

## Tax Increment Financing (TIF) District Advisory Board

6.26.08 Meeting minutes

3<sup>rd</sup> floor Banquet Hall

### Present:

John McCormack, Chairman  
Al Hicks  
George Infanti  
Mel Reever  
Mike Trojano  
Tom Wilson

### Excused:

Dave Roedel  
Tom Brennan

### Not present:

Gary Daniels

Bill Parker, Director Community Development/TIF Administrator  
Jacob Akers, Grubb & Ellis/Coldstream R.E.  
Janet Langdell, Planning Board Chairman  
Shirley Wilson, Recording secretary

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

### Review of Agenda & Minutes

J. McCormack welcomed Jack Dugan, president of the Monadnock Economic Development Corporation (MEDC) to the meeting.

J. McCormack reviewed the agenda and the previous meeting minutes and said that although we have not met since March, there has been much activity behind the scenes. We had a meeting with Jack back in April to look at what his group has been doing as well as to look at some other economic development plans that are close to Milford with similar challenges and opportunities. The Monadnock Economic Development Corporation has been promoting and developing for the past few years and has made quite an interesting yet sustaining effort that has been very successful in Keene and the surrounding area. Bill and Janet have also been doing quite a bit of work which will be particularly helpful as we talk to potential developers and indeed the community at large; conceptually for areas in Milford with the potential for development and some of the Brox property lots. B. Parker added that we have a summer intern doing a very thorough job in helping us put together the inventory list of industrial, commercial, vacant and underutilized properties, which will soon be available on line.

G. Infanti made a motion to accept the minutes as written. J. Langdell seconded and all in favor.

### Brox Property Update:

#### Jacob Akers, Grubb & Ellis

J. Akers distributed copies of marketing and land flyers that were sent out to developers, contractors and Souhegan Valley businesses, and noted a blurb was posted in the *Construction Services* section of the *2008 Business NH Review*. The main consensus out there is that builders and developers are very selective with land and are staying away from projects in Southern New Hampshire until the market recovers. Many have a two to three year land inventory and land acquisition would have to be a really good deal to move forward. However, there is activity out there with some good deals and smaller end continuous leasing and acquisitions. Space in the Atomic building is going for \$50/SF and a Laconia land deal is going for \$44,000 a lot, for twenty-three residential lots. Many factors are at play with oil prices, the presidential race, job growth and the economy, but New Hampshire is faring ok compared to the rest of New England and the country. We are optimistic for the next year or so, but without knowing what type of buildings and where they can actually be placed on the Brox property, developers would be looking at raw land and that acquisition price would not be fair or right at this time for the town. J. McCormack asked if anything could be done from a planning standpoint with our current budget that can make a difference at this stage. J. Akers said when they showed the land in April, the wetlands

study and the conceptals were helpful but the next step would be to have an overlay showing locations or placement of differently sized buildings ranging from 10,000 SF to 200,000 SF and where the access would be. That would provide a better visual for what could go out there. B. Parker said that staff has been busy departmentally with master plan work over the past couple of months and would be able to get to those overlays sometime this summer.

J. Akers then summarized the comments from a memo from Jim DeStefano. There were six parties expressing interest in the Brox property either after a showing or after receiving marketing materials.

- Poor visibility, limited access and too much cost involved in developing raw land;
- No engineering to show how to accommodate space needs and no easy access to Chelmsford, MA;
- Interest in the complexities of doing a TIF development if it were 100 acres in Portsmouth or Newington, but not Milford;
- It could take fifteen to twenty years to sell that much industrial land in Milford;
- Not many employers looking to locate in Milford.

J. Akers then summarized what was still needed.

- Completion of engineering to depict where and how much can be built on the land;
- Articles from staff or town officials regarding the benefits of Milford;
- Selective tree cutting.

B. Parker said that the tree cutting may be somewhat difficult. J. Akers said the main reason is for visibility from Rte 101 and to show that the land is flat. Again, there are 24,000 vehicles passing through there. J. Akers will draft a letter requesting the low lying brush and some trees be removed. B. Parker said the highway ROW is so wide through there, and particularly on the south side, that thinning will be a problem. There is about 100 feet before you get to our property and even the signage was problematic. The State was fine until someone complained, and we did receive a complaint. Maybe we can do more on the north side to open it up.

J. Akers added that they are still seeing commercial activity on a smaller scale even here in Milford, but just slower than what they are used to. They are not discouraged and are still out there doing their job. J. Langdell asked how the Brox land compared to the 14.5 acres for sale in Wilton in feedback and interest level. J. Akers said Wilton only had two "local" inquiries to our six inquiries. G. Infanti commented that Jacob was doing an excellent job with the coverage and marketing that we're getting. This is very positive in such a slow market; Grubb and Ellis should be acknowledged for their time and effort. J. McCormack said he could certainly support that and noted that this feedback is also useful as we think about some of the other areas in town which is why we are maybe casting our net a little wider on some of these projects.

**Development Update:**

B. Parker gave an update on the local economy saying that there is development happening, but covering a two to five year time period.

**Industrial/Commercial:**

- Hendrix is moving forward with their 14,000 SF addition. T. Wilson said the new building will accommodate new equipment to expand their stranding operations but would add only a minimal number of jobs. T. Wilson then explained the stranding process.
- Perry Fields industrial condominiums are seeing some sales activity at Perry Rd.
- Airmar Technologies has just received conditional approval for a new 53,000SF building across the street from their existing facility.
- The retail condos on Hollow Oak Ln, are slowly winding their way through the Planning process.
- Dave Roedel has had discussions with the owner of the property behind the proposed Ninety-Nine Restaurant on Nashua St regarding a possible motel/hotel.

Residential building update:

B. Parker referenced the joint meeting in early June with the Selectmen, Facilities Committee, Planning Board, CIP Committee and School Board where Milford's growth was reviewed. There were only seven or eight residential building permits issued so far this year; only half of what was issued in 2007, which in turn was half the number of permits in 2006. Home building has tanked. J. McCormack then referenced the slow build-out at the Reserve.

**Monadnock Economic Development Corporation:**

**Jack Dugan, Executive Director: Potential partnership with Milford**

J. Dugan began by conveying the exciting news that at a recent meeting in Concord the NH Community Development Finance Authority (CDFA) gave the go ahead for the MEDC to expand eastward towards the Nashua area to include Milford. We are now one of the three largest economic development groups in the southern part of the state going from Claremont up to Hillsborough. The other area groups are the Capital Regional Development Council based in Concord which extends throughout the mid section of the state and the Rockingham Economic Development Corporation going eastward from Nashua. The state has now designated a total of ten Regional Development Corporations across New Hampshire.

The MEDC has been around since 1985 starting as an industrial development group and we assumed control of Monadnock Business Ventures, a not for profit regional economic development group, more than a year and a half ago. We are now involved in corporate parks and downtown revitalizations, but not with the middle ground like strip centers or box retailers. J. Dugan said he agreed that Jacob and his company have done a great job getting the word out but said that he has a lot to learn about this particular market because in Keene and Cheshire County things are very different. There a lot is going on and our biggest problem is finding places for development because the land is sold out. J. Dugan then described current development.

In Keene, we're in the midst of a \$50M project, known as the railroad land. This afternoon the first of three commercial buildings will break ground and next month we break ground on a mixed use building with three floors of commercial space and eight high-end residential condos on the top two floors, all under agreement. Then the following month we break ground on a brick and granite 102 room Marriott Courtyard hotel. We also bought the former Wright Silver Polish manufacturing factory that abuts the railroad land and broke it up into two commercial condos; one 33,000 SF unit sold for offices and the interior renovations are going on now. Keene's downtown is going through revitalization with projects like Black Brook Corporate Park, the former Sears building, and the old Woolworths building. A \$70M project is in the works for the Gilbo Ave area, which is currently an expanse of parking lots. The project will include an expo center, skating and track facilities, two separate condos with commercial space, two parking garages, and Antioch University New England. We are very fortunate on the industrial side; we have some prime companies; Precitech, Inc, and Janos Technology.

We've also done projects throughout the entire southwestern part of the state, in Hinsdale, Chesterfield, Walpole, Swanzey, and Claremont. Currently we are working to set up a TIF district near the airport in Swanzey and the first significant new tenant, Moore Nanotechnology Systems of Bridgeport CT, is moving into a 60,000 SF building. We're also financially helping Bensonwood Homes in Walpole and Badger Balm in Gilsom with a 30,000 SF building expansion. In Claremont, we managed to put together \$3.5M from eleven different funding sources to renovate the Dustys Restaurant building to historic standards and we also played a role, early on, with several mills along the river that we will probably get involved with again for financing. Renovations just started for the old Woven Label mill building which will house the Red River Computer Company, a Common Man Restaurant and a hotel.

J. Dugan said the MEDC is looking forward to working with Jacob and Milford. Now that you're part of the area, you will have access to funding options and resources such as block grants and IRP (Intermediary Relending Program, formerly the Farmers Home Administration) money. MEDC loans

are subordinate to the businesses' lenders; we help to fill the gap with our resources and try to make the financing work for everybody by tailoring terms and the interest rate.

J. Dugan said the MEDC office is currently in a transitional period. We've just hired several new people, one being Matt Holey who previously worked for a New York City Economic Development Group and the real estate division of Citicorp. We also hired a half-time CFO and a half-time administrative assistant. J. McCormack asked if there was any possibility of moving the MEDC offices to more eastern location like Milford, as an office presence here in Milford might bring more awareness and focus. J. Dugan said he will suggest the Milford option, but explained that they have set up shop in a multi-tenant building in Peterborough obtained as a result of the Monadnock Business Ventures acquisition. J. Dugan explained that people will follow the money and the MEDC started out by offering that. That lending evolved into building and then to developing. Also, the same block grant program that we loan money out to, can also be invested into public infrastructure. Sometimes it's just a matter of just looking at things a little differently. If a company is going to create jobs, we can leverage that job creation into a block grant. We can invest in the building and lease it to a business or we can loan the money to the business at a low interest rate. We've been dealing with very different types of businesses and rather than just working one on one, we've managed to corral them all together and mix it all together to make it work with funding sources that we can bring to bear. NH Community Loan Fund financing helped to buy the buildings, put the infrastructure in and financed the selling of the buildings. We have a lot of opportunities; we use partnerships, we recruit city/town involvement, and we participate in financing.

**Economic Development Plan Update:  
Report from John McCormack, Bill Parker, Janet Langdell**

J. McCormack referenced a memo from Bill Parker and Janet Langdell saying that this obviously this goes beyond the strict notion of the TIF, but over the past year and a half, we have been looking at what we can do to facilitate the process. We have looked at our marketing efforts for the TIF, looked at metrics to see how open are we to development, hence joining in with the Northeastern University Partnership program where we were able to rate ourselves. As far as tools go, we have a website, better maps of the area, and an inventory of available land now including farmland. We're trying to sharpen our focus now. J. McCormack expressed disappointment that Gary Daniels, BOS representative, was not here today because economic development will need to become more of a priority as well as objective setting and hopefully the Select Board can provide additional guidance. We are advisors to the Selectmen and on our own, we can't make anything happen, although we can certainly make proposals and give advice back to that group. We have key areas for land development, we have conceptual engineering plans, we've reviewed the key stakeholders list, and we've mapped out a plan to allow development to happen. Many things are in place and we're amenable and open to development, but we need a catalyst, somebody with more experience and background to help with the next steps. It has been encouraging to hear Jack's comments.

A. Hicks brought up last year's proposal to enlarge the TIF district. J. McCormack summarized the history of past TIF warrant articles and proposals for Jack. Discussion ensued. B. Parker added that the feedback led us to look at whether the TIF was a workable tool and more discussion followed. J. McCormack said we are looking at our list of stakeholders to try to bring as many people on board. The overall driver of course, like many communities, is that the tax burden is falling more and more onto residential taxpayers. There is less happening on the industrial/commercial side and there is concern to address that imbalance.

J. Dugan asked what was currently in place for the TIF district. B. Parker said we have adopted the RSA creating a TIF District and we have a TIF plan that Clough Harbor helped us with. Currently it includes two Hendrix Wire and Cable parcels and the Brox piece, so we are looking at a possible expansion to capture some of the possible development out in the west end of Milford. A. Hicks

explained that a proposed TIF bonding warrant article failed two years ago because there was a lot of haggling regarding local issues with the Selectmen which influenced the voting. However, that brought to light the financial analysis of Phase I, building the infrastructure along Perry Rd and on into the Hendrix property; there was not a positive cash flow. J. McCormack explained that there was a lot of a front end infrastructure cost. Developing those first seven or eight lots would be quite expensive, but that would front end the subsequent development. If we have someone like Jack with the credibility of a proven track record and some successes, it could certainly make a difference as we try to advance this. A. Hicks said the problem is that we would have to sell most of the property to show a cash positive outcome. We also have to remember that we have assumed when these lots are sold, Hendrix would get a lot of the revenue. Milford would get some tax betterment, but would not realize an initial large revenue flow. J. McCormack added that there is additional gain to town, because Heron Pond School would benefit from the additional access and infrastructure among other things. J. Dugan said that TIF is a hard thing to understand unless you come in with an ironclad guarantee. We are working on another TIF project in Londonderry and they have gone through that same analysis. Jacks Bridge Rd can sell land at both ends to generate enough to justify expenditures to improve access to the site, but it's that middle connector piece that's the problem. In that instance, the developer will have to kick in some money to make it work. J. Dugan said he was not familiar with the Brox site but generally the larger the district, the more money there is to capture. You may need to come up with an alternative way to explain the expansion because people will say development is going to take place anyway, so why divert tax money to the district. We tried at Black Brook to push industry as far back into the park as possible so we could leverage as much money to water, sewer and the roads all the way out to it. Then we could show others that infrastructure was available to build on a few more lots too.

J. McCormack said the one thing we were successful in doing was expanding the zoning so there is a wider range of uses. The first thing we really need to do is get our Selectmen on board; perhaps we may need a session with Gary Daniels and the BOS. After that, we could meet with you Jack to discuss some of our next actions and MEDC involvement. As you and your colleagues become more familiar with this property we can look at opportunities and possibilities. J. Dugan said we can do everything from just facilitating to actually being a developer. We can get partly involved, we can bring people out to show them the site, we can loan them money to help them do what they want to do. We fill a lot of gaps, focusing on the industrial park and downtown revitalization. J. McCormack added that there may be some other areas in town for involvement such as the 101/Rte 13 land. B. Parker said maybe over the course of the next month or so, whatever your schedule permits, we can get you more familiar with our area and then we can schedule some time with the Selectmen to introduce MEDC. J. Dugan said he was up for that and we would include Matt as well. J. Dugan said they also deal with developers and noted that they met with Conover Development who asked them to look for a couple of projects. More discussion followed. J. McCormack said in the mean time, Bill could talk to the Select Board and check the by-laws to see if we can make Jack Dugan an ex-officio member of this committee.

M. Reeve asked if the national news, referencing Jacob's comments, was detrimental versus someone locally with a positive view. J. Dugan agreed that people feed off this. When Conover came up to talk to them after hearing that the housing market was still going strong with senior housing, a new apartment complex, and the high-end condos, they asked what we're doing. Don't you know the housing industry is down? M. Reeve said the glass ½ empty, glass ½ full really applies here. J. Dugan said you see what is going on just by walking around. Again its industry specific, Corning Optics, Precitech, Janos, Moore Nanotech, but there are many businesses that feed off of them. We're about to provide a grant to set up training at Keene State College to provide workers for these industries. T. Wilson said being familiar with local business and the people in the Keene area may bring feeder companies to Milford.

J. McCormack brought up the city of Portsmouth's economic development action plan and said that the really impressive aspect of the plan was that they called it an "action" plan. Our 1999 plan was a perfect

plan; it's just that nothing got done in terms of making some of the items actionable. Clearly these folks have experienced that in the past and their particular focus, while on the longer term view, is very specific in their bias for action. J. Dugan said that Keene is now updating their master plan and doing the same thing by including visioning. J. McCormack said added that some of the key stakeholders are the Water and Sewer Commissioners. It would be advantageous to look their long term plans so we have a better understanding. We could also talk to the utility and power companies to make sure we're squared away.

**Other business:**

B. Parker noted that EPA, GE and the Town had an important meeting regarding the Fletcher site and we will be moving forward with the site clean up. This group should be aware of the truck traffic through west Milford because contaminated materials will most likely be hauled away to a location out of state, instead of being treated on site. The original plan called for a staging area on the Brox property, but now the new possibility may be the former police station on Elm St.

• **Next meeting**

The next meeting was scheduled for Thursday August 21st at 7:30 AM.

The meeting was adjourned at 8:45AM.

**To do items:**

- ⇒ Brox priorities
  - Engineering conceptals and overlays
  - Selective tree clearing
  - Write articles for local publications
  - Wetlands study completion
- ⇒ Master plan update
  - Assist Planning Board with update
  - Identify groups to participate and market master plan update
  - Meet with other communities to discuss their economic development plans and TIF
- ⇒ Vacant lands inventory
- ⇒ Board of Selectmen
  - Provide quarterly updates
  - BOS agenda
    - Reaffirmation of TIF mission
    - Introduce Jack Dugan and Monadnock Economic Development Corporation
- ⇒ Meet with MEDC to discuss action plan and involvement
- ⇒ Meet with Water and Sewer Commissioners re: their long term plans

**Continuing items:**

- ⇒ Website
- ⇒ Education and exposure
- ⇒ Maintain an on-going progress file.
- ⇒ Meet with developers.
- ⇒ State support
- ⇒ Continuous revisions/updates to the Economic Development Self Assessment survey

## MEMORANDUM

TO: Milford TIF Advisory Board  
Bill Parker, Town of Milford  
FROM: Jim DeStefano, VP Sales & Marketing  
Jacob Akers, Listing Advisor  
DATE: June 26, 2008  
RE: Milford TIF Land Prospects Update

Regarding specific user/development interest, we report the following:

1) Tony Caner, Grubb & Ellis, Boston office – toured site, and surrounding area with large, regional retail-oriented developer, TRB Development in late April

Feedback: *“Good visibility with poor access, too much cost to develop without a lot of developable land!”*

2) Dave Veldman, Veldman Morgan Commercial, Fort Collins, CO – had discussions from March – May regarding a large distribution facility need of an undisclosed client. Need described as:

*“250,000 square feet of warehouse distribution space in your area. They will also require the ability to expand to 500,000 square feet. While they would consider an existing building, I would be surprised to find one that meets their specifications. They have the ability to buy ground which would need to be at least 35 acres and build or they would consider a build to suit proposal and then do a leaseback of the facility. They have 5 other warehouse distribution centers in the country and have expanded all of them”*

Feedback: We could not present engineering showing how to accommodate its space needs at the site. Also, user needs close & easy access to a Chelmsford, MA logistics HUB and is steering toward land on the Rte 3 corridor. We mapped drive times to show Rte 13 to Chelmsford is realistic (and lots less traffic). The Milford TIF land is not on its top tier candidates at this point, however.

-more-

3) In January/February, we had discussions with Astoria Properties/Opechee Construction – a leading No New England Developer of medical space, industrial space, flex space and user build to suites. Very active and capable out of Belmont, NH. Here was Greg Kirsch’s feedback:

*“As a developer I might be interested in the complexities of doing a TIF development if it was 100 acres in Portsmouth or Newington, but not in Milford. My gut tells me it will be 15 to 20 years to sell out that much industrial in Milford, and I just don't hear about many employers looking to locate in Milford.”*

4) At the beginning of 2008, we had received two separate, very preliminary inquiries from interested parties scouting sites in SW NH for correctional type uses. No continued dialogue has ensued.

5) A Nashua, NH area manufacturer has been introduced to the Milford TIF land. Came to us through our efforts in marketing the Atomic Ski building in Amherst. Its President lives in Amherst. At the early stages of determining a real estate strategy as it owns a 100,000 sf, non-modern facility in the Nashua millyard, would consider selling and buying something existing that better fits its 21<sup>st</sup> century needs, or a build to suit. On a scale of 1 – 10, ten being an offer is eminent, we are at a 2.

6) Ed Selden, Landquest Development, Raleigh, NC – ongoing conversations/contact regarding a purchase of the TIF property, and abutting 100+/- acre Trott property, for a mixed-use project involving, residential, office, industrial, and retail development & new construction.

Feedback: They like the idea of a mixed-use development in off-setting their residential construction, density, and impact, yet are currently building/constructing on their land inventory. They still have a high interest in the Town of Milford but are projecting a 2 to 3 year timeline before they can act on a project of this magnitude. In addition, original density/impact feedback from the Town of Milford, current residential market, and land-locked/infrastructure issues (Trott property) have placed the project further down on the priority list.

Milford TIF Update Memo

Regarding marketing efforts, we report the following:

- 1) The property's marketing collateral is complete
- 2) a web site has been created ([www.milfordtifiand.com](http://www.milfordtifiand.com))
- 3) signage has been installed (and reinstalled a couple extra times)
- 4) the property is in NNREN/Ambiance, NHCPE, Loopnet, NEEDS/DRED, Co-Star databases
- 5) the property has been consistently advertised in the No New England Real Estate Journal
- 6) the property was the subject of in depth, featured news articles in both the Union Leader and Milford Cabinet
- 7) the property info has been emailed consistently to over 500 regional commercial industrial brokers in No NE
- 8) the property has been included in several target mailings to developers, users, contractors and the local business community

Still needed:

- 1) completion of engineering to depict where and how much can be built on the land followed by an open house/luncheon to educate the brokerage community as to what can be actually developed on site
- 2) some articles from Town officials extolling the business friendly attitude of Milford, the benefits of the TIF, etc.
- 3) Some tree cutting on site so the view of the property from Rte 101 is bettered