

Dover, New Hampshire

Tax Increment Financing Districts

Dover City Council

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TIF Districts

- So What is a TIF District?

A TIF District is an Economic Development tool that has been authorized by the NH Legislature since 1979.

The details are spelled out in
RSA 162-K.

TIF Districts

- How does it work?

After following an approved procedure, a TIF District allows a municipality to reserve all (or part) of any new tax revenue from within the district to pay for public improvements deemed necessary to stimulate new private development within a designated TIF District.

TIF Districts

- How will this impact my taxes in a District?

Not at all.

No property in a TIF District will receive any additional assessment, nor will any property receive a tax break.

All properties therein will pay regular taxes on their full assessed value.

TIF Districts

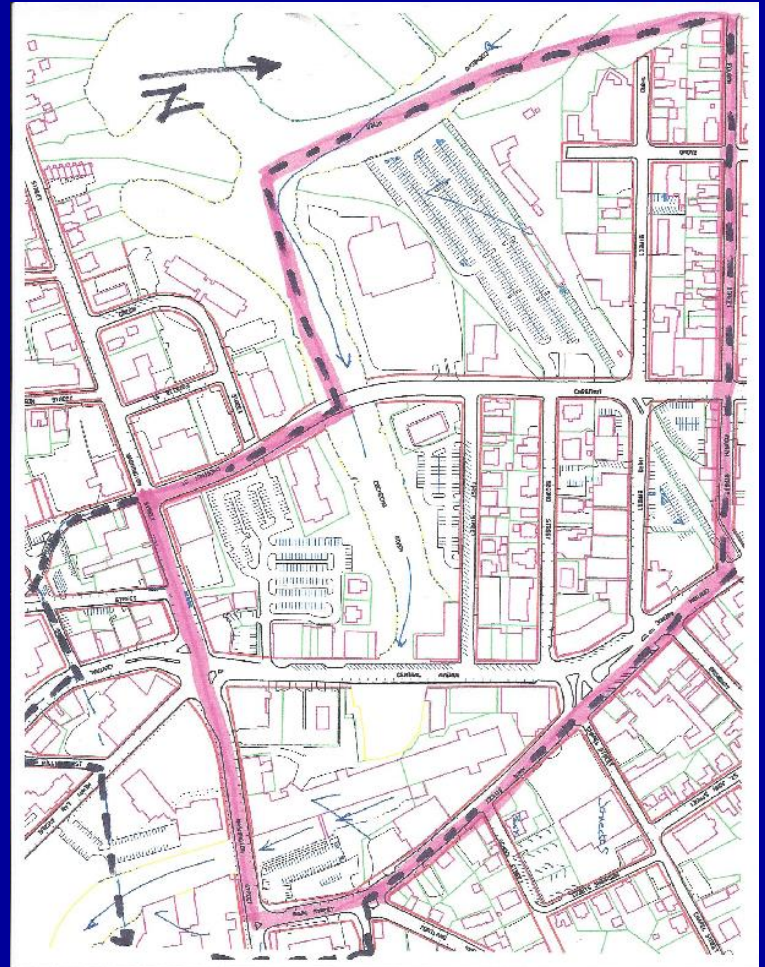
- Details, Please!!

A TIF District, properly adopted and managed, allows a municipality to segregate all, or some, of any new tax revenue from a TIF District to pay for new public infrastructure deemed necessary to stimulate private investment within the district.

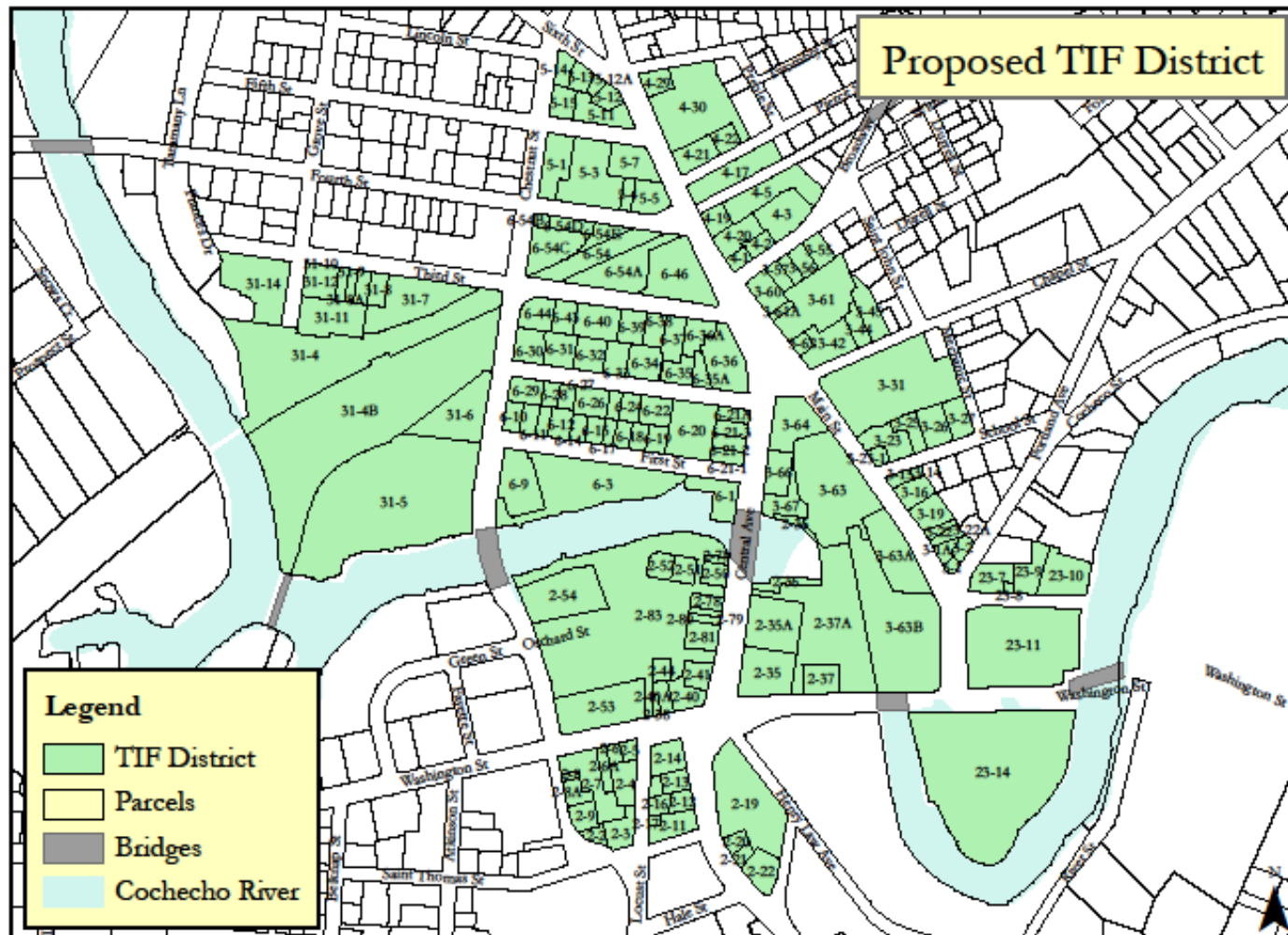
TIF Districts

- MORE Details, Please!!

First you need a District to be approved by the City Council.



Final Proposed TIF Layout



TIF Districts

- An Example, Please!!

A \$200,000 property in Dover currently pays (Tax rate of \$25.97) \$5,194 to City Tax Collector. 100% goes to the City for distribution to the General Fund, Schools, County, and State.



TIF Districts

- An Example, Please, #2!!

If in a TIF District, and if City keeps 100% of new Tax Proceeds, and if Property is Upgraded by \$50,000 then Owner pays \$6,493 to Tax Collector.

\$5,194 distributed as before. \$1,299 reserved for TIF District activity.



TIF Districts

- An Example, Please #3!!

If in a TIF District, and if City keeps 100% of new Tax Proceeds, and if Property is Demolished and replaced by a new \$1M structure then Owner pays \$25,970 to Tax Collector.

\$5,194 distributed as before. \$20,776 reserved for TIF District activity.



TIF Districts

- In General

TIF Districts are used to stimulate private investment that require additional public investment before they can go forward.



TIF Districts

- Keene, NH

Black Brook (1995) and Wells Street Parking Garage (1997)

Net: 500,000 sf of new corporate offices, 1,000 new jobs, \$60M in new assessed value in park and downtown.

Currently delivering \$1M to GF beyond bond payments

TIF Districts

- Concord, NH

North End (1997)

Assessed value originally \$3M. Now with hospital space, conference center, and others, assessed \$50M and generating \$1.25M Annually.

Downtown (2003)

Garage has attracted 3 new office buildings. Assessed value from \$16M to \$51M.

TIF Districts

- Do they always work?? No!!
 - TIF Districts need to be carefully organized and managed.
 - They need to follow the enabling laws and run according to the principles of sound and prudent fiscal management.

TIF Districts

- Chicago, Illinois
 - Over 160 TIF Districts in place.
 - A few did not follow state statutes and diverted TIF revenues to areas outside of the TIF District.
 - Others based future bond payments on sales tax revenues that did not materialize. NH statutes now being used as a model for ILL.

TIF Districts

- Newmarket, NH

15 years ago the Black Bear Project undertook activities that had not been authorized by town or by statute.

More recently the redevelopment of the downtown mills has been accomplished with the assistance of TIF investment.

TIF Districts

- Keys to Success

A well defined district

A detailed plan of approved activities

Sound fiscal management, backed by a solid developer agreement, with revenues sufficient to support any bonding.

TIF Districts

- Controls

City Council approves all decisions, including:

- The limits of the district;

- The use of the funds;

- The distribution of all new revenue, between school, city, county;

- The amount, timing, and schedule for any and all bonding;

TIF Districts

- Could this work for Dover??

- Yes!

- With proper oversight, proper fiscal controls, proper administration, etc.

- Could this assist with Downtown Redevelopment? Without question.



Other Potential Activities?

Streetscape Improvements?

Additional Garage?



Traffic Improvements?

Additional Infrastructure?

TIF Districts

- Questions??

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