

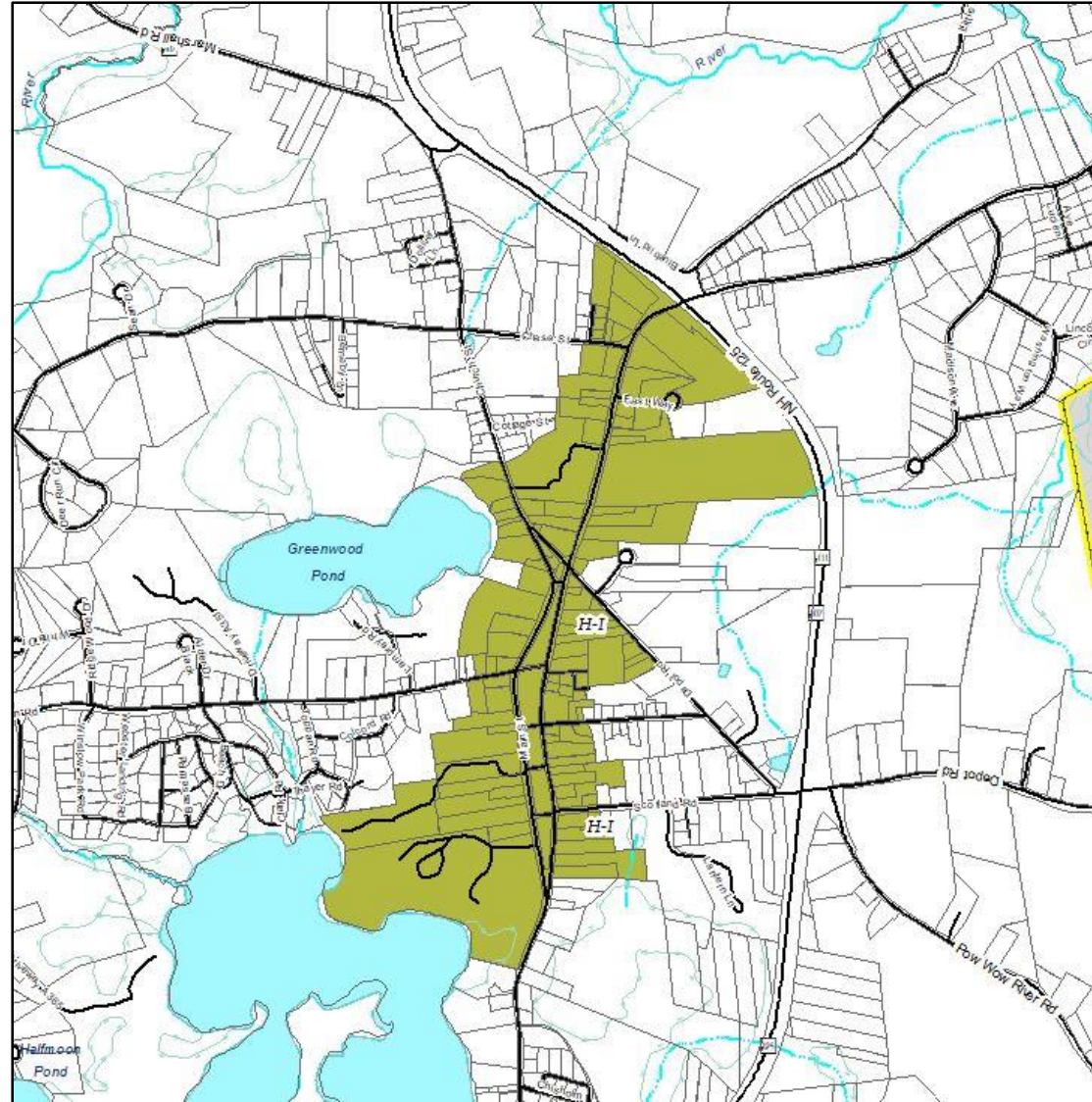
Community Revitalization Tool RSA 79-E

Presentation to Board of Selectmen
Kingston, NH
2019

Why is Article 26 Being Proposed?

- To help enhance economic vitality of the Village Center
- To be responsive to the recommendations from Envision Kingston II
- To address one of the recommendations in the Historic and Cultural Resources chapter of the Town Master Plan
- To help increase the tax base in Kingston

Proposed Revitalization Area: Historic District I



What is RSA 79-E?

- NH State Law – enacted in 2006
- Can be adopted by NH communities via Town vote
- Intended to help enhance downtowns and village centers by spurring revitalization of underutilized structures (and building replacement in limited circumstances)
- Provides temporary property assessment relief as an incentive for substantial reinvestment leading to new economic activity – *and* provides a *Public Benefit*

What is *Public Benefit*? (per RSA 79-E-7)

- Enhances economic vitality of the downtown
- Improves a culturally or historically important structure
- Promotes downtown development (and qualifying historic structures outside of downtown)
- Encourages preservation and re-use of existing building stock
- Increases downtown housing

***Note:** A project can provide any one or multiple of the above benefits

What is The Tax Benefit to The Property Owner if Their Application is Approved?

- Property assessment is held at pre-redevelopment level for up to five years (at the discretion of the Board of Selectmen) from completion of improvements
- Tax relief period can be extended up to a total of thirteen years under certain circumstances, and at the discretion of the Selectmen

Does The Town Lose All Tax Revenue on Approved Applications?

- **NO!** It continues to tax the property at current assessment until the relief period expires
- Once the relief period expires, the property is assessed at its full, re-developed value

Hypothetical Property Example

Pre-renovation Assessment:

Building	\$200,000
Land	<u>\$100,000</u>
Total	\$300,000

Tax Revenue: \$22.00/thousand = \$6,600/year during relief period

Post-renovation Assessment:

Building	\$400,000
Land	<u>\$100,000</u>
Total	\$500,000

Tax Revenue: \$22.00/thousand = \$11,000/year starting at end of relief period

If Adopted, How Does 79-E Work?

- Selectmen (in consultation with legal counsel and other Boards) develop application forms, parameters and procedures
- Property owner applies to Selectmen for tax relief
- Application is very detailed and non-trivial
- Public notice and Public Hearing are required
- Application can be approved or denied, *solely at the discretion of the Selectmen*
- A denial can be appealed, but will be upheld unless the denial was discriminatory or made in bad faith.

Protective Covenant Required

- Granted to the Town by property owner
- Recorded at Registry of Deeds
- Insures the structure will be maintained and used in a manner consistent with the Public Benefit for which tax relief is received
- May be up to 2X the term of tax relief, and may include a lien against casualty insurance proceeds

NH Towns That Have Adopted 79-E

- Allentown
- Belmont
- Berlin
- Claremont
- Concord
- Derry
- **Durham***
- **Exeter***
- Franklin
- Goffstown
- **Hampton***
- Hillsborough
- Hooksett
- Hopkinton
- Laconia
- Lancaster
- Lisbon
- Marlow
- Marlborough
- Nashua
- **Newmarket***
- Northumberland
- Peterborough
- Pittsfield
- Rochester
- Somersworth
- **Stratham***
- Sunapee
- Warner
- Winchester
- Wolfeboro

***Communities near Kingston that have successfully used RSA 79-E in revitalization projects**

Imagine What Could be, and What Might Have Been...

