilton, a fourteen acre parcel/\$22,000 per acre; a thirty-six acre parcel/\$23,000 per acre; dividable acreage/\$12,000 per acre and a two to five acre parcel in Greenville/\$50,000 per acre. Brox is \$16,000 per acre for raw land and \$23,000 per useable acre, so we're comparable. G. Daniels asked if those lots already had infrastructure. J. Akers replied that some had access to municipal utilities, but not on the site itself. J. Langdell inquired about the locations of the comparable lots. J. Akers listed the locations and discussion followed. G. Daniels then asked if the \$2M figure was based on the developer putting the water and sewer in or the town doing the infrastructure. G. Infanti said the price was based on the developer putting everything in.

J. McCormack asked Jacob how comfortable they were with the engineering figures that had been developed on the infrastructure improvement costs for water and sewer. J. Akers suggested meeting with Bill to discuss that further. B. Parker said the original estimates were developed by Cough Harbor and then updated by Dufresne-Henry a couple years ago when we were looking at putting the police station out there. B. Parker said that the utility costs were also updated in 2006 for the warrant article. Discussion followed.

J. McCormack suggested getting some feedback from developers, such as input on traffic flow. J. McCormack then inquired about traffic study information. B. Parker said the traffic counts from NRPC are fairly up-to-date and we have various studies that looked at long range improvements. J. Akers added that the NH DOT figures from 2006 are online. B. Parker said there was some current analysis done from the 101 Corridor Study; we just have to go through all the work that has been done and pull the information together. The information is important and will also need to be reviewed for the economic development chapter. We should be done within the next month, so it can go into the marketing packet. J. McCormack inquired about other areas in town. B. Parker answered that the Rte 13 South, Emerson Rd and South St area could open up to some development. The Planning Board is about two-thirds finished with the master plan update for traffic and transportation and it is all dovetailing together.

Other business:

- **Next meeting**

The next meeting was scheduled for Thursday May 22nd at 7:30 AM.

The meeting was adjourned at 8:30AM.

To do items:

- ⇒ Brox priorities
 - Engineering conceptals
 - Selective tree clearing
 - Wetlands study completion
- ⇒ Master plan update
 - Identify groups to participate and market master plan update
 - Assist Planning Board with update
- ⇒ Set up meetings with neighboring communities to discuss their economic development plans and TIF
- ⇒ Vacant lands inventory
- ⇒ Quarterly update for BOS
- ⇒ BOS reaffirmation of TIF mission
- ⇒ Marketing packets
- ⇒ Solicit feed back from developers regarding traffic flow

Continuing items:

- ⇒ Website
- ⇒ Education and exposure
- ⇒ Brox industrial property
- ⇒ 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