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:

<table>
<thead>
<tr>
<th>Item</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>$200,000</td>
</tr>
<tr>
<td>Land</td>
<td>$100,000</td>
</tr>
<tr>
<td>Total</td>
<td>$300,000</td>
</tr>
</tbody>
</table>

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

Post-renovation Assessment:

<table>
<thead>
<tr>
<th>Item</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>$400,000</td>
</tr>
<tr>
<td>Land</td>
<td>$100,000</td>
</tr>
<tr>
<td>Total</td>
<td>$500,000</td>
</tr>
</tbody>
</table>

**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

- Allenstown
- 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...