

STAFF REPORT

AGENDA ITEM #: 20-34 & 35
COUNCIL MTG OF: April 7, 2020
FROM: David Caron, Town Administrator
OFFERED BY: Administration
PREPARED BY: Administration
SUBJECT: To Expand the Ash Street TIF District into the Gateway TIF District.

PURPOSE

The purpose of this report is to request Council approval to expand the Ash Street TIF District to include portions of the Exit 4-A corridor and to rename as the Gateway TIF District, and to establish an Expendable Trust for District Redevelopment and Infrastructure Activities.

TOWN ADMINISTRATOR COMMENTS

The Council is encouraged to schedule a public hearing on April 28 and subsequently vote on Resolution #2020-015 and Resolution #2020-016 on May 19.

BACKGROUND

The Town successfully developed the Ash Street TIF District after its establishment in 2004. With District debt service completely retired in FY 20, and its close proximity both physically and economically with the planned Exit 4-A corridor, an opportunity presents itself to apply proceeds from the Captured Assessed Value to expand economic opportunities in this area.

DISCUSSION

Similar to the expansion of the Rte. 28N TIF into the Derry Commerce Corridor as approved by the Council in FY 20, the Town has an opportunity to capitalize and expand on a development success story for the overall economic benefit to the community. The Ash Street District has generated an additional tax base valued at \$8.77M since its inception.

This area has been identified in the 2020 Master Plan as a focus area for enhanced development. The area was also identified by the Council during the FY 19 goal setting process for enhancements to Franklin Street Extension for better access to the Town's industrial areas. Further, the regional rail trail is planned to traverse through this area.

The attached map outlines the areas of expansion, which includes the north side of Folsom which will be impacted by the 4-A Corridor construction and may benefit from economic expansion.

It is anticipated that a specific development plan will be formulated, which may include but not limited to the following concepts:

- 1) Continued infrastructure improvements on Ash Street;
- 2) Development of the rail trail as alternate transportation and an economic generator;
- 3) Potential acquisition of land along Folsom Road for economic redevelopment;
- 4) Review of Franklin Street Extension for enhancements

Until such time as the Exit 4-A design is finalized, it is recommended that the Council enact Resolution #2020-016 which would establish a Redevelopment and Infrastructure Activities Fund where TIF Revenues can be parked until such time as improvements commence.

As part of this process, the Town needs to notify the School District and Rockingham County to provide an opportunity to review and comment.

FISCAL IMPACT

The Development District currently generates about \$237,000 annually which may be applied to future Gateway TIF District activities. As the amount generated is relatively modest, it is not recommended that any of the Captured Assessed Valuation be returned back to the General Tax Base.

There are no additional fiscal impacts upon the Town through this Resolution.

RECOMMENDED ACTION BY COUNCIL

Please see Resolutions #2020-015 and #2020-016; please note that the public hearing is scheduled for April 28 as part of the overall FY 21 Budget hearings, however, formal acceptance will be considered on May 19 as statute requires 15 days between the hearing and adoption.



Resolution #2020-015

To Amend the Development Plan and Tax Increment Financing Plan and Rename the Ash Street Tax Increment Financing (TIF) District

WHEREAS, The Town previously enacted the provisions of Chapter 162-K, Municipal Economic Development and Revitalization Districts; and

WHEREAS, the Town established and actively supports its two TIF Districts (Ash Street and Derry Commerce Corridor) by investing in their development for the benefit of the Districts and the entire community; and,

WHEREAS, the Council and the community have recognized that the Town's transportation patterns will be significantly altered with the impending construction of the Exit 4-A project; and

WHEREAS, the potential and importance of this area to the Town's economic future has been documented in the Town's Master Plan; and

WHEREAS, the expansion of the Ash Street TIF District to include Madden Hill Road, Franklin Street Extension, and portions of Folsom Road and North High Street will provide resources and synergies to further grow the Town's economy;

NOW, THEREFORE, BE IT RESOLVED IN COUNCIL that the Derry Town Council, pursuant to RSA 162-K:9, hereby amends and expands the Development Plan and Tax Increment Financing Plan for the Ash Street TIF District (to be renamed the Gateway TIF District), to provide resources for the orderly development and growth of the Town's commercial and retail sectors, to include the properties highlighted on the attached map.

This Resolution shall take effect upon its passage.

Adopted May 19, 2020.

Attest:

X _____

Charles Foote, Council Chair

Date: _____

X _____

Daniel Healey, Town Clerk

Date: _____