

## REVISED AGENDA

### SPECIAL COMMITTEE ON JOB CREATION/JOB RETENTION & ECONOMIC DEVELOPMENT

November 2, 2012  
Aldermen Arnold, Ludwig,  
Long, Corriveau, Katsiantonis

3:00 p.m.  
Aldermanic Chambers  
City Hall (3<sup>rd</sup> Floor)

1. Chairman Arnold calls the meeting to order.
2. The Clerk calls the roll.
3. Update from Jay Minkarah, Economic Development Director, on economic development projects, if available.
4. Discussion regarding a “How to Open a Business in Manchester Manual”.
5. Discussion regarding the Manchester Development Corporation.
6. Discussion regarding economic development initiatives around the Manchester-Boston Regional Airport.

#### **TABLED ITEM**

**A motion is in order to remove this item from the table.**

7. Communication from Alderman Arnold regarding economic development incentive programs and required enabling legislation.  
*(Note: Tabled 6/18/2012; Communications from the Economic Development Director and the Assessor are attached)*
8. If there is no further business, a motion is in order to adjourn.



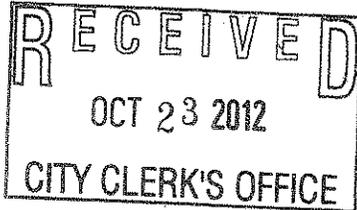
**CITY OF MANCHESTER**  
**PLANNING AND COMMUNITY DEVELOPMENT**

Planning and Land Use Management  
Building Regulations  
Community Improvement Program  
Zoning Board of Adjustment

Leon L. LaFreniere, AICP  
Director

Pamela H. Goucher, AICP  
Deputy Director - Planning & Zoning

Matthew M. Sink  
Deputy Director - Building Regulations



**MEMORANDUM**

**Date:** October 23, 2012

**To:** Special Committee on Job Creation/Job Retention & Economic Development

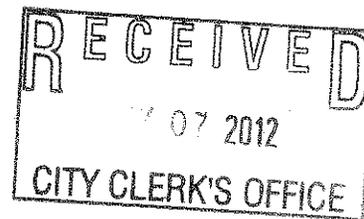
**From:** Leon L. LaFreniere, AICP   
Director, Planning & Community Development

**Subject:** Development Guide

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The Planning & Community Development Department requests the opportunity to discuss, with the Committee, our draft of a "Development Guide" intended to assist parties interested in development within Manchester. We are requesting the Committee's input prior to finalizing the document for circulation. I believe that this document, which will outline the City's regulatory requirements in a clear and concise manner, can serve to reduce any perceived burdens of the process.

Thank you for your consideration of this matter.



## CITY OF MANCHESTER

Date: 6/05/12

*Board of Aldermen* Motion of Ald. O'Neil

Seconded by Ald. Craig

Voted to refer to the Special Committee

on Job Creation/Job Retention and Economic Development.

### MEMORANDUM

*Matthew Hammond* City Clerk

TO: Jay Minkarah  
Economic Development Director

Robert Gagne  
Board of Assessors - Chairman

FROM: Patrick Arnold *P.A.*  
Alderman - Ward 12

DATE: May 7, 2012

RE: Economic Development Incentive Programs and Required Enabling Legislation

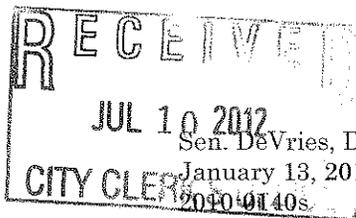
As you know, New Hampshire law does not currently provide much latitude to municipalities in providing incentives for economic development to prospective employers and businesses considering a move to Manchester. If I recall, one such program was allowed under RSA 79(e). I believe this program was discontinued by the Board of Aldermen in 2009, and the State Legislature subsequently revised the enabling legislation for the program.

I would like to receive feedback from both the Manchester Economic Development Office, as well as the Board of Assessors, concerning possible incentive programs that could be beneficial to Manchester should enabling legislation be passed in Concord and the programs adopted by the Board of Aldermen.

I understand that such incentive programs may not currently be allowed under State law. A healthy discussion by the Board of Aldermen on such options may result in the Board requesting that enabling legislation be introduced before the Legislature.

I hope to discuss this matter no later than the July meeting of the Special Committee on Jobs, Job Retention & Economic Development. Thanks in advance.

cc: Special Committee on Jobs, Job Retention & Economic Development



Amendment to SB 128

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT relative to the community revitalization tax relief incentive.

4

5 Amend the bill by replacing all after the enacting clause with the following:

6

7 1 Community Revitalization Tax Relief Incentive; Definition; Qualifying Structure. Amend  
8 RSA 79-E:2, I to read as follows:

9 I. "Qualifying structure" means a building located in a district officially designated in a  
10 municipality's master plan, or by zoning ordinance, as a downtown, town center, central business  
11 district, or village center, or, where no such designation has been made, in a geographic area which,  
12 as a result of its compact development patterns and uses, is identified by the governing body as the  
13 downtown, town center, or village center for purposes of this chapter. *Cities or towns may further  
14 define "qualifying structure" according to the procedure in RSA 79-E:3 as meaning only a structure  
15 located within applicable districts that meet certain age, occupancy, condition, size, or other similar  
16 criteria consistent with local economic conditions, community character, and local planning and  
17 development goals.*

18 2 Community Revitalization Tax Relief Incentive; Definition; Substantial Rehabilitation.  
19 Amend RSA 79-E:2, II to read as follows:

20 II. "Substantial rehabilitation" means rehabilitation of a qualifying structure which costs at  
21 least 15 percent of the pre-rehabilitation assessed valuation or at least \$75,000, whichever is less.  
22 *Cities or towns may further define "substantial rehabilitation" according to the procedure in RSA 79-  
23 E:3 as meaning rehabilitation which costs more than 15 percent of pre-rehabilitation assessed  
24 valuation and \$75,000 based on local economic conditions, community character, and local planning  
25 and development goals.*

26 3 Adoption Procedure; Modification. Amend RSA 79-E:3, I to read as follows:

27 I. Any city or town may adopt *or modify* the provisions of this chapter by voting whether to  
28 accept for consideration *or modify requirements for* requests for community revitalization tax relief  
29 incentives. Any city or town may do so by following the procedures in this section.

30 4 New Paragraph; Duration of Tax Relief Period; Local Guidelines. Amend RSA 79-E:5 by  
31 inserting after paragraph III the following new paragraph:

32 IV. The governing body may adopt local guidelines to assist it in determining the

Amendment to SB 128

- Page 2 -

1 appropriate duration of the tax assessment relief period.

2 5 New Section; Public Benefit Determinations. Amend RSA 79-E by inserting after section 7 the  
3 following new section:

4 79-E:7-a Public Benefit Determinations. Cities or towns may adopt according to the procedure  
5 in RSA 79-E:3 provisions that further define the public benefits enumerated in RSA 79-E:7 to assist  
6 the governing body in evaluating applications made under this chapter based on local economic  
7 conditions, community character, and local planning and development goals.

8 6 New Paragraph; Extent of Tax Relief. Amend RSA 79-E:13 by inserting after paragraph II  
9 the following new paragraph:

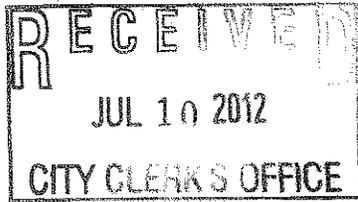
10 III. The tax relief granted under this chapter shall only apply to substantial rehabilitation or  
11 replacement that commences after the governing body approves the application for tax relief and the  
12 owner grants to the municipality the covenant to protect the public benefit as required in this  
13 chapter.

14 7 Effective Date. This act shall take effect upon its passage.

2010-0140s

AMENDED ANALYSIS

This bill allows cities and towns to modify certain requirements of the community revitalization tax relief incentive program under RSA 79-E.



# TITLE V TAXATION

## CHAPTER 79-E COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE

### Section 79-E:1

#### 79-E:1 Declaration of Public Benefit. –

I. It is declared to be a public benefit to enhance downtowns and town centers with respect to economic activity, cultural and historic character, sense of community, and in-town residential uses that contribute to economic and social vitality.

II. It is further declared to be a public benefit to encourage the rehabilitation of the many underutilized structures in urban and town centers as a means of encouraging growth of economic, residential, and municipal uses in a more compact pattern, in accordance with RSA 9-B.

II-a. In instances where a qualifying structure is determined to possess no significant historical, cultural, or architectural value and for which the governing body makes a specific finding that rehabilitation would not achieve one or more of the public benefits established in RSA 79-E:7 to the same degree as the replacement of the underutilized structure with a new structure, the tax relief incentives provided under this chapter may be extended to the replacement of an underutilized structure in accordance with the provisions of this chapter.

III. Short-term property assessment tax relief and a related covenant to protect public benefit as provided under this chapter are considered to provide a demonstrated public benefit if they encourage substantial rehabilitation and use of qualifying structures, or in certain cases, the replacement of a qualifying structure, as defined in this chapter.

**Source.** 2006, 167:1, eff. April 1, 2006. 2009, 200:3, 4, eff. July 15, 2009.

### Section 79-E:2

#### 79-E:2 Definitions. – In this chapter:

I. "Qualifying structure" means a building located in a district officially designated in a municipality's master plan, or by zoning ordinance, as a downtown, town center, central business district, or village center, or, where no such designation has been made, in a geographic area which, as a result of its compact development patterns and uses, is identified by the governing body as the downtown, town center, or village center for purposes of this chapter. Cities or towns may further limit "qualifying structure" according to the procedure in RSA 79-E:3 as meaning only a structure located within such districts that meet certain age, occupancy, condition, size, or other similar criteria consistent with local economic conditions, community character, and local planning and development goals. Cities or towns may further modify "qualifying structure" to include buildings that have been destroyed by fire or act of nature, including where such destruction occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town.

I-a. "Replacement" means the demolition or removal of a qualifying structure and the construction of a new structure on the same lot.

II. "Substantial rehabilitation" means rehabilitation of a qualifying structure which costs at least 15 percent of the pre-rehabilitation assessed valuation or at least \$75,000, whichever is less. Cities or towns may further limit "substantial rehabilitation" according to the procedure in RSA 79-E:3 as meaning rehabilitation which costs a percentage greater than 15 percent of pre-rehabilitation assessed valuation or an amount greater than \$75,000 based on local economic conditions, community character, and local planning and development goals.

II-a. "Tax increment finance district" means any district established in accordance with the provisions

of RSA 162-K.

III. "Tax relief" means:

(a) For a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a qualifying structure shall not increase as a result of the substantial rehabilitation thereof.

(b) For the replacement of a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a replacement structure shall not exceed the property tax on the replaced qualifying structure as a result of the replacement thereof.

(c) For a qualifying structure which is a building destroyed by fire or act of nature, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on such qualifying structure shall not exceed the tax on the assessed value of the structure that would have existed had the structure not been destroyed.

IV. "Tax relief period" means the finite period of time during which the tax relief will be effective, as determined by a local governing body pursuant to RSA 79-E:5.

**Source.** 2006, 167:1, eff. April 1, 2006. 2009, 200:5-7, eff. July 15, 2009. 2010, 329:1, 2, eff. July 20, 2010. 2011, 237:1, 2, eff. July 5, 2011.

### Section 79-E:3

#### 79-E:3 Adoption of Community Revitalization Tax Relief Incentive Program –

I. Any city or town may adopt or modify the provisions of this chapter by voting whether to accept for consideration or modify requirements for requests for community revitalization tax relief incentives. Any city or town may do so by following the procedures in this section.

II. In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition under RSA 39:3.

III. In a city or town that has adopted a charter under RSA 49-C or RSA 49-D, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.

IV. If a majority of those voting on the question vote "yes," applications for community revitalization tax relief incentives may be accepted and considered by the local governing body at any time thereafter, subject to the provisions of paragraph VI of this section.

V. If the question is not approved, the question may later be voted on according to the provisions of paragraph II or III of this section, whichever applies.

VI. The local governing body of any town or city that has adopted this program may consider rescinding its action in the manner described in paragraph II or III of this section, whichever applies. A vote terminating the acceptance and consideration of such applications shall have no effect on incentives previously granted by the city or town, nor shall it terminate consideration of applications submitted prior to the date of such vote.

**Source.** 2006, 167:1, eff. April 1, 2006. 2010, 329:3, eff. July 20, 2010.

### Section 79-E:4

#### 79-E:4 Community Revitalization Tax Relief Incentive. –

I. An owner of a qualifying structure who intends to substantially rehabilitate or replace such structure may apply to the governing body of the municipality in which the property is located for tax relief. The applicant shall include the address of the property, a description of the intended rehabilitation or replacement, any changes in use of the property resulting from the rehabilitation or replacement, and an application fee.

I-a. In order to assist the governing body with the review and evaluation of an application for replacement of a qualifying structure, an owner shall submit to the governing body as part of the application, a New Hampshire division of historical resources individual resource inventory form, prepared by a qualified architectural historian and a letter issued by the local heritage commission and if

the qualifying structure is located within a designated historic district established in accordance with RSA 674:46, a letter from the historic district commission or, if such local commissions are not established, a letter issued by the New Hampshire division of historical resources that identifies any and all historical, cultural, and architectural value of the structure or structures that are proposed to be replaced and the property on which those structures are located. The application for tax relief shall not be deemed to be complete and the governing body shall not schedule the public hearing on the application for replacement of a qualifying structure as required under RSA 79-E:4, II until the inventory form and the letter, as well as all other required information, have been submitted.

II. Upon receipt of an application, the governing body shall hold a duly noticed public hearing to take place no later than 60 days from receipt of the application, to determine whether the structure at issue is a qualifying structure; whether any proposed rehabilitation qualifies as substantial rehabilitation; and whether there is a public benefit to granting the requested tax relief and, if so, for what duration.

III. No later than 45 days after the public hearing, the governing body shall render a decision granting or denying the requested tax relief and, if so granting, establishing the tax relief period.

IV. (a) The governing body may grant the tax relief, provided:

(1) The governing body finds a public benefit under RSA 79-E:7; and

(2) The specific public benefit is preserved through a covenant under RSA 79-E:8; and

(3) The governing body finds that the proposed use is consistent with the municipality's master plan or development regulations; and

(4) In the case of a replacement, the governing body specifically finds that the local heritage commission or historic district commission or, if such local commissions are not established, the New Hampshire division of historical resources has determined that the replaced qualifying structure does not possess significant historical, cultural, or architectural value, the replacement of the qualifying structure will achieve one or more of the public benefits identified in RSA 79-E:7 to a greater degree than the renovation of the underutilized structure, and the historical, cultural, or architectural resources in the community will not be adversely affected by the replacement. In connection with these findings, the governing body may request that the division of historical resources conduct a technical evaluation in order to satisfy the governing body that historical resources will not be adversely affected.

(b) If the governing body grants the tax relief, the governing body shall identify the specific public benefit achieved under RSA 79-E:7, and shall determine the precise terms and duration of the covenant to preserve the public benefit under RSA 79-E:8.

V. If the governing body, in its discretion, denies the application for tax relief, such denial shall be accompanied by a written explanation. The governing body's decision may be appealed either to the board of tax and land appeals or the superior court in the same manner as provided for appeals of current use classification pursuant to RSA 79-A:9 or 79-A:11 provided, however, that such denial shall be deemed discretionary and shall not be set aside by the board of tax and land appeals or the superior court except for bad faith or discrimination.

VI. Municipalities shall have no obligation to grant an application for tax relief for properties located within tax increment finance districts when the governing body determines, in its sole discretion, that the granting of tax relief will impede, reduce, or negatively affect:

(a) The development program or financing plans for such tax increment finance districts; or

(b) The ability to satisfy or expedite repayment of debt service obligations incurred for a tax increment financing district; or

(c) The ability to satisfy program administration, operating, or maintenance expenses within a tax increment financing district.

**Source.** 2006, 167:1, eff. April 1, 2006. 2009, 200:8-11, eff. July 15, 2009.

## Section 79-E:5

### 79-E:5 Duration of Tax Relief Period. –

I. The governing body may grant such tax assessment relief for a period of up to 5 years, beginning with the completion of the substantial rehabilitation.

I-a. For the approval of a replacement of a qualifying structure, the governing body may grant such tax assessment relief for a period of up to 5 years, beginning only upon the completion of construction of the replacement structure. The governing body may, in its discretion, extend such additional years of

tax relief as provided for under this section, provided that no such additional years of tax relief may be provided prior to the completion of construction of the replacement structure. The municipal tax assessment of the replacement structure and the property on which it is located shall not increase or decrease in the period between the approval by the governing body of tax relief for the replacement structure and the time the owner completes construction of the replacement structure and grants to the municipality the covenant to protect the public benefit as required by this chapter. The governing body may not grant any tax assessment relief under this chapter with respect to property and structures for which an election has been made for property appraisal under RSA 75:1-a.

II. The governing body may, in its discretion, add up to an additional 2 years of tax relief for a project that results in new residential units and up to 4 years for a project that includes affordable housing.

III. The governing body may, in its discretion, add up to an additional 4 years of tax relief for the substantial rehabilitation of a qualifying structure that is listed on or determined eligible for listing on the National Register of Historic Places, state register of historic places, or is located within and important to a locally designated historic district, provided that the substantial rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation.

IV. The governing body may adopt local guidelines to assist it in determining the appropriate duration of the tax assessment relief period.

**Source.** 2006, 167:1, eff. April 1, 2006. 2009, 200:12, eff. July 15, 2009. 2010, 329:4, eff. July 20, 2010.

### Section 79-E:6

**79-E:6 Resumption of Full Tax Liability.** – Upon expiration of the tax relief period, the property shall be taxed at its market value in accordance with RSA 75:1.

**Source.** 2006, 167:1, eff. April 1, 2006.

### Section 79-E:7

**79-E:7 Public Benefit.** – In order to qualify for tax relief under this chapter, the proposed substantial rehabilitation must provide at least one of the public benefits, and the proposed replacement must provide one or more of the public benefits to a greater degree than would a substantial rehabilitation of the same qualifying structure, as follows:

I. It enhances the economic vitality of the downtown;

II. It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located;

III. It promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B; or

IV. It increases residential housing in urban or town centers.

**Source.** 2006, 167:1, eff. April 1, 2006. 2009, 200:13, eff. July 15, 2009.

### Section 79-E:7-a

**79-E:7-a Public Benefit Determinations.** – Cities or towns may adopt according to the procedure in RSA 79-E:3 provisions that further define the public benefits enumerated in RSA 79-E:7 to assist the governing body in evaluating applications made under this chapter based on local economic conditions, community character, and local planning and development goals.

**Source.** 2010, 329:5, eff. July 20, 2010.

### Section 79-E:8

**79-E:8 Covenant to Protect Public Benefit. –**

I. Tax relief for the substantial rehabilitation or replacement of a qualifying structure shall be effective only after a property owner grants to the municipality a covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for which the tax relief was granted and as otherwise provided in this chapter.

II. The covenant shall be coextensive with the tax relief period. The covenant may, if required by the governing body, be effective for a period of time up to twice the duration of the tax relief period.

III. The covenant shall include provisions requiring the property owner to obtain casualty insurance, and flood insurance if appropriate. The covenant may include, at the governing body's sole discretion, a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition of damaged structures and property. If the property owner has not begun the process of restoration, rebuilding, or demolition of such structure within one year following damage or destruction, the property owner shall be subject to the termination of provisions set forth in RSA 79-E:9, I.

IV. The local governing body shall provide for the recording of the covenant to protect public benefit with the registry of deeds. It shall be a burden upon the property and shall bind all transferees and assignees of such property.

V. The applicant shall pay any reasonable expenses incurred by the municipality in the drafting, review, and/or execution of the covenant. The applicant also shall be responsible for the cost of recording the covenant.

**Source.** 2006, 167:1, eff. April 1, 2006. 2009, 200:14, eff. July 15, 2009.

**Section 79-E:9****79-E:9 Termination of Covenant; Reduction of Tax Relief; Penalty. –**

I. If the owner fails to maintain or utilize the building according to the terms of the covenant, or fails to restore, rebuild, or demolish the structure following damage or destruction as provided in RSA 79-E:8, III, the governing body shall, after a duly noticed public hearing, determine whether and to what extent the public benefit of the rehabilitation or replacement has been diminished and shall determine whether to terminate or reduce the tax relief period in accordance with such determination. If the covenant is terminated, the governing body shall assess all taxes to the owner as though no tax relief was granted, with interest in accordance with paragraph II.

II. Any tax payment required under paragraph I shall be payable according to the following procedure:

(a) The commissioner of the department of revenue administration shall prescribe and issue forms to the local assessing officials for the payment due, which shall provide a description of the property, the market value assessment according to RSA 75:1, and the amount payable.

(b) The prescribed form shall be prepared in quadruplicate. The original, duplicate, and triplicate copy of the form shall be given to the collector of taxes for collection of the payment along with a special tax warrant authorizing the collector to collect the payment under the warrant. The quadruplicate copy of the form shall be retained by the local assessing officials for their records.

(c) Upon receipt of the special tax warrant and prescribed forms, the tax collector shall mail the duplicate copy of the tax bill to the owner responsible for the tax as the notice of payment.

(d) Payment shall be due not later than 30 days after the mailing of the bill. Interest at the rate of 18 percent per annum shall be due thereafter on any amount not paid within the 30-day period. Interest at 12 percent per annum shall be charged upon all taxes that would have been due and payable on or before December 1 of each tax year as if no tax relief had been granted.

**Source.** 2006, 167:1, eff. April 1, 2006. 2009, 200:15, eff. July 15, 2009.

**Section 79-E:10**

**79-E:10 Lien for Unpaid Taxes. –** The real estate of every person shall be held for the taxes levied pursuant to RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006.

### Section 79-E:11

**79-E:11 Enforcement.** – All taxes levied pursuant to RSA 79-E:9 which are not paid when due shall be collected in the same manner as provided in RSA 80.

Source. 2006, 167:1, eff. April 1, 2006. 2007, 42:3, eff. July 20, 2007.

### Section 79-E:12

**79-E:12 Rulemaking.** – The commissioner of the department of revenue administration shall adopt rules, pursuant to RSA 541-A, relative to the payment and collection procedures under RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006.

### Section 79-E:13

#### **79-E:13 Extent of Tax Relief.** –

I. (a) Tax relief granted under this chapter shall pertain only to assessment increases attributable to the substantial rehabilitation performed under the conditions approved by the governing body and not to those increases attributable to other factors including but not limited to market forces; or

(b) Tax relief granted under this chapter shall be calculated on the value in excess of the original assessed value. Original assessed value shall mean the value of the qualifying structure assessed at the time the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect public benefit as required in this chapter, provided that for a qualifying structure which is a building destroyed by fire or act of nature, original assessed value shall mean the value as of the date of approval of the application for tax relief of the qualifying structure that would have existed had the structure not been destroyed.

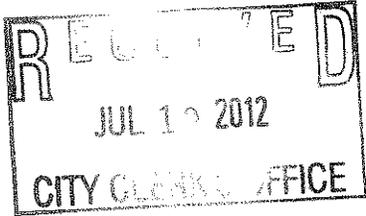
II. The tax relief granted under this chapter shall only apply to substantial rehabilitation or replacement that commences after the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect the public benefit as required in this chapter, provided that in the case of a qualifying structure which is a building destroyed by fire or act of nature, and which occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town, the tax relief may apply to such qualifying structure for which replacement has begun, but which has not been completed, on the date the application for relief under this chapter is approved.

Source. 2006, 167:1, eff. April 1, 2006. 2010, 329:6, eff. July 20, 2010. 2011, 237:3, eff. July 5, 2011.

### Section 79-E:14

**79-E:14 Other Programs.** – The provisions of this chapter shall not apply to properties whose rehabilitation or construction is subsidized by state or federal grants or funds that do not need to be repaid totaling more than 50 percent of construction costs from state or federal programs.

Source. 2006, 167:1, eff. April 1, 2006.



# TITLE V TAXATION

## CHAPTER 79-E COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE

**With suggested amendments and annotations shown in *bold*  
*and italics* or ~~strikethrough~~**

### Section 79-E:1

#### **79-E:1 Declaration of Public Benefit. –**

I. It is declared to be a public benefit to enhance downtowns and town centers with respect to economic activity, cultural and historic character, sense of community, and in-town residential uses that contribute to economic and social vitality.

II. It is further declared to be a public benefit to encourage the rehabilitation of the many underutilized structures in urban and town centers as a means of encouraging growth of economic, residential, and municipal uses in a more compact pattern, in accordance with RSA 9-B.

II-a. In instances where a qualifying structure is determined to possess no significant historical, cultural, or architectural value and for which the governing body makes a specific finding that rehabilitation would not achieve one or more of the public benefits established in RSA 79-E:7 to the same degree as the replacement of the underutilized structure with a new structure, the tax relief incentives provided under this chapter may be extended to the replacement of an underutilized structure in accordance with the provisions of this chapter.

III. Short-term property assessment tax relief and a related covenant to protect public benefit as provided under this chapter are considered to provide a demonstrated public benefit if they encourage substantial rehabilitation and use of qualifying structures, or in certain cases, the replacement of a qualifying structure, as defined in this chapter.

**Source.** 2006, 167:1, eff. April 1, 2006. 2009, 200:3, 4, eff. July 15, 2009.

#### **Section 79-E:2**

#### **79-E:2 Definitions. –** In this chapter:

I. "Qualifying structure" means a building located in a district officially designated in a municipality's master plan, or by zoning ordinance, as a downtown, town center, central business district, or village center, or, where no such designation has been made, in a geographic area which, as a result of its compact development patterns and uses, is identified by the governing body as the downtown, town center, or village center for purposes of this chapter. Cities or towns may further limit "qualifying structure" according to the procedure in RSA 79-E:3 as meaning

only a structure located within such districts that meet certain age, occupancy, condition, size, or other similar criteria consistent with local economic conditions, community character, and local planning and development goals. Cities or towns may further modify "qualifying structure" to include buildings that have been destroyed by fire or act of nature, including where such destruction occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town.

*Note: In addition to the Central Business District, the Master Plan identifies eleven neighborhood business districts where 79-E would apply.*

*We may wish to Consider further limiting the definition of "qualifying structure" to buildings that are not less than fifty years old and that are blighted, abandoned or are vacant or underutilized (less than 50% occupancy) due to safety or code deficiencies, and to buildings in an officially designated district of any age where more than 50% of the assessed value has been destroyed by fire or act of nature.*

I-a. "Replacement" means the demolition or removal of a qualifying structure and the construction of a new structure on the same lot.

II. "Substantial rehabilitation" means rehabilitation of a qualifying structure which costs at least 15 percent of the pre-rehabilitation assessed valuation or at least \$75,000, whichever is less. Cities or towns may further limit "substantial rehabilitation" according to the procedure in RSA 79-E:3 as meaning rehabilitation which costs a percentage greater than 15 percent of pre-rehabilitation assessed valuation or an amount greater than \$75,000 based on local economic conditions, community character, and local planning and development goals.

II-a. "Tax increment finance district" means any district established in accordance with the provisions

*We may wish to consider defining "substantial rehabilitation" as meaning rehabilitation of a qualifying structure which costs at least 50 percent of the pre-rehabilitation assessed valuation.*

III. "Tax relief" means:

(a) For a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a qualifying structure shall not increase as a result of the substantial rehabilitation thereof.

(b) For the replacement of a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a replacement structure shall not exceed the property tax on the replaced qualifying structure as a result of the replacement thereof.

(c) For a qualifying structure which is a building destroyed by fire or act of nature, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on such qualifying structure shall not exceed the tax on the assessed value of the structure that would have existed had the structure not been destroyed.

IV. "Tax relief period" means the finite period of time during which the tax relief will be effective, as determined by a local governing body pursuant to RSA 79-E:5.

**Source.** 2006, 167:1, eff. April 1, 2006. 2009, 200:5-7, eff. July 15, 2009. 2010, 329:1, 2, eff. July 20, 2010. 2011, 237:1, 2, eff. July 5, 2011.

### **Section 79-E:3**

#### **79-E:3 Adoption of Community Revitalization Tax Relief Incentive Program –**

I. Any city or town may adopt or modify the provisions of this chapter by voting whether to accept for consideration or modify requirements for requests for community revitalization tax relief incentives. Any city or town may do so by following the procedures in this section.

II. In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition under RSA 39:3.

III. In a city or town that has adopted a charter under RSA 49-C or RSA 49-D, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.

IV. If a majority of those voting on the question vote "yes," applications for community revitalization tax relief incentives may be accepted and considered by the local governing body at any time thereafter, subject to the provisions of paragraph VI of this section.

V. If the question is not approved, the question may later be voted on according to the provisions of paragraph II or III of this section, whichever applies.

VI. The local governing body of any town or city that has adopted this program may consider rescinding its action in the manner described in paragraph II or III of this section, whichever applies. A vote terminating the acceptance and consideration of such applications shall have no effect on incentives previously granted by the city or town, nor shall it terminate consideration of applications submitted prior to the date of such vote.

**Source.** 2006, 167:1, eff. April 1, 2006. 2010, 329:3, eff. July 20, 2010.

### **Section 79-E:4**

#### **79-E:4 Community Revitalization Tax Relief Incentive. –**

I. An owner of a qualifying structure who intends to substantially rehabilitate or replace such structure may apply to the governing body of the municipality in which the property is located for tax relief. The applicant shall include the address of the property, a description of the intended rehabilitation or replacement, any changes in use of the property resulting from the rehabilitation or replacement, and an application fee.

I-a. In order to assist the governing body with the review and evaluation of an application for replacement of a qualifying structure, an owner shall submit to the governing body as part of the application, a New Hampshire division of historical resources individual resource inventory form, prepared by a qualified architectural historian and a letter issued by the local heritage commission and if the qualifying structure is located within a designated historic district established in accordance with RSA 674:46, a letter from the historic district commission or, if such local commissions are not established, a letter issued by the New Hampshire division of

historical resources that identifies any and all historical, cultural, and architectural value of the structure or structures that are proposed to be replaced and the property on which those structures are located. The application for tax relief shall not be deemed to be complete and the governing body shall not schedule the public hearing on the application for replacement of a qualifying structure as required under RSA 79-E:4, II until the inventory form and the letter, as well as all other required information, have been submitted.

II. Upon receipt of an application, the governing body shall hold a duly noticed public hearing to take place no later than 60 days from receipt of the application, to determine whether the structure at issue is a qualifying structure; whether any proposed rehabilitation qualifies as substantial rehabilitation; and whether there is a public benefit to granting the requested tax relief and, if so, for what duration.

III. No later than 45 days after the public hearing, the governing body shall render a decision granting or denying the requested tax relief and, if so granting, establishing the tax relief period.

IV. (a) The governing body may grant the tax relief, provided:

(1) The governing body finds a public benefit under RSA 79-E:7; and

(2) The specific public benefit is preserved through a covenant under RSA 79-E:8; and

(3) The governing body finds that the proposed use is consistent with the municipality's master plan or development regulations; and

(4) In the case of a replacement, the governing body specifically finds that the local heritage commission or historic district commission or, if such local commissions are not established, the New Hampshire division of historical resources has determined that the replaced qualifying structure does not possess significant historical, cultural, or architectural value, the replacement of the qualifying structure will achieve one or more of the public benefits identified in RSA 79-E:7 to a greater degree than the renovation of the underutilized structure, and the historical, cultural, or architectural resources in the community will not be adversely affected by the replacement. In connection with these findings, the governing body may request that the division of historical resources conduct a technical evaluation in order to satisfy the governing body that historical resources will not be adversely affected.

(b) If the governing body grants the tax relief, the governing body shall identify the specific public benefit achieved under RSA 79-E:7, and shall determine the precise terms and duration of the covenant to preserve the public benefit under RSA 79-E:8.

V. If the governing body, in its discretion, denies the application for tax relief, such denial shall be accompanied by a written explanation. The governing body's decision may be appealed either to the board of tax and land appeals or the superior court in the same manner as provided for appeals of current use classification pursuant to RSA 79-A:9 or 79-A:11 provided, however, that such denial shall be deemed discretionary and shall not be set aside by the board of tax and land appeals or the superior court except for bad faith or discrimination.

VI. Municipalities shall have no obligation to grant an application for tax relief for properties located within tax increment finance districts when the governing body determines, in its sole discretion, that the granting of tax relief will impede, reduce, or negatively affect:

(a) The development program or financing plans for such tax increment finance districts; or

(b) The ability to satisfy or expedite repayment of debt service obligations incurred for a tax increment financing district; or

(c) The ability to satisfy program administration, operating, or maintenance expenses within a tax increment financing district.

**Source.** 2006, 167:1, eff. April 1, 2006. 2009, 200:8-11, eff. July 15, 2009.

### **Section 79-E:5**

#### **79-E:5 Duration of Tax Relief Period. –**

I. The governing body may grant such tax assessment relief for a period of up to 5 years, beginning with the completion of the substantial rehabilitation.

I-a. For the approval of a replacement of a qualifying structure, the governing body may grant such tax assessment relief for a period of up to 5 years, beginning only upon the completion of construction of the replacement structure. The governing body may, in its discretion, extend such additional years of tax relief as provided for under this section, provided that no such additional years of tax relief may be provided prior to the completion of construction of the replacement structure. The municipal tax assessment of the replacement structure and the property on which it is located shall not increase or decrease in the period between the approval by the governing body of tax relief for the replacement structure and the time the owner completes construction of the replacement structure and grants to the municipality the covenant to protect the public benefit as required by this chapter. The governing body may not grant any tax assessment relief under this chapter with respect to property and structures for which an election has been made for property appraisal under RSA 75:1-a.

II. The governing body may, in its discretion, add up to an additional 2 years of tax relief for a project that results in new residential units and up to 4 years for a project that includes affordable housing.

III. The governing body may, in its discretion, add up to an additional 4 years of tax relief for the substantial rehabilitation of a qualifying structure that is listed on or determined eligible for listing on the National Register of Historic Places, state register of historic places, or is located within and important to a locally designated historic district, provided that the substantial rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation.

IV. The governing body may adopt local guidelines to assist it in determining the appropriate duration of the tax assessment relief period.

**Source.** 2006, 167:1, eff. April 1, 2006. 2009, 200:12, eff. July 15, 2009. 2010, 329:4, eff. July 20, 2010.

### **Section 79-E:6**

**79-E:6 Resumption of Full Tax Liability. –** Upon expiration of the tax relief period, the property shall be taxed at its market value in accordance with RSA 75:1.

**Source.** 2006, 167:1, eff. April 1, 2006.

### **Section 79-E:7**

**79-E:7 Public Benefit. –** In order to qualify for tax relief under this chapter, the proposed substantial rehabilitation must provide at least one of the public benefits, and the proposed

replacement must provide one or more of the public benefits to a greater degree than would a substantial rehabilitation of the same qualifying structure, as follows:

I. It *significantly* enhances the economic vitality of the downtown or *neighborhood center through the attraction of new businesses or the expansion of existing businesses, generation of net new job creation and an increase in the projected post tax relief period property valuation of not less than 10% for each year of tax relief requested under Section 79-E:5 I or I-a.*

II. It *substantially* enhances and improves a structure that is *demonstrated to be* culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, *neighborhood* or village center in which the building is located *provided that the substantial rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation;*

III. It promotes development of *needed facilities or services* in municipal or *neighborhood* centers, providing for efficiency, safety, and a greater sense of community *consistent with goals, objectives or recommendations specifically delineated in the City's Master Plan or other neighborhood, area or economic development related plans adopted by the Board of Mayor & Aldermen,* consistent with RSA 9-B; or

IV. It increases residential housing *downtown* or in other urban *and neighborhood* or town centers *consistent with the goals, objectives and recommendations delineated in the City's Master Plan or other neighborhood, area or economic development related plan adopted by the Board of Mayor & Aldermen specifically pertaining to the area within which the qualifying structure is located.*

Source. 2006, 167:1, eff. April 1, 2006. 2009, 200:13, eff. July 15, 2009.

**Section 79-E:7-a**

**79-E:7-a Public Benefit Determinations.** – Cities or towns may adopt according to the procedure in RSA 79-E:3 provisions that further define the public benefits enumerated in RSA 79-E:7 to assist the governing body in evaluating applications made under this chapter based on local economic conditions, community character, and local planning and development goals.

Source. 2010, 329:5, eff. July 20, 2010.

**Section 79-E:8**

**79-E:8 Covenant to Protect Public Benefit**

I. Tax relief for the substantial rehabilitation or replacement of a qualifying structure shall be effective only after a property owner grants to the municipality a covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for which the tax relief was granted and as otherwise provided in this chapter.

II. The covenant shall be coextensive with the tax relief period. The covenant may, if required by the governing body, be effective for a period of time up to twice the duration of the tax relief period.

III. The covenant shall include provisions requiring the property owner to obtain casualty insurance, and flood insurance if appropriate. The covenant may include, at the governing body's sole discretion, a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition of damaged structures and property. If the property owner has not begun the process of restoration, rebuilding, or demolition of such structure within one year following damage or destruction, the property owner shall be subject to the termination of provisions set forth in RSA 79-E:9, I.

IV. The local governing body shall provide for the recording of the covenant to protect public benefit with the registry of deeds. It shall be a burden upon the property and shall bind all transferees and assignees of such property.

V. The applicant shall pay any reasonable expenses incurred by the municipality in the drafting, review, and/or execution of the covenant. The applicant also shall be responsible for the cost of recording the covenant.

**Source.** 2006, 167:1, eff. April 1, 2006. 2009, 200:14, eff. July 15, 2009.

### **Section 79-E:9**

#### **79-E:9 Termination of Covenant; Reduction of Tax Relief; Penalty. –**

I. If the owner fails to maintain or utilize the building according to the terms of the covenant, or fails to restore, rebuild, or demolish the structure following damage or destruction as provided in RSA 79- E:8, III, the governing body shall, after a duly noticed public hearing, determine whether and to what extent the public benefit of the rehabilitation or replacement has been diminished and shall determine whether to terminate or reduce the tax relief period in accordance with such determination. If the covenant is terminated, the governing body shall assess all taxes to the owner as though no tax relief was granted, with interest in accordance with paragraph II.

II. Any tax payment required under paragraph I shall be payable according to the following procedure:

- (a) The commissioner of the department of revenue administration shall prescribe and issue forms to the local assessing officials for the payment due, which shall provide a description of the property, the market value assessment according to RSA 75:1, and the amount payable.
- (b) The prescribed form shall be prepared in quadruplicate. The original, duplicate, and triplicate copy of the form shall be given to the collector of taxes for collection of the payment along with a special tax warrant authorizing the collector to collect the payment under the warrant. The quadruplicate copy of the form shall be retained by the local assessing officials for their records.
- (c) Upon receipt of the special tax warrant and prescribed forms, the tax collector shall mail the duplicate copy of the tax bill to the owner responsible for the tax as the notice of payment.
- (d) Payment shall be due not later than 30 days after the mailing of the bill. Interest at the rate of 18 percent per annum shall be due thereafter on any amount not paid within the 30-day period. Interest at 12 percent per annum shall be charged upon all taxes that would have been due and payable on or before December 1 of each tax year as if no tax relief had been granted.

**Source.** 2006, 167:1, eff. April 1, 2006. 2009, 200:15, eff. July 15, 2009.

### **Section 79-E:10**

**79-E:10 Lien for Unpaid Taxes.** – The real estate of every person shall be held for the taxes levied pursuant to RSA 79-E:9.

**Source.** 2006, 167:1, eff. April 1, 2006.

### **Section 79-E:11**

**79-E:11 Enforcement.** – All taxes levied pursuant to RSA 79-E:9 which are not paid when due shall be collected in the same manner as provided in RSA 80.

**Source.** 2006, 167:1, eff. April 1, 2006. 2007, 42:3, eff. July 20, 2007.

### **Section 79-E:12**

**79-E:12 Rulemaking.** – The commissioner of the department of revenue administration shall adopt rules, pursuant to RSA 541-A, relative to the payment and collection procedures under RSA 79-E:9.

**Source.** 2006, 167:1, eff. April 1, 2006.

### **Section 79-E:13**

**79-E:13 Extent of Tax Relief.** –

I. (a) Tax relief granted under this chapter shall pertain only to assessment increases attributable to the substantial rehabilitation performed under the conditions approved by the governing body and not to those increases attributable to other factors including but not limited to market forces; or

(b) Tax relief granted under this chapter shall be calculated on the value in excess of the original assessed value. Original assessed value shall mean the value of the qualifying structure assessed at the time the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect public benefit as required in this chapter, provided that for a qualifying structure which is a building destroyed by fire or act of nature, original assessed value shall mean the value as of the date of approval of the application for tax relief of the qualifying structure that would have existed had the structure not been destroyed.

II. The tax relief granted under this chapter shall only apply to substantial rehabilitation or replacement that commences after the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect the public benefit as required in this chapter, provided that in the case of a qualifying structure which is a building destroyed by fire or act of nature, and which occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town, the tax relief may apply to such qualifying structure for which replacement has begun, but which has not been completed, on the date the application for relief under this chapter is approved.

**Source.** 2006, 167:1, eff. April 1, 2006. 2010, 329:6, eff. July 20, 2010. 2011, 237:3, eff. July 5, 2011.

## **Section 79-E:14**

**79-E:14 Other Programs.** – The provisions of this chapter shall not apply to properties whose rehabilitation or construction is subsidized by state or federal grants or funds that do not need to be repaid totaling more than 50 percent of construction costs from state or federal programs.

**Source.** 2006, 167:1, eff. April 1, 2006.



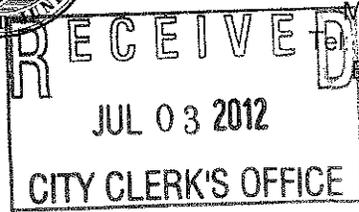
## CITY OF MANCHESTER Board of Assessors

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Robert J. Gagne, Chairman  
Michael W. Hurley

Lisa Turner  
Assistant to Assessors



To: Chairman Patrick Arnold  
Committee on Job Creation/Job Retention & Economic Development

From: Board of Assessors

Date: July 3, 2012

Re: Report on Parcels Receiving RSA 79-E Tax Relief Incentive

Dear Alderman Arnold:

At the Committee on Job Creation/Job Retention & Economic Development meeting of June 19, 2012, this office was asked to report on City Parcels enrolled in the RSA 79-E Community Revitalization Tax Relief Incentive program. The requested report is attached.

I remain available to answer questions at any time, and will plan to attend the next Committee on Job Creation/Job Retention & Economic Development meeting.

Respectfully,

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Robert J. Gagne, CNHA, NHCG  
Chairman

Attachments: 1 page Excel report

cc: Jay Minkarah, Economic Development Director

RSA Chapter 79-E  
Community Revitalization Tax Relief Incentive

Property Address	Map/Lot	Date Covenants Recorded	RSA 79-E Term	RSA 79-E Value	RSA 75:1 Value	Tax Year	Tax Rate (Note 1)	RSA 79-E Taxes	RSA 75:1 Taxes	Difference
20 Concord Street "Firefly Bistro" Building	9/12	5/12/2008	2009-2013	\$800,000	\$1,335,200	2009	\$17.85	\$14,280.00	\$23,833.32	(\$9,553.32)
				\$800,000	\$1,335,200	2010	\$17.81	\$14,248.00	\$23,779.91	(\$9,531.91)
				\$800,000	\$1,018,500	2011	\$21.96	\$17,568.00	\$22,366.26	(\$4,798.26)
				\$800,000	\$1,018,500	2012	\$22.28	\$17,824.00	\$22,692.18	(\$4,868.18)
				\$800,000	\$1,018,500	2013	\$22.73	\$18,184.00	\$23,150.51	(\$4,966.51)
Total for 20 Concord Street:										(\$33,718.18)
30 Amherst Street "Consuelos Taquiera" Building	4/9	5/23/2008	2009-2013	\$452,500	\$549,900	2009	\$17.85	\$8,077.13	\$9,815.72	(\$1,738.59)
				\$452,500	\$549,900	2010	\$17.81	\$8,059.03	\$9,793.72	(\$1,734.69)
				\$452,500	\$463,800	2011	\$21.96	\$9,936.90	\$10,185.05	(\$248.15)
				\$452,500	\$463,800	2012	\$22.28	\$10,081.70	\$10,333.46	(\$251.76)
				\$452,500	\$463,800	2013	\$22.73	\$10,285.33	\$10,542.17	(\$256.85)
Total for 30 Amherst Street:										(\$4,230.05)
790 Elm Street "Portland Pie" Building (Note 2)	153/17	5/8/2009	2010-2014	\$755,200	\$755,200	2010	\$17.81	\$13,450.11	\$13,450.11	\$0.00
				\$755,200	\$831,300	2011	\$21.96	\$16,584.19	\$18,255.35	(\$1,671.16)
				\$755,200	\$831,300	2012	\$22.28	\$16,825.86	\$18,521.36	(\$1,695.51)
				\$755,200	\$831,300	2013	\$22.73	\$17,165.70	\$18,895.45	(\$1,729.75)
				\$755,200	\$831,300	2014	\$23.18	\$17,505.54	\$19,269.53	(\$1,764.00)
Total for 790 Elm Street:										(\$6,860.42)
88 Commercial Street "Pandora" Building (Note 3)	837/22	3/26/2010	2010-2014	\$5,000,000	\$4,556,600	2010	\$17.81	\$89,050.00	\$81,153.05	\$7,896.95
				\$5,000,000	\$6,333,400	2011	\$21.96	\$109,800.00	\$139,081.46	(\$29,281.46)
				\$5,000,000	\$6,333,400	2012	\$22.28	\$111,400.00	\$141,108.15	(\$29,708.15)
				\$5,000,000	\$6,333,400	2013	\$22.73	\$113,650.00	\$143,958.18	(\$30,308.18)
				\$5,000,000	\$6,333,400	2014	\$23.18	\$115,900.00	\$146,808.21	(\$30,908.21)
Total for 88 Commercial Street:										(\$112,309.06)

Five year Total for All Parcels: (\$157,117.69)

Average per Year: (\$31,423.54)

- Notes: 1.) Tax rates for future years assume 1.47% increase for 2012 and 2% per year increase thereafter.  
2.) 790 Elm Street was still under construction and incomplete as of 4/1/2010  
3.) 88 Commercial Street interior fit-up is pending. 2011-14 value assumes fit-up is completed.