

Community Revitalization Tax Relief Incentive

AKA RSA 79-E

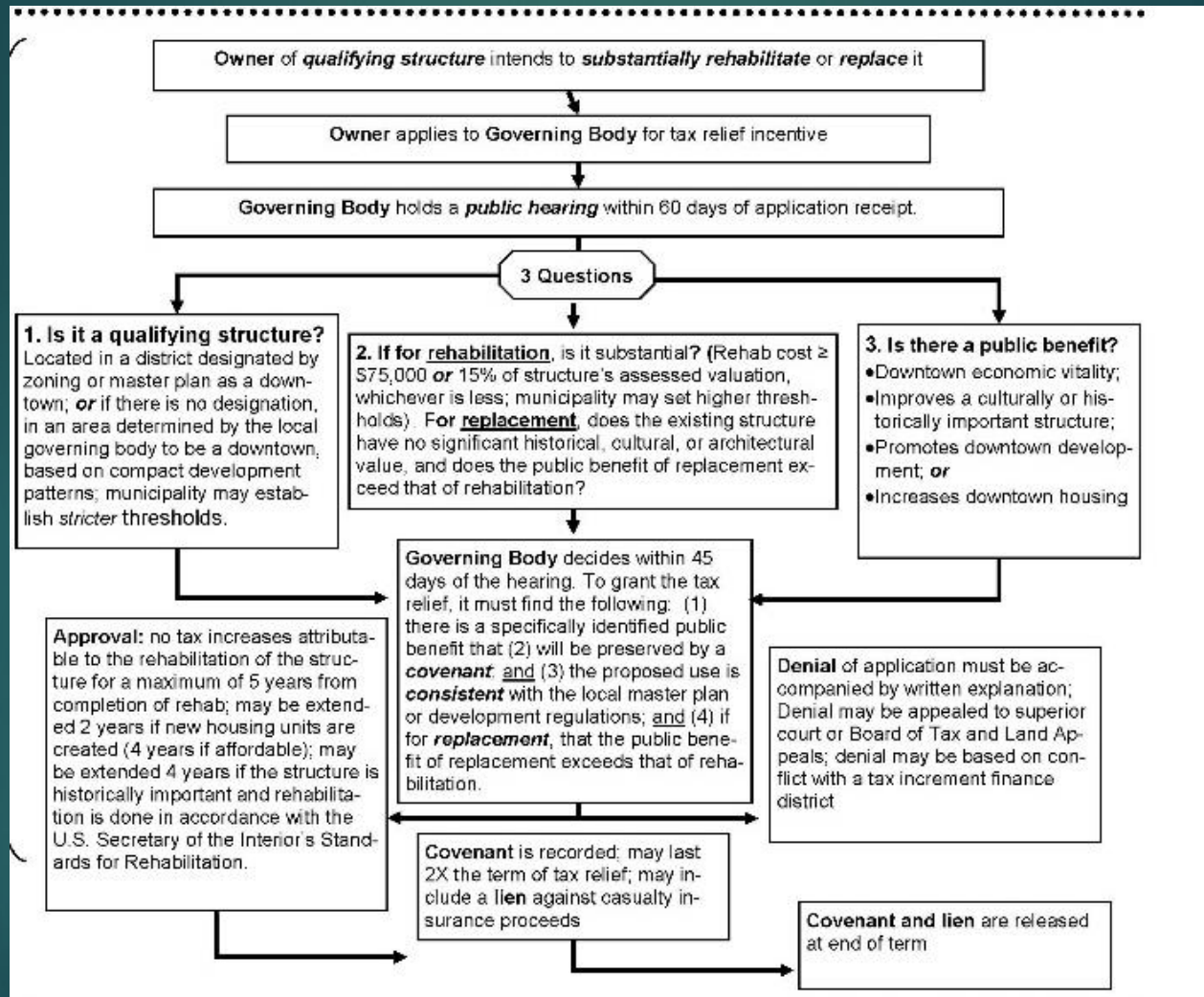
CITY COUNCIL WORKSHOP

JUNE 3, 2015

Spirit and Intent



Process



Public Benefits



- ▶ It enhances the economic vitality of the downtown.
- ▶ 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 the downtown.
- ▶ It promotes the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation.
- ▶ It promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9B.
- ▶ It increases residential housing in urban or town centers.

Covenants

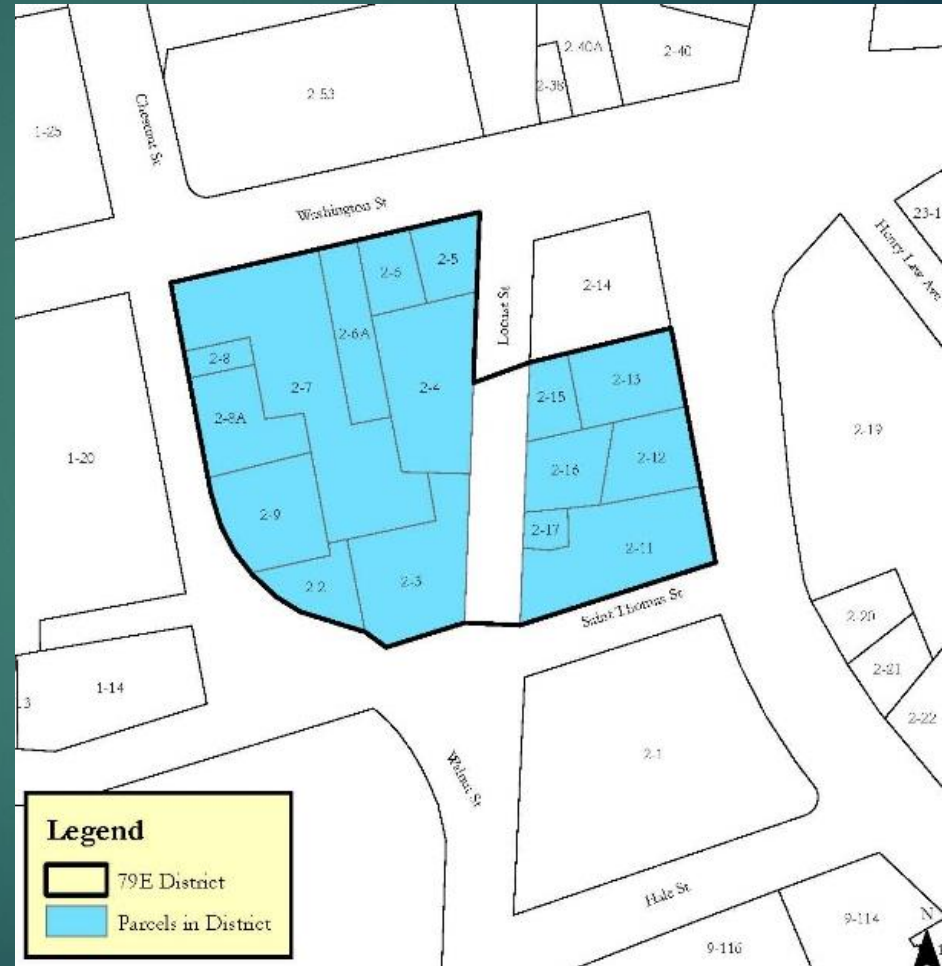
- ▶ Covenant is required signed by the owner and the city to:
 - ▶ Protect the public benefit(s) the project provides
 - ▶ Ensure that the building is maintained.
 - ▶ Outline insurance requirements
 - ▶ Outline payback/penalty provisions

If owner does not comply, all taxes - including back taxes are due to City

Proposed District

Map 2

- Lots
- 2
 - 3
 - 4
 - 5
 - 6
 - 6A
 - 7
 - 8
 - 8A
 - 9
 - 11
 - 12
 - 13
 - 15
 - 16
 - 17



State Requirements

- ▶ The City May:
 - ▶ Require rehabilitation costs to exceed 15 percent of pre-rehabilitation assessed valuation or an amount greater than \$75,000
 - ▶ Develop a Tax Relief Period up to 9 years
 - ▶ Adopt provisions to document public benefit
 - ▶ Require a covenant up to twice the tax relief term
 - ▶ Require a lien against proceeds from casualty and flood insurance claims

Local Expectations



Staff Recommendations

- ▶ The City Shall:
 - ▶ Require rehabilitation costs to exceed 220 percent of pre-rehabilitation assessed valuation
 - ▶ Allow a Tax Relief Period up to 5 years
 - ▶ Require documentation of public benefit at time of application
 - ▶ Require a covenant up to twice the tax relief term
 - ▶ Require a lien against proceeds from casualty and flood insurance claims
 - ▶ Require that the property remain taxable for the period
 - ▶ Require a development agreement be signed

Questions