

## Tax Increment Financing (TIF) District Advisory Board

### 12.07.07 Meeting minutes

#### Town Hall Board of Selectmen's meeting room

**Present:**

John McCormack, Chairman

Jim Dannis

George Infanti

Mel Reever

Dave Roedel

Mike Trojano

**Excused:**

Tom Brennan

Al Hicks

Bill Parker, Director Community Development/TIF Administrator

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

Shirley Wilson, Recording secretary

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

#### Review of Agenda & Minutes

J. McCormack reviewed the agenda and minutes, at which time the following items were highlighted and discussed.

- *Brox property:* B. Parker said the signs are up and some brush has been cleared in that area. He will follow up with the state regarding final placement of the signs. The gates are still unlocked and Jacob should be able to access the property; however, he will get a set of keys to Jacob.
- *Webpage:* S. Wilson said that the town's website is currently with our Media Director to be formatted; we hope to have something ready next week. B. Parker said our goal is to have it ready for the end of the year.
- *Marketing:* J. Akers distributed copies of the press release that was sent out since the last meeting and the broadcast email that will go out monthly along with a general list of contacts from their database. There has been no feedback as of yet, but Landquest is still interested. D. Roedel asked if the broadcast email was sent only to industrial users. J. Akers replied that most were growing companies or currently before planning boards. D. Roedel asked if while we are peddling the Brox site, could the properties along 101A, like the former Police Station and OK Tool sites, also be marketed to show everything all at once to interested parties although they are two completely different pieces of property. Discussion followed. B. Parker noted that the state owns the former OK Tool site and the Town owns the former police station site. J. McCormack reiterated that we really should have a more complete inventory of available parcels that could be accessible online. B. Parker said the list is coming along and it was only a matter of finalizing the spreadsheet and putting it online. J. McCormack asked Jacob if it was possible to proactively solicit feedback from one or two developers regarding what the site looks like from their perspective, even though winter is upon us. J. Akers said that the market is currently slow for development and land sales and they're waiting to see what the residential side will do. J. Dannis inquired if credit was an issue and if investors were pulling back. J. Akers replied that for commercial loans, the loan to value ratio has stayed the same; usually 80% or less as banks haven't taken much risk. D. Roedel said the parameters of lending and investing may be changing, but there is uneasiness out there and on the private equity side it probably is hard for the small business person to get access to capital. G. Infanti mentioned that there is definitely still interest out there, but acknowledged that there are a lot of existing vacant locations available. The new zoning opened up more flexibility and he is still optimistic for sales of his units. G. Infanti then described the type of businesses interested in his industrial condos and the businesses moving into Amherst along 101A. J. Akers pointed out that

residential foreclosure in Massachusetts was up 300% from two years ago, but the commercial side has only seen about a 75% increase and that New Hampshire has plateaued, according to different publications. D. Roedel commented that interest rates are still at a historic low. J. McCormack added that there will be a bounce back in New England; we're not overbuilt because our permit process is somewhat more restrictive than the rest of the country.

- *Wetlands and engineering:* B. Parker told the committee that the wetlands have been mapped although he hasn't seen anything yet and Marty Risley of CHA told him that the wetlands may not have expanded very much. We also got a quote for \$3,300 and an OK from Guy to map the wetlands on the south side but we're holding off until we see the new results. We may not want to go to the expense of doing the south side just yet. Hopefully we can take the delineation and map the wetlands with our pictometry system to determine what the developable area is. J. Akers said that he will get with Bill within the next week or so.

### **Board of Selectmen Presentation:**

J. McCormack began by saying that many here today were at that session and there hasn't been much feedback. We reviewed the activity, marketing initiatives highlighting sections of the minutes. We were really letting people know that we needed to get a better definition of the wetlands and mostly setting the stage for the TIF District expansion. We tried to explain the merits of the district and how it incorporated the 101 interchange saying traffic flow was the key or driver. J. McCormack stated that the intent was to pitch the idea and get people warmed up. B. Parker said as a group we need to determine whether our focus should be on one or two districts and added that keeping the expansion to just one district will be less confusing for the public. G. Infanti said, in regards to the presentation, that although the Select Board listens to all the information presented, they are overloaded with information, so this needs to be brought back to the surface and kept there.

### **TIF District Expansion/Warrant article:**

B. Parker outlined those properties with possibility of development over the next couple of years where we could start seeing some income. J. McCormack again noted that the link was traffic access. B. Parker said those properties will all have impact on the intersections so this was a legitimate rationale to include some of their incremental tax revenue to help plan out those intersections as well as the Brox infrastructure so the whole district can work together. D. Roedel said we're looking at a part of Milford where the Town owns a lot of property that we can't get off our hands and the State owns property with environmental impact; if there is a vision for the town, that's where you would want commercial development to go. That's where it makes the most sense; trying to attract businesses not just to Milford, but to this area. Rational zoning is locating industry and business where it makes the most sense; where it is thought out and planned. J. McCormack said the rationale for TIF is to channel some of these revenues to develop the infrastructure in a systematic and planned way. The challenge will be to link that in the minds of the voters. B. Parker distributed a copy of the proposed warrant article and said that this board basically represented that whole area right now and could still represent the expanded district. Bill Drescher was OK with the draft and confirmed that it will have to go before the voters for approval.

D. Roedel asked why lot 7/22 was not included because it could be part of a master plan. B. Parker said it was probably due to the wetlands, but could easily be included as this was the only the first draft and there was a lot of room to work with.

J. Dannis inquired why there were weren't smoother boundaries for the district on the map saying there have been misperceptions in the past. B. Parker said that the boundaries could be evened out to make the district look more whole. A brief discussion followed. J. Dannis said that we have a communication issue. Less than 1% of the voters understand the TIF District and even fewer understand the impact, so we will need to explain that this is just a new tax structure; no one is getting a tax break, and there are no

special deals. We're funding the infrastructure in a smart way. There needs to be a simple message. Another question to answer, is why is a TIF District more financially advantageous to Milford and the taxpayers than the way we've always done it; waiting for development to occur and then put the infrastructure in, noting the east side of town where Walgreens is going in. If we're recommending this, to sell this effectively we should be able to answer in a succinct way why this is better. G. Infanti said the voters look at the ballot and see if Planning Board and the Selectmen approved this. We need to market this early to: the Budget Advisory Committee, the Select Board, the Water and Sewer Commissioners and the Planning Board. We need to get all the boards lined up and simplify the answers.

B. Parker said we have ideas from regional planning and from various traffic studies for what will be required out there, just not the actuals; however, we could come up with something relatively quickly. J. Dannis suggested keeping things very general and very broad. Milford is in a good position in that the voters vote in favor of what the boards support and George is spot on. As long as we believe that what we're doing is right, then we can sell this to the Select Board and the other boards. J. McCormack said the information could be put together as a package for developers coming to the area. We will also need to identify and address the negatives as well, such as traffic issues. J. Dannis clarified that we have to be careful, we're assistants to the Planning Board and only offer help to the Planning Board. The TIF mechanism will accelerate commercial/industrial development of these parcels beyond what would occur without the TIF district and secondly, by using this mechanism and accelerating development, we are saving taxes. D. Roedel said we're trying to creatively put incentives in place to help accelerate development of these parcels. J. Dannis said that TIF can really help a Planning Board in terms of having an infrastructure plan in place; otherwise nothing prevents the Planning Board from overlaying on top of the TIF. J. Dannis said, in summary, that this committee is putting an expansion plan in place that will help the area develop faster by creating incentives that overall are good for taxpayers.

D. Roedel suggested putting those ideas on a bullet page as the platform. B. Parker noted that this expansion has not yet been discussed by the Selectmen. J. McCormack said we can sell the platform to the Select Board and the Planning Board; the TIF can be a useful tool.

M. Reeve said it would be advantageous to have one district that way all the money can go anywhere in the district. B. Parker said for the sake of this area of town and our ability to administer things, one would be better. We can adjust the boundaries. Discussion on adjacent parcels followed. J. McCormack said we shouldn't push too far and shift the tax load. J. Dannis said the key is that we should articulate the fact that we need the incentives. We are not ripping money out of the tax base; only money from new incremental development will go into the TIF. The real reason we want to expand the district is that we want commercial industry on the Brox property and there are many moving parts to that puzzle like intersections and related properties. We need a plan for the area and we need to encourage a broader area of development. There was discussion regarding the state contemplating legislature to allow private investment to make infrastructure improvements for the bridge between Nashua and Londonderry. D. Roedel said that the State Department of Transportation has no money and this opens the possibility for private capital to fund interchanges. That may make a difference as we have one right in the middle of our property. M. Reeve said we should also mention that this dedicated money is temporary not permanent.

J. McCormack asked if the board supported the warrant article with the notion that minor changes will be made to the boundaries. All were in agreement to support the warrant article. J. McCormack inquired about the timing. B. Parker said he will put the background together and set up presentations with the boards; Water and Sewer Commission, MIDC, the Board of Selectmen, the Budget Advisory Committee, and the Planning Board.

J. Dannis asked Dave and George why they, as developers, prefer a TIF approach versus Planning Board approval and impact fees. D. Roedel answered due diligence; with a TIF District, all development costs are up front, and one can determine if a project is financially feasible. It's even better if a TIF District can help offset developers' costs. With the Planning Board process, developers sometimes are hit with additional or impact fees mid stream, which changes the economic feasibility of the deal. G. Infanti said the TIF money would also go to help develop the rest of the area. D. Roedel reiterated that the TIF money is going for infrastructure improvements and said that is a huge advantage to developers. B. Parker said the state statute calls out improvements very generally such as a signal, traffic improvements, water and sewer.

M. Reeve noted that it would be an advantage to have your land included in the TIF District. J. McCormack said we could send a package eventually to the property owners to get more on board. D. Roedel said responsible zoning is to everyone's advantage. We are identifying an area that the town needs for commercial and industrial development to support taxes. This merely outlines a plan to promote responsible zoning and gives the Planning Board a tool.

M. Trojano asked if the law allowed TIF fees to be assessed at different rates or structures. B. Parker replied no. M. Trojano then asked what if taxes collected were more or less than the actual infrastructure costs. Do we curtail building to meet what is collected? B. Parker said that whatever is collected goes toward a bond issue or whatever financing. J. McCormack said we got into this last year when asked how quickly the revenue will pay off the infrastructure improvements. There are a lot of up front costs with the first series of lots and it was a stretch to justify over the twenty year haul that it would actually result in a payback and last year we were unprepared without projections. Discussion followed. J. Dannis said that the only way to have an answer for this question is to have a specific infrastructure plan for this entire area; a plan that is costed out with inflation factors and to project an estimate with a timetable showing where B can pay for A. Right now we're really saying trust me, we really need this and we will work out the numbers later. J. McCormack said we should have a general idea of B and A, but not come forward with the numbers right now.

J. Dannis said it would make sense to give Guy an update that we have worked things out with town counsel and we'll be coming in to expand the TIF District. G. Infanti reiterated how important updates to the Select Board are. J. Dannis also said that this should be presented as something that is ultimately a taxpayer friendly article. This is not a spending warrant article; it is an article that is meant to reduce the burden on homeowners.

Key points for the warrant article:

- Present as something that is ultimately a taxpayer friendly article
  - Not a spending warrant article.
  - Meant to reduce the burden on homeowners
- Planning Board and the Board of Selectmen approval will assist in voter approval
- The real reason to expand the district;
  - We want commercial industry on the Brox property and there are many moving parts to that expansion such as intersections and related properties
  - Expansion channels some of the revenues to fund the infrastructure in a smart, systematic and planned way
  - By using this mechanism and accelerating development, we are saving taxes
  - We need a plan for the area and need to encourage a broader area of development.
  - This mechanism will creatively put needed incentives in place to help accelerate commercial/industrial development of these parcels beyond what would normally occur or otherwise wouldn't develop without a TIF District;

- Outlines a plan to promote responsible zoning;
  - Gives the Planning Board a tool by identifying an area that the town needs for commercial and industrial development to support taxes
  - Assists the Planning Board with a mechanism to develop the overall area
  - Responsible zoning is to everyone's advantage
- Rational zoning;
  - Locating industry and business where it makes the most sense; where it is thought out and planned for
- A new tax structure;
  - The revenues will be incremental, not taking away from the existing general fund
  - Money is not taken out of the tax base
  - Only dedicated money from new incremental development will temporarily go into TIF
  - No one is getting a tax break and there are no special deals
- Explain how a TIF District is more financially advantageous to Milford and the taxpayers versus waiting for development to occur, the way we've always done it

**Other business**

- **Website:** Shirley said that the draft pages are with Dave Kirsch, the Community Media director for the final formatting. J. McCormack asked when a draft would be available to view. S. Wilson said she hoped it would be next week.
- **Daymond Steer:** B. Parker said that Daymond Steer wants to talk to us about "Brox" and asked if John would be available next Tuesday. J. Dannis suggested that when we meet with him, we should also invite Nancy Foster who writes for the Observer. Competition is good.

- **Next meeting**

The next meeting was scheduled for Friday December 21<sup>st</sup> at 7:30 AM with MIDC.

The meeting was adjourned at 8:45AM.

**To do items:**

- ⇒ Bill will put a schedule together for board and committee presentations
- ⇒ TIF District expansion proposal
- ⇒ Website progress
- ⇒ Wetlands delineation of Brox industrial property

**Continuing items:**

- ⇒ Brox industrial property
  - ⇒ Site presentation/clean up
  - ⇒ Tree removal quotes
- ⇒ Maintain an on-going progress file.
- ⇒ Meet with developers.
- ⇒ Update on Hendrix progress
- ⇒ 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