

ECONOMIC DEVELOPMENT COMMITTEE
Regular Meeting
Town Hall
16 School Street
Allenstown, New Hampshire 03275
November 2, 2017

The meeting of the Economic Development Committee was called to order by Mr. Carter at 6:02 p.m. Mr. Carter called for the Pledge of Allegiance.

Present on the Committee: Chad Pelissier, Sandy McKenney, Ryan Carter, Mike Frascinella

Mr. Carter reported that he submitted a budget request in the amount of \$600 for transcription services. However, he has learned that one person is now transcribing the minutes for all boards and committees except the Planning Board, and transcription costs are all in the executive line now.

Ms. McKenney asked if the individual transcribing the minutes should be someone on the committee who understands the issues being discussed. She asked if a fifth person had been found to serve on this committee.

Mr. Carter responded that the committee can take back the transcription task next year. He said he has not found a fifth person for the committee.

Ms. McKenney said that Mr. Mulholland should put something on the website asking for a volunteer for this committee. She added that someone besides Mr. Mulholland should be able to post items to the website as a backup when he is not available to do it.

Elect a Chairman and Secretary

On motion of Ms. McKenney, duly seconded by Mr. Carter, Mr. Frascinella was elected chairman of the committee.

On motion of Mr. Frascinella, duly seconded by Mr. Carter, Mr. Pelissier was elected vice chairman of the committee.

Ms. McKenney suggested waiting to elect a secretary until they have a fifth member who might be someone who could transcribe their minutes.

Chair Frascinella asked if meetings could begin at 6:30 p.m. instead of 6:00 p.m. The other members agreed to this change. He said he would prepare the agendas, with the input of the other members.

Ms. McKenney suggested that this committee meet only once each month for a while.

Mr. Carter said he would like to continue meeting biweekly because of the importance of working on the warrant proposal relative to House Bill 316.

Discuss the experiences, challenges, and issues of setting up and running a business in Allenstown with the owner of the Suncook Convenience Store, who is proposing a new business on Route 28.

Chair Frascinella reported that Jay Patel, the owner of Suncook Convenience Store, was not able to make the meeting tonight but would like to meet with the committee at some point. He has been working overtime and is trying to hire someone to help him.

Devise a plan for implementing the details of HB 316, to be submitted to the Selectmen for approval. This new law, which went into effect in August 2017, states in part the following:

“An eligible municipality may, by vote of the local legislative body pursuant to RSA 72:82, adopt a new construction property tax exemption for commercial or industrial uses, or both. The intent of the exemption is to provide incentives to businesses to build, rebuild, modernize, or enlarge within the municipality.”

Ms. McKenney asked if any other towns are pursuing this new opportunity.

Mr. Carter responded that he thought Claremont was. He said that this committee needs to draft a warrant article to be presented to the BOS for review, editing, and approval.

Ms. McKenney said that if a ten-year plan is allowed, but Allenstown could have a five-year plan, with a 50% exemption the first year, 40% the second, 30% the third, 20% the fourth and 10% the fifth. At that point, the business would start paying taxes on the full assessed amount.

Mr. Pelissier said that the more benefit that is given, the better. These expansions, upgrades or new construction projects would be assets to the Town. The tax base would be increased.

Chair Frascinella said that a five-year tax break is enough, giving the business time to get through the construction period and start to realize increased revenue.

Ms. McKenney asked what would happen if the business failed.

Mr. Pelissier said that wouldn't matter; someone would still own the property and pay the taxes.

Chair Frascinella asked if a five-year incentive wouldn't be enough.

Mr. Pelissier responded that it would not be, given the high tax rate in Allenstown.

Ms. McKenney said that the residents might be upset about the tax breaks given to these businesses.

Mr. Carter said that it would take some selling.

Chair Frascinella said that they didn't object to a \$10.2 million school budget.

Mr. Carter shared information from an article about Coos County. In 2009 they instituted a tax exemption, under a different plan, which created 300 jobs.

Mr. Pelissier said that the extra tax revenue this offer might generate could slow the increase of the tax rate.

Chair Frascinella verified that RSA 72:27a required a vote at a town meeting, so a warrant article would definitely be needed. He also pointed out that, if passed, the program would be in effect for five years, at which point it would have to be voted on again, if they wished to continue it. He said their proposal should be supported with rationale. He asked how the added value from the new construction would be accounted for in the tax base.

Mr. Carter responded that the assessed amount would increase by the amount of the improved value.

Mr. Pelissier said that assessing would take care of this. He noted that a revaluation had just been done early because the tax ratio had dropped below 90%, meaning that assessed values were at least 10% below market value.

Chair Frascinella stated that this warrant article could be voted on in March and effective in April. The new law requires that businesses apply prior to beginning construction, and not after December 31st. He said the warrant article should stipulate three things: the number of years the tax exemption would be in effect, the percentage of the exemption for each year, and any applicable zoning restrictions. He said the intent is to incentivize building, rebuilding, modernizing and enlarging. He said he assumed the procedure for applying would be spelled out by the assessing and building departments.

Ms. McKenney suggested that the exemption last for ten years, beginning at 50% and decreasing by 5% each year. That would be a great incentive.

Mr. Carter said that the warrant article could offer the exemption for a maximum of five years, but wondered if could be less than five years.

Chair Frascinella responded that they would need a new warrant article after five years if they wished to continue offering the exemption.

Mr. Pelissier said that it allows the owner to increase the value of the property and then slowly adjust to paying the full tax bill as revenues increase.

Mr. Carter said this could provide incentive for reviving the Old Mill building, which may be rezoned as part of the overlay district being proposed by the Suncook Village Commission, which is encouraging mixed uses.

Mr. Pelissier said he is not in favor of the rezoning for the Old Mill building because 400 apartments could be built and that would overwhelm the school system. He noted that residential development doesn't pay for one-third of additional service costs.

Mr. Carter said that the intentions are good.

Chair Frascinella offered some bullet points to explain their rationale for this proposed warrant article.

- It allows business owners to use the exemption to improve their businesses.
- It assures business owners that their taxes will increase slowly at a fixed rate.
- It gives the Town the benefit of the 50% of new tax revenue in the first year and more in subsequent years.

Mr. Carter said that the businesses are getting the largest exemption when they need it the most.

Mr. Pelissier said it might be easier to reduce the percentage of the exemption by 10% every other year.

Chair Frascinella suggested that their proposal to the BOS include a hypothetical example of a project which increases the assessed value of a business by \$1 million.

Mr. Carter added that an Excel spreadsheet could be developed to show how the various options would affect Town revenue and the tax liability of the business owner.

Ms. McKenney asked if this exemption would be available to small businesses.

Mr. Carter said that it would. He raised an issue regarding zoning, wondering if a business proposing development on land zoned for open spaced farming would be eligible to apply for the exemption, assuming a variance was obtained. He suggested they might want to get a legal opinion on that.

Mr. Pelissier mentioned a recent ZBA decision to grant a variance for a 15-lot development at the corner of River Road and Dodge Road. It is zoned industrial but a variance was granted to allow residential development. The owner of the land actually requested and received a variance about 20 years ago, changing the zoning from residential to industrial because of plans to build a rehab hospital, which never came to fruition.

Mr. Carter said that the owner of the Suncook Convenience Store, who is proposing a new business on Route 28, has been granted a variance because the business would be on open space farm land.

Mr. Frascinella said that decreasing the amount of the exemption by 10% every other year versus 5% every year is less complicated.

Mr. Pelissier said that the first option would generate slightly less tax revenue over the ten-year period, perhaps \$1,000 per year on a \$1 million project.

Ms. McKenney said that the BOS can tweak their proposal if they want to. She said that maybe someone should tell Scott Walker about this proposal because of the properties he is trying to sell. She asked if anything had happened with Holiday Acres.

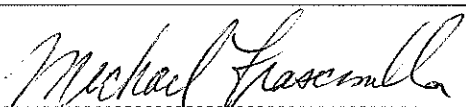
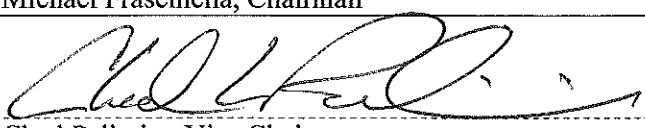
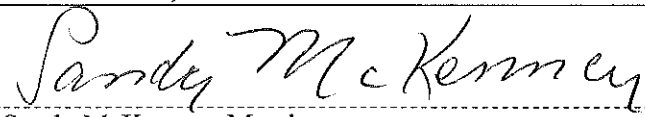
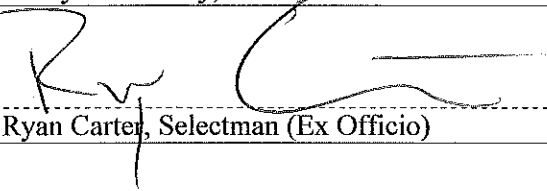
Mr. Carter said that he had not heard anything.

Chair Frascinella said that the next meeting would be set for November 29, 2017 at 6:30 p.m. House Bill 316 will be the only agenda item. They will continue searching for a fifth member to fill the position of Secretary.

Mr. Carter said that they would postpone their discussion of the skating rink until a later meeting.

On motion of Ms. McKenney, duly seconded by Mr. Carter, it was voted to adjourn at 7:30 p.m.

Signature Page

Approvals:	
	11/29/17
Michael Frascinella, Chairman	Date
	11/29/17
Chad Pelissier, Vice Chairman	Date
	11.29.17
Sandy McKenney, Member	Date
	11/29/2017
Ryan Carter, Selectman (Ex Officio)	Date
Member TBD	Date