

Franklin Falls Mixed Use Tax Increment Finance District (Franklin NH)

Development Program and Financing Plan
August 2008



Adopted by the Franklin City Council on September 2, 2008

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I. Introduction

In accordance with the provisions of RSA 162-K, *Municipal Economic Development and Revitalization Districts*, the Franklin City Council hereby establishes the **Franklin Falls Tax Increment Financing (TIF) district**.

II. Purpose and Objectives

The purpose of the Franklin Falls Tax Increment Financing district [hereinafter the “district”] is to fund public improvements and infrastructure upgrades necessary to attract and advance desirable mixed use development and private investment in the downtown and adjacent mill district of the City of Franklin. The objectives of this development program and TIF plan are to overtime:

- Stimulate mixed use development within the district by providing infrastructure and public amenities that encourage and create opportunities for businesses to locate and expand within the district.
- Enhance employment and earnings opportunities for area residents.
- Expand the property tax base of the City of Franklin.
- Stimulate other businesses to locate or expand within the community.
- Promote design and re-use activities that respect the historic nature of the district.

Achievement of these objectives will occur through the improvement to intersections and realignment of roadways within the district, the investment in public facilities and amenities including parking, the upgrade of the municipal wastewater collection system and water distribution system, the construction of other public amenities, and the rehabilitation and/or demolition of run-down buildings as described in the development program and TIF plan [hereinafter the “plan”].

As outlined in this plan, the ideas for downtown and mill district revitalization go back many years. While the city recognizes that there is at least one property owner actively and currently pursuing re-development options, the overriding issue and concern is the economic, cultural, and societal health of the entire downtown area. At a recent conference on the *Adaptive Re-use of Vacant Properties in Downtown*, sponsored by the Community Development Finance Authority of New Hampshire, the speaker Alan Mallach, a Senior Fellow at the National Housing Institute summarized very well the issue when he said, “*vacant building reuse is not an ad hoc, building by building issue, but part of a strategy for downtown. Each decision about a vacant building should emerge from the community’s strategy and contribute to realizing the strategy*”. That is the goal, purpose, objective, and strategy of the City of Franklin; to work in a systematic and dedicated fashion to bring back the vitality, excitement, and small-city character to downtown Franklin.

III. Background

Land within the district has remained largely underdeveloped because of the multitude of depressed and underutilized properties. This has occurred due to the lack of a coherent plan and adequate public infrastructure and related amenities to support the desired mixed use development. The district can though contribute to the City's tax base through positive economic development. Three different planning documents [the 1997 PlanNH Charrette, the Vision 2000 plan, and the 2006 PlanNH Charrette] all point to the need for, and importance of, an overall revitalization plan that outlines the changes and improvements to the downtown area that will result in a positive and productive shift in the economic well being of this historically important portion of the community. Stimulating mixed use development and investment in this area will provide needed taxable assessed valuation, business revenue, and employment opportunities that will collectively benefit the community as a whole far into the future.

The economic development objectives of the district are consistent with the City of Franklin Master Plan, adopted by the Planning Board in December of 2005, which sets as a goal the development of enhanced economic options and opportunities in the downtown area. Section III of the Plan lists the following as one the 7 Vision Statements: "Encourage the retention and expansion of downtown businesses, especially in the mill buildings that front the river, and use the river to best serve the economic and recreation interests of the City." The proposed transportation and utility improvements, along with the creation of mixed use [residential and commercial] developments will be the encouragement and catalyst for positive and beneficial expansion.

The specific importance and relevance of a TIF district for the downtown area was highlighted in the Master Plan. Section VI, Economic and Business Development, says this: "The potential benefits of a downtown Tax Incremental Financing [TIF] District, similar to the one created for the Industrial Park, should be reviewed. The TIF could be used as a mechanism to fund necessary capital improvements" And the importance of the overall mill district to the downtown and the economic vibrancy of the City was emphasized this way: "The revitalization of the mill buildings, located behind the Central Street businesses and presently underutilized or basically vacant, is an important component for creating an improved downtown Franklin. The current owners, potential investors, and the City need to capture the vitality that has been created through the retail uses, professional office space, and mixed housing options utilized in other mills across the state and import this creative thinking to these buildings. Improving options for vehicular ingress and egress to the mills will play a role in how these mills are re-developed." Both of these statements are aligned with the goals and objectives of, and proposed improvements within, this new TIF district.

The Master Plan contains numerous references to the importance to the development of the Trestle View Park, dedicated in the fall of 2005 and planned and implemented through the cooperative efforts of the city, state and federal governments, the private sector, and community based organizations. The park acts as focal point to the easterly

entrance into the downtown area, and the combination of green space and the historic perspective of the park make it a city asset of which all residents can be proud. The public improvements to be implemented through this district will expand on the benefits of the park to other areas in the downtown and along the river. This is especially true in the area of creating a walk able downtown area. Trestle View Park will act as an “anchor” for a future river walk that can wind through the mill district area, along the river and connect to Odell Park, the city’s prime recreational complex which overlooks the river. Looking beyond the TIF district, the river walk could eventually connect to the east-west trail system that is planned to run through central New Hampshire from the Vermont line to the Maine line.

Like the creation of Trestle View Park, all of the goals and objectives of this district will not be realized without the cooperative efforts of business and property owners, outside investors and developers, residents, and city government. All parties need to work together and promote the needed improvements to parking, transportation patterns, infrastructure, facades, and streetscape designs. Together they can capture the vitality that was once present in Franklin when the mills were bustling and the residents and shoppers filled the streets. This vitality can be created anew through the creation of new downtown housing opportunities, and the efforts to restore the Central Street shops and buildings. The excellent example set by the *Franklin Antique Market* – renovated with respect for the historical setting, with eye-catching window displays – could be followed by other downtown property owners.

One last component of the downtown that cannot be overlooked is the Franklin Opera House. Active in the early 1900’s but unused for many years, the importance of the Opera House has been well recognized in the 2000 Master Plan, the Vision 2000 plan, and the 2005 Master Plan. The dedication of volunteers in the revitalization of the Opera House, the participation of both local and regional performers in the community theatre performances, and the exciting cultural and educational programs presented to the residents of the City and the region all help create a foundation for the overall enhancement of the downtown area.

IV District Boundaries

The boundary of the district generally conforms to the Historic District boundary as approved by the Franklin City Council. Some of the singularly residential areas of the Historic District have not been included in the area that forms the TIF; the Boundary Map is attached as [Appendix A](#).

V. Conformance with Limitations of the District

The size of the district is 52.41 acres. The City of Franklin has a total of 18,687.92 acres. Therefore the district represents 0.28 % of the overall acreage of the City and meets the thresholds contained in RSA 162-K:5.I.

The total assessed value of all taxable property within the TIF boundary is \$17,261,300.00. The total of all taxable property within the City of Franklin is \$599,823,750.00. Therefore the properties within the TIF represent 2.9% of the overall value of the City, and meet the thresholds contained in RSA 162-K:5.II. It should be noted that the City does have another approved TIF district in the Franklin Industrial Park located off of South Main Street, but there are no outstanding bonds or other obligations for this district, and no captured tax increments are being retained by the City. A listing of the properties within the district with the corresponding acreage and values is included in **Appendix B**.

VI. **Proposed Improvements**

The City of Franklin plans to undertake a multiphase approach to completing improvements within the Franklin Falls TIF District. Phase I can be initiated following approval of the District. All proposed work will be funded through a combination of the sources outlined in Section XIV. Included with each task is an anticipated cost estimate. These figures have been generated based on input from other professionals and consultants, but they are estimates. As final design plans are generated these figures can be better calculated by engineers and contractors.

Phase 1 shall consist of the following elements:

A. Preparation of engineering plans for transportation and parking improvements:

As has been documented in the 2006 PlanNH Charrette, the access to the mill district area behind the northerly side of Central Street is very limited. Presently Smith Street provides for one-way ingress to the area and Memorial Street provides both ingress and egress. Currently the traffic exiting from Memorial Street becomes backed up at the Central Street intersection due to an inability to easily make a left hand turn due to traffic conflicts on Central Street. The general plan is to shift Smith Street and create an off-set 4-way intersection of Smith, Franklin and Central Streets. This will allow for traffic to leave the mill district area, including Odell Park, with the aid of a traffic light to accommodate both east and west turning movements. These improvements need to be in place prior to the occupancy of any new residential units in the mill buildings.

Together with the re-design of Smith Street, the configuration of Canal Street and the overall layout of the municipal parking areas behind Central Street will be evaluated. Collectively, these improvements will allow for enhanced parking opportunities for both retail users and the downtown residents and better traffic movements throughout the entire area.

The engineering plans will look at the transportation issues, traffic flow and parking patterns, utility improvements, stormwater and drainage upgrades, and related infrastructure improvements. The development of these plans will be performed by

an engineering consultant for the city, with additional work and support provided by the city's water and sewer consultant.

Estimated costs: \$150,000

B. Obtain options to purchase properties necessary for transportation improvements:

Two structures, the apartment buildings located on the Canal and Memorial Street intersection, need to be optioned so that the City can move ahead with the engineering plans for the transportation improvements. The anticipated modifications to Canal Street include the widening of the street so it has two-way traffic movement as opposed to the current one-way pattern. This is necessary so as to get traffic out to the new lighted intersection of Smith and Central Streets. Potentially only one building will be affected but the city needs to have various options available to it to insure a well executed design plan. Further, given their proximity to the City Hall and the Opera House, these properties might well be necessary to create the needed parking for both governmental and cultural activities. The final disposition of these structures will be dependent upon the designs of the parking, transportation and utility improvements. The duration of the options would only be necessary until such time as the plans can be finalized and decisions made as to the best course of action.

Estimated costs: \$20,000

C. Obtain options to purchase properties that restrict future development:

Three buildings in the district, the two Ferrari mill buildings and the R & D Paving building now function as impediments to economic investment in the district, especially for the re-development of the RiverBend Mill building. In particular, the primary Ferrari mill building is in a significant state of disrepair and may be beyond the stage of practical and economic restoration. The R & D Paving building represents a well established business in the city, but unfortunately the use is in conflict with the revitalization efforts of the district. FBIDC has been speaking with the owners of the business to coordinate with them on finding a new location in the city's industrial park. The city needs to option all of these buildings in order to better control their end uses and plan for the necessary improvements.

The secondary Ferrari building may have some potential future uses that could benefit the city. This issue will be explored more in Phase 2.

Estimated costs: \$30,000

D. Perform site assessments on optioned properties:

As the engineering plans are finalized decisions can better be made as to what buildings may need to be purchased by the city. Work can then begin on the environmental site assessments for these sites to determine if there are any environmental or hazardous conditions that would impact the purchase prices or the ultimate disposition of the properties. It is proposed that the options contain language

to facilitate the recovery of these costs in an appropriate fashion. Potential site issues that might create impediments to purchasing property might be more of an issue for the older mill buildings. The City may be able to obtain grants or other assistance in performing these assessments and every effort will be made to secure these funds.

Estimated costs: \$50,000

E. Purchase and Remove one existing apartment building:

As previously mentioned, the apartment buildings at the intersection of Memorial and Canal Streets are almost certainly in the pathway of proposed transportation improvements. It is anticipated that at least one of the buildings will need to be removed. The completion of the final engineering plans will determine which building(s) needs to be removed. The cost below is for purchase and removal of one of the buildings.

Estimated costs: \$350,000

F. Construction of the transportation and parking improvements:

The city will initiate the construction work on the transportation and parking improvements, utility improvements, and related infrastructure upgrades. This work will be performed by an outside contractor.

Estimated costs: \$650,000

G. Initiate work on the creation of the Development Agreements:

One additional component of the Phase I work is the preparation of Development Agreements to be established with the affected developers. These agreements are necessary to insure that the financial exposure and risks of the City are minimized to the greatest extent possible. These agreements are discussed in greater detail in Section XV. It is anticipated that some initial consulting assistance will be needed for this task but that staff and the City Attorney can participate actively in preparing the necessary documents.

Estimated costs: \$7,500

Total estimated costs for Phase I activities: \$1,257,500

Phase 2 shall consist of the following elements:

I. Analyze and Review potential options for the Ferrari buildings:

The city will need to take a detailed look at the potential uses for this site occupied by the two buildings on the Ferrari property. The deteriorated condition of the primary Ferrari building acts as an impediment to new investments in the district

and the structure needs to be demolished. The secondary building is smaller and could potentially be used by the city for some use, possibly associated with the adjacent Recreation Center. The review can be carried out by city staff, with consultation with the owners of the adjacent buildings, or other potential developers, to see if they have need for the site for parking or other related uses. Potential city uses could include the creation of new entrances into Odell Park, green space or a river walk area, or the creation of additional parking for city and/or private use. If the owner of any abutting property needs additional parking spaces to meet their needs then lease agreements could be prepared with the lease payments being directed towards the payments for any debt incurred for the work associated with district improvements. Dependent on the outcome of the review of the second Ferrari building, the work on this structure will either involve demolition or re-vitalization of the building for the proposed use.

Estimated costs \$0

II. Purchase and Removal of the Ferrari buildings

Depending on the outcome of the review of potential uses and users of the Ferrari property, the city would purchase and remove the structure(s) and stabilize the site for future uses. Prior to a purchase, the results of the site assessment and any potential clean-up measures would be incorporated into the discussion of a purchase price. While this task is included in Phase 2 it is anticipated that the removal of the building will closely follow the initiation of any rehabilitation of the Riverbend Mill building owner by Ed Forster. The ability to secure funding for the work on the Riverbend Mill is almost certainly linked to the successful removal of the deteriorated Ferrari building. Whether the removal is carried out by the city or a private developer is an unknown question at this time.

Estimated costs: \$500,000

III. Purchase and remove the R & D Paving Company building

As previously mentioned, the uses associated with the R & D building conflicts with the revitalization of the district. Upon the completion of the negotiations with the owners, this building can be purchased and removed, and the site stabilized for future uses, some of which may have been identified in the final engineering plans for the establishment of parking or public amenities. Any problem identified through the site assessment work will be reflected in the negotiated purchase price.

Estimated costs: \$250,000

Total estimated costs for Phase II activities \$750,000

Subsequent Phases will be created as the different needs of the district are identified. The decision to proceed with any future phases will be made as grant and private sources are

identified and/or the captured increment is sufficient to service the debt on the bonds. The City Council shall determine if and when the level of captured increment in the District, combined with any other grant funds or private investment, justifies additional borrowing. The subsequent phases will consist of, but are not limited to, the following:

- Improvement to recreational amenities and connection of recreational areas including the Winnepesaukee River Trail, Trestle View Park, and Odell Park.
- Purchase of façade rights to downtown Central Street buildings in order to exercise better control over the look and feel of the “face” of downtown Franklin.
- Streetscape improvements including but not limited to landscaping, benches, improved pedestrian crosswalks, and lighting.
- Improvements to the access ways to the City Hall and Opera House.
- Improvements to the vehicular and pedestrian entrance to Odell Park

The specific components of the phases are, and need to be, fluid. The City needs to retain the ability to react to outside forces and segment and sequence the improvements in a reasonable fashion that makes sense for the overall re-development goals of the City for the TIF area, and also respects and balances the overall budget needs of the City. By and through the adoption of this Plan it is the intent and understanding of the Franklin City Council that the individual work activities of the different phases may be moved and adjusted by the Administrator [see Section XIX] without the need or requirement for a formal public hearing, as long as the changes are in compliance and conformance with the overall goals and purpose of the Plan.

VII. Economic Benefits of the Overall TIF Project

The improvements described herein are required in order to service the existing population and accommodate and encourage future growth. It is the latter that is needed most in the City. As pointed out earlier in this Plan, the economic viability of the downtown area has suffered for many years. Businesses felt the impact of the closing of the mills, and there was little incentive to invest funds into adequate upkeep of the existing buildings or venture out onto that economic limb by investing new capital into significant modifications to the larger mill buildings that now stood silent. This lack of maintenance has resulted in one of the mill buildings being in a significant state of disrepair where demolition may be the only viable option.

The proposed improvements under the first phase will provide the incentive and be the catalyst for new investors. It is estimated the proposed improvements put forth by the City, taken together with the private investments will have the potential to generate between \$10 million to \$22 million in new property values within seven to fifteen years. This forecast is based on a review of the development capability of the existing vacant and underutilized properties within the District. A summary of estimated values after re-development is included in **Appendix B**.

VIII. Open Space

As addressed in the description of the Phase I and Phase II work above, it is anticipated that any demolition work on the two Ferrari buildings will result in the creation of some limited open space / green space adjacent to the river. The emphasis will be on walkways along the river and some limited landscaping to help soften the impacts from the areas dedicated to parking and roadways. There is also the potential for expanding green belts along other city owned property on the north side of the Winnepesaukee River and making a connection to a future walkway over the Trestle Bridge over the river.

Due to the fact that Odell Park is located at the westerly end of the District it is not anticipated that any other significant amount of additional open space will be set aside as a result of this initiative.

IX. Environmental Controls

In constructing the planned public improvements described in Section III, above, The City of Franklin, as well as private parties, will be required to comply with all appropriate environmental regulations. These regulations may include, but are not limited to, any or all of the following:

- State and federal regulations regarding the protection of wetlands and floodplains.
- State standards for design of public sewer systems.
- State permits regarding soil disturbance/filling.
- State and federal regulations regarding air, water, and noise pollution.
- Applicable building codes, zoning ordinance, subdivision and site planning regulations.

As pointed out in the discussion of work for Phase I and II, the proposed demolition of any building will be preceded by appropriate site assessments to insure that no hazardous or other environmental contamination is present which would pose a threat to the residential population during the removal of the buildings. The City will coordinate this work with licensed firms and with the NH Department of Environmental Services.

X. Proposed Re-Use of Private Property

As outlined in the details for the Phase 1 and Phase 2 work, the City will be assuming ownership of property that is currently privately held. All public uses and any private uses, whether through lease agreements, outright sales, or other appropriate mechanism will be conducted in conformance with all applicable sections of the RSA 162-K, especially Section 162-k:6.III.(i). The public uses will focus on transportation and parking improvements, walkways and river walk type areas. Any other public use not yet outlined and determined will be reviewed by the Advisory Board [see Section XX of the Plan] prior to the expenditure of any public funds or other grant monies associated with the improvement. The potential private uses of any property acquired by the City would focus on the creation of new parking areas that might be associated with the re-development of one of the mill buildings or the development of a new commercial or

mixed use structure on one of the footprints of a property from which an underutilized building was removed.

If the property on which the Ferrari buildings are located, or any other district property which is purchased by the city, become of interest to an outside developer for new construction then the city could market and sell the property recognizing the need to recover any costs incurred by the city.

XI. Relocation and Displacement

The City of Franklin will work to minimize the impacts of relocation for any residents or businesses within the District boundary. All relocation and dislocation activities will be in conformance with RSA 162-K, Section 6 and 15. Prior to the final acquisition of any property identified elsewhere in this Plan, a Relocation Plan will be prepared and submitted to the Administrator for review and approval. A copy of this plan will also be submitted to the Advisory Board for comment. This plan will outline the costs of acquisition by the City, the contributions of the City for relocation of the business and the costs of constructing a new building.

XII. Operations and Maintenance of the District

The added cost for operation and maintenance associated with the extended water and wastewater systems in Phase 1 and Phase 2 will be minor and will be reflected in the user fees assessed against the end users for service provided. Maintenance of municipal roadways, trails and other public amenities will be incorporated in the normal operations of the City's Public Works Department. The City, through the Administrator, retains the right to direct some of the tax increments to the maintenance of the downtown and Central Street improvements such as landscaping, lighting, parking lots, etc.

XIII. Estimated Costs of the Development Program

As outlined in Section VI, the estimated costs for tasks identified for Phase I are \$1,257,500, and the estimated costs for Phase II are \$750,000. It is anticipated that the City funding will partially come from the issuance of Municipal Bonds for the Phase 1 and Phase 2 activities. **Appendix C** outlines the costs associated with the issuance of these Bonds and the anticipated yearly obligations for the City. In summary, the costs of the Development Plan are as follows:

Total Phase 1 P & I Payments for 20 year Bond of \$1,257,000	\$1,940,879.44	
[Maximum / Minimum Payments for Principal & Interest for Phase 1]	Maximum: \$137,941.94	Minimum: \$63,150.00
Total Phase 2 P & I Payments for 20 year Bond of \$750,000	\$1,153,265.63	
[Maximum / Minimum Payments for Principal & Interest for Phase 2]	Maximum: \$82,328.13	Minimum: \$36,837.50
Grand Total for Phase 1 and 2 Principal & Interest Payments	\$3,094,145.07	

Cost projections are based upon 2008 cost estimates. To the extent that elements of the project are implemented in out years, an inflation factor derived from the Engineering News Record for the lapsed time period will be applied.

XIV. Funding Sources

The City of Franklin intends to use multiple funding sources to complete the proposed development program for Phase 1 and Phase 2 discussed above. A combination of municipal bonding, state or federal funding, private investment, foundation grants, municipal appropriations, leases, off-site improvement charges, and betterment / special assessments may be utilized. Additionally, in order to reduce the amount of municipal bonding, the City may seek funding from other sources, that may include, but are not limited to, the following:

- Community Development Block Grant Program (CDBG);
- Rural Development Grants
- NHDES Financial Assistance Water or Wastewater Grant Program
- NHDOT Enhancement Grants
- TCSP Grant from the Federal Highway Authority

For any grant or funding program that requires the City to match or pay some other proportional share, the funding for this match or share shall either come from the Bonding, some other general appropriation, or from some other gift or funding mechanism.

It is the overall intent of the Plan to be partially funded through the generation of tax increments as described and defined per RSA 162-K:10.III (a)(1). All of the tax increments shall be directed towards and dedicated to the retirement of all of the outstanding bonds and notes issued for the improvements and activities associated with this Plan. All tax increments shall be set aside and placed into the dedicated TIF fund. The baseline values used to determine tax increments will be as of April 1, 2008.

For the purposes of determining the tax increments, the market based appreciation in value of any property shall be considered as new values to be captured for the dedicated TIF fund.

If there are available tax increments in excess of that which is necessary to fund the outstanding financial obligations for the bond payments for either Phase 1 or Phase 2 in a given year then the excess amount shall either be used to make additional payments towards the outstanding financial obligations or be placed under the control of the City Treasurer until sufficient funds are available to complete any other work approved as an amendment to this Plan by the City Council.

Pursuant to RSA 162-K, the City of Franklin may issue bonds or other appropriate debt instruments to pay for the proposed work and improvements outlined in this Plan for Phase 1 and Phase 2 activities. Any Bonding for Phase 3 activities shall be

approved by the City Council prior to the issuance of any bonds. Said approval of Phase 3 bonding does not constitute an amendment to this Plan.

As noted elsewhere in this Plan, the work activities for the different phases need to be fluid so the City can react to any changed circumstances and effectively move the goals and objectives forward. The City Council, in consultation with the Administrator, shall ultimately determine though if and when the level of tax increments in the District, combined with any other grant funds or private investment, justifies additional borrowing or the implementation of specific work activities or improvements.

XV. Development Agreements

Since construction of the proposed improvements will commence prior to realization of the required incremental value necessary to service the bonds to complete Phase 1 of the Development Plan, the City Council may require the developer, or developers, as the case may be, to execute a clearly enforceable Guarantee Agreement. This agreement will require the developer(s) to pay any deficiency between the City's actual annual cost for bond debt service and incremental tax revenues generated in the District. The City Council shall have final approval of the language of any Agreement negotiated by the Administrator. All Agreements shall be executed and recorded in the Merrimack County Registry of Deeds.

The City acknowledges that the creation of a public-private partnership to further the goals and objectives of the TIF District and the Plan involves some level of risk on the part of both parties. At the same time, the City recognizes that opportunities for risk with public funds are not in the best interest of the citizens and taxpayers of Franklin. It is not the intent of the City, acting through the City Council, to vote to authorize the issuance of any bonds or other financial obligation notes without the execution and recording of the appropriate Development Agreements in order to protect the interests of the City and its residents.

XVI. Impacts on Other Taxing Jurisdictions

A. Property taxes applied to incremental assessed value in the TIF District will include the municipal, school, county, and precinct taxes currently collected by the City. The 2007 applicable tax rates are as follows:

Municipal	\$8.45/ \$1,000
County	\$2.38/ \$1,000
Education	\$4.88/ \$1,000
State Wide Property Tax	\$2.33/ \$1,000
Total	\$18.04/ \$1,000

The estimated impact of tax increment financing on the assessed values of all other taxing jurisdictions within the City of Franklin is negligible, since the proposed

improvements are designed to encourage commercial investment and lessen the residential tax burden. Thus, these activities will contribute to a long-term increase in the non-residential tax base at a faster rate than would otherwise be achieved.

XVII. Plan Amendments

Pursuant to RSA 162-K:9, this plan may be amended by a vote of City Council in conformance with all applicable time frames and notice requirements.

XVIII. Duration of Program

The TIF District will exist until all debt issued and borrowing initiated to fund the development program is retired and all improvements anticipated within the Plan for the District as originally adopted or subsequently amended by action of the City Council have been completed. Upon full repayment of the outstanding bonds, all captured tax increments shall be deposited in the TIF Fund and shall be available for all District purposes, with the provision that the Annual Report prepared by the Administrator may recommend that a certain percentage of the tax increments may be returned to the City for general fund purposes.

XIX. TIF District Administration

The City Manager shall be the Administrator of the District, and in addition to the duties and powers granted to the City Manager, the Administrator shall have the following powers: 1) Negotiate for the acquisition of real property or easements, and sign options and / or purchase and sales agreements to acquire said property or easements subject to final approval by the City Council; 2) Negotiate and sign, upon the approval of the City Council, any contracts relative to the design, engineering, construction or operations of any phase or component of the activities proposed under this Plan; 3) Apply for, and accept and execute, upon the approval of the City Council, grants from any private or public organization or corporation, or from any state or federal agency for any work associated with this Plan; 4) Negotiate any Development Agreements and present the Agreements to the City Council for final approval; 5) Certify to the City Council, for acquisition through eminent domain, property that cannot be acquired by negotiation, but is required for implementation of the Plan; and 6) Certify to the City Council the amount of funds, if any, which must be raised through the sale of bonds to finance the activities associated with this Plan. The City Council may grant through an affirmative vote of the Council, additional powers, as deemed necessary and appropriate, in order to implement the goals, purpose, work and improvements outlined in this Plan or any future amendment.

XX. Advisory Board

In accordance with 162-K: 14, the Council shall create, by resolution, an Advisory Board for the District and delineate its advisory roles and responsibilities. The Advisory Board shall consist of five members appointed by the Council. A majority of the membership will include owners or occupants of real property within or adjoining the district. A majority of the membership shall be residents of the city. The function of the Advisory Board shall be to advise the City Council and the District Administrator in planning, construction and implementation of the development program along with maintenance and operation of the district after it has been completed. The role of Advisory Board shall be limited to review of plans and recommendation to the District Administrator on matters related to scheduling of improvements, trail locations and location & types of pedestrian amenities. In instances where a majority of the Advisory Board believes that the Administrator has not sufficiently considered the Advisory Board's recommendation, they may, by majority vote, refer the matter along with their written recommendations and explanations therefore to the next regularly scheduled meeting of the City Council. In such instances the Administrator shall delay implementation pending City Council review and determination on the matter.

XXI. Annual Report

Pursuant to RSA 162-K:11, the City, by and through the Administrator of the District, in consultation with the Advisory Board, shall prepare an annual report containing the following:

- A Narrative Report on the status of the implementation of the Plan and a summary of the work that has been completed within the previous year;
- The amount and source of revenue of the District;
- The amount and purpose of expenditures;
- The amount of principal and interest on any outstanding bonded indebtedness;
- The original assessed value of the District;
- The captured assessed value retained by the District;
- The tax increments received; and
- Any additional information necessary to demonstrate compliance with the tax increment-financing plan.

XXII. Adoption of the Plan

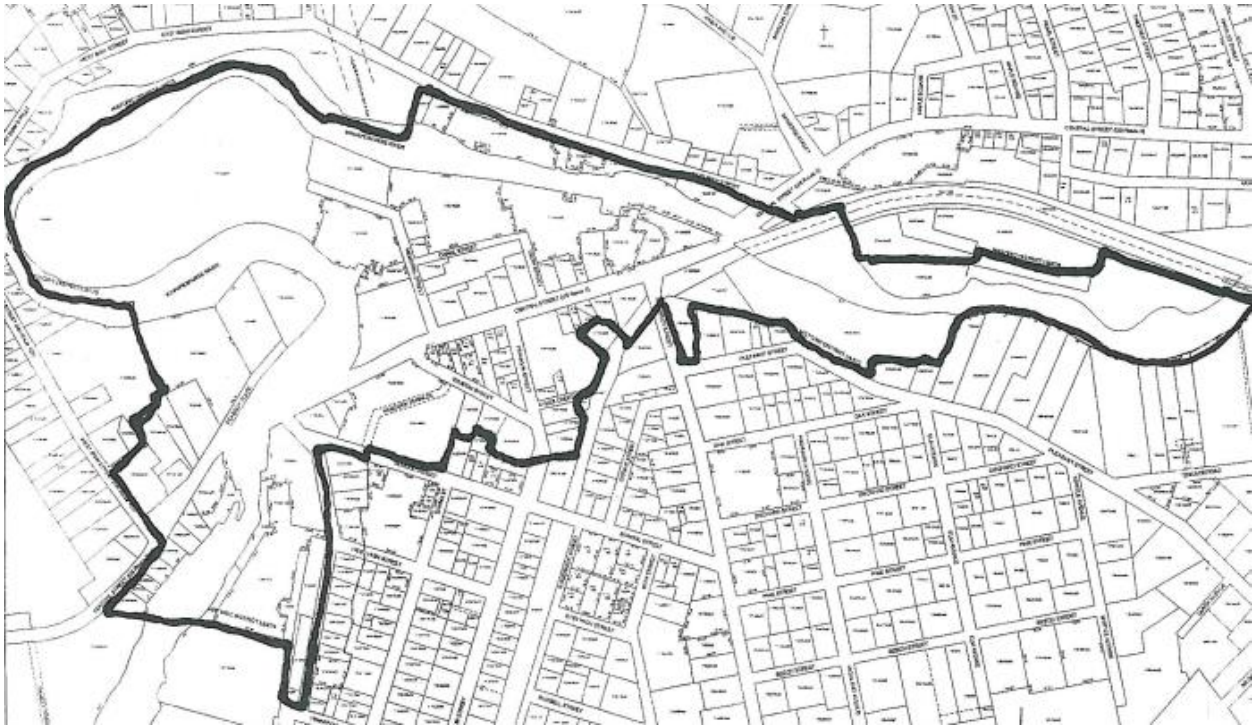
Adoption of this plan has been carried out through the following actions:

- The holding of a public hearing by the Franklin City Council regarding the adoption of Chapter 162-K on April 17, 2002.
- Affirmative vote by the City Council to Adopt the provisions of Chapter 162-K on May 6, 2002.
- The holding of a public hearing on August 4, 2008 by the Franklin City Council, per 162-K:9.III, to allow for an opportunity for the Merrimack County

Commissioners and the Franklin School Board to meet with the City Council to discuss these matters and to gather any other public input.

- Adoption of the Development Program and Tax Increment Financing Plan (RSA 162-K:6 and 162-K:9) for the Franklin Falls TIF District occurred by an affirmative vote of the City Council at their meeting on September 2, 2008.
- Appointment of the Advisory Board, pursuant to 162-K:14, by a vote of the City Council on _____.

Appendix A- District Boundaries



Appendix B- District Properties, Acreages, and Values

MAP	LOT	ST #	STREET NAME	ACREAGE	ORIGINAL ASSESSED VALUE (2008)	POTENTIAL VALUE AFTER IMPROVEMENTS	NOTES
117	002	321-323	Central Street	0.045	\$165,300.00	\$165,300.00	Carlson's & Tom's Barber
117	053	361	Central Street	0.073	\$161,300.00	\$161,300.00	Franklin Antique Market
117	054	355-359	Central Street	0.075	\$162,300.00	\$162,300.00	Hair Doctor Miracle Nails
117	055	349-353	Central Street	0.223	\$133,400.00	\$136,400.00 [added value from façade improvements]	Regal Auction House
117	056	337	Central Street	0.088	\$98,500.00	\$98,500.00	KC Phipp's Jeweler's
117	057	333	Central Street	0.156	\$108,600.00	\$108,600.00	Pat's This n That
117	058	325	Central Street	0.099	\$144,100.00	\$144,100.00	AW Frost Agency
117	059	vacant	Franklin Street	0.094	No Value- City of Franklin	\$0.00	Buildings removed for parking lot
117	060	vacant	Franklin Street	0.096	No Value- City of Franklin	\$0.00	City parking lot
117	061	vacant	Franklin Street	0.073	No Value- City of Franklin	\$0.00	City parking lot
117	062	35-39	Franklin Street	0.096	\$112,600.00	\$112,600.00	Multi-family (10 units)
117	064	65	Franklin Street	0.339	No value-United States Post Office	\$0.00	Post Office
117	065	31	Church Street	0.216	\$217,500.00	\$217,500.00	2-family residence
117	066	21	Church Street	0.202	No value- Church	\$0.00	Baptist Church
117	074		Hancock Terrace	2.860		\$0.00	City of Franklin- Police Department and Court
117	075	237	Central Street	0.190	Tax Exempt	\$0.00	St. Jude's Episcopal Church
117	076	233	Central Street	0.280	\$304,700.00	\$304,700.00	Cumberland Farms
117	130	190	Central Street	0.697	\$196,400.00	\$196,400.00	Elks Lodge
117	131	192	Central Street	0.099	\$202,000.00	\$202,000.00	Ciao Restaurant
117	135	194	Central Street	0.528	\$193,300.00	\$193,300.00	Lucky Lenny's

MAP	LOT	ST #	STREET NAME	ACREAGE	ORIGINAL ASSESSED VALUE (2008)	POTENTIAL VALUE AFTER IMPROVEMENTS	NOTES
117	136	202	Central Street	0.321	\$103,900.00	\$0.00 [change in value resulting from removal of bldg.]	former residence adjacent to Lucky Lenny's
117	137	206	Central Street	0.643	Tax Exempt	\$0.00	Unitarian Church- Non profit
117	138	22-24	Peabody Place	2.500	Tax Exempt	\$0.00	Peabody Home- Non profit
117	139	26	Peabody Place	1.060	Tax Exempt	\$0.00	VFW- Non profit
117	140	38	Peabody Place	1.040	\$254,000.00	\$254,000.00	Single family (Elderly Exemption, subtract from value 64100)
117	142	93-119	Memorial Street	1.000	\$195,700.00	\$0.00 [change in value resulting from removal of bldg.]	Ferrari buildings
117	143	100	Memorial Street	1.200	\$284,200.00	\$5,850,000.00 [change resulting from 45 residential units @ \$130K per unit]	Riverbend Mill-
117	145	316	Central Street	1.200	No Value- City of Franklin	\$0.00	City Hall and Library
117	147	31-33	Memorial Street	0.140	\$123,700.00	\$0.00 [change in value resulting from removal of bldg.]	Laundromat / apartment bldg (3 units)
117	148	vacant	Canal Street	0.646	No Value- City of Franklin	\$0.00	Parking lot
117	149	330-342	Central Street	0.339	\$653,000.00	\$653,000.00	Syndicate Block
117	149-01	17-19	Memorial Street		\$50,100.00	\$50,100.00	(Lefebvre Construction) This has no land value, this is the second building located on the single lot identified as 117-149-00
117	150	348-354	Central Street	0.298	\$124,600.00	\$124,600.00	Northway Bank

MAP	LOT	ST #	STREET NAME	ACREAGE	ORIGINAL ASSESSED VALUE (2008)	POTENTIAL VALUE AFTER IMPROVEMENTS	NOTES
117	151	366-378	Central Street	0.258	\$299,800.00	\$350,000.00 [change resulting from new residential units]	Buell Block
117	152	vacant	Central Street	0.321	No Value- City of Franklin	\$0.00	Marceau Park
117	153	20	Canal Street	2.420	\$432,300.00	\$432,300.00	20 Canal St. Garage & storage area
117	154	42-46	Canal Street	0.100	\$184,500.00	\$190,000.00 [change in value resulting from overall improvements to the area]	5 units apartment Canal/Memorial St
117	155	396-402	Central Street	0.164	\$411,300.00	\$411,300.00	I.O.O.F. Building Colonial Clipper
117	156	406-414	Central Street	0.178	\$364,600.00	\$364,600.00	Greater Franklin Chamber of Commerce
117	157	416-420	Central Street	0.083	\$148,900.00	\$148,900.00	Kenrick Building Unique Images
117	158	430	Central Street	0.280	\$389,500.00	\$389,500.00	Brother's Donuts Laundromat
117	159	436	Central Street	0.036	\$119,400.00	\$119,400.00	Dan's Pharmacy
117	160	440-444	Central Street	0.539	\$449,200.00	\$449,200.00	Grevior's Furniture
117	161	446-448	Central Street	0.309	\$132,200.00	\$132,200.00	Grevior's Second building right next to trestle View Park
117	162	vacant	Central Street	0.482	No Value- City of Franklin	\$0.00	Trestle View Park
117	163	449	Central Street	0.302	\$302,500.00	\$302,500.00	Franklin Fast Food Mart
117	164	vacant	Central Street	0.220	No Value- City of Franklin	\$125,000.00 [change resulting from sale of lot and new bldg or other re-use]	Vacant Lot next to Franklin Fast Food Mart, heading towards City Hall

MAP	LOT	ST #	STREET NAME	ACREAGE	ORIGINAL ASSESSED VALUE (2008)	POTENTIAL VALUE AFTER IMPROVEMENTS	NOTES
117	165	413-419	Central Street	0.055	\$204,600.00	\$204,600.00	Rowell Bldg.
117	166	407-409	Central Street	0.051	\$112,200.00	\$112,200.00	Cathy Broughton Zink Accountant
117	167	vacant	Central Street	0.116	\$8,500.00	\$8,500.00	Parking area for lot 117-165-00, located behind Cathy Broughton Zink Building
117	168	401-405	Central Street	0.099	\$42,000.00	\$42,500.00	No longer a lot. Was merged with FSB Lot, as is parking lot
117	170	387	Central Street	1.399	\$1,588,000.00	\$1,588,000.00	Franklin Savings Bank
117	175	8	Ayles Court	0.070	\$120,400.00	\$120,400.00	Green house, last house on left on Ayles Court
117	176	42-44	Franklin Street	0.072	\$127,700.00	\$127,700.00	Brick building on Corner of Ayles Court and Franklin Street
117	178	54	Franklin Street	0.215	\$244,200.00	\$244,200.00	White House between Ayles Court and Terhune Dentist Offices
117	179	58	Franklin Street	0.150	\$154,800.00	\$154,800.00	John Terhune Dentistry
117	180	64	Franklin Street	0.161	\$150,900.00	\$150,900.00	2 unit residential between Terhune's and Verizon building
117	256	1	River Street	0.924	\$810,900.00	\$810,900.00	Franklin Falls Apt, small building
117	257	35	River Street	2.270	\$2,077,200.00	\$2,077,200.00	Franklin Falls Apt, large building
117	260	--	River Street	0.299	\$38,400.00	\$38,400.00	Vacant strip of land on River After Larter building

MAP	LOT	ST #	STREET NAME	ACREAGE	ORIGINAL ASSESSED VALUE (2008)	POTENTIAL VALUE AFTER IMPROVEMENTS	NOTES
117	261	81	Memorial Street	0.240	\$91,500.00	\$0.00 [change in value resulting from removal of bldg.]	RD Paving
117	263	195	Central Street	0.242	\$276,200.00	\$276,600.00	Packers
117	264	223	Central Street	0.415	\$539,100.00	\$539,100.00	Hydro Electric Realty Corp- Hydro plant behind Packers
117	265	185-187	Central Street	0.218	\$184,600.00	\$184,600.00	Al's Village Pizza
117	266	175	Central Street	0.142	\$152,900.00	\$152,900.00	Robbins Auto
117	267	169	Central Street	0.129	\$103,300.00	\$103,300.00	Franklin House of Pizza
117	268	163-165	Central Street	0.078	\$93,300.00	\$93,300.00	Twin River's Market (at West Bow Street lights)
117	269	159-161	Central Street	0.064	\$97,200.00	\$97,200.00	Building just before Colcord Garage and just after Twin River's Market
117	270	155	Central Street	0.218	\$126,700.00	\$126,700.00	Colcord Garage
117	310	102	East Bow Street	0.233	\$121,300.00	\$121,300.00	Piper's Printing now located here
117	318	park	East Bow Street	1.400	No Value- City of Franklin	\$0.00	skate board park
117	319	38	East Bow Street	0.300	No value	\$0.00	Franklin Power LLC, see 117-361-00 for total value
117	320	32-34	East Bow Street	0.060	\$131,000.00	\$131,600.00	2-unit after Sanel's
117	321	522	Central Street	0.441	\$216,100.00	\$216,100.00	Sanel's
117	346	--	Central Street	0.078	No Value- City of Franklin	\$0.00	Vacant Land across from Kerner's Car Wash
117	347	--	Central Street/ Prospect Street	0.400	No Value- City of Franklin	\$0.00	Vacant land by trestle on corner of Prospect Street and Central Street

MAP	LOT	ST #	STREET NAME	ACREAGE	ORIGINAL ASSESSED VALUE (2008)	POTENTIAL VALUE AFTER IMPROVEMENTS	NOTES
117	357	20	Church Street	0.155	\$104,500.00	\$104,500.00	Daycare/Dance [former K of C]
117	358	--	East Bow Street	0.122	\$0.00	\$0.00	Electric, no value Franklin Power-Algonquin (Vacant Land)
117	359	39-49	River Street	0.410	\$108,600.00	\$108,600.00	Hydro Electric Realty Corp-Larter's building with office
117	361	40	Memorial Street	0.289	\$919,400.00	\$919,400.00	Franklin Power LLC- Hydro building located between City Hall and Riverbend Mill
117	362	vacant	East Bow Street	0.200	No Value- City of Franklin	\$0.00	Vacant Land ending 40' prior to start of the Skate Board Park lot.
117	363	vacant	East Bow Street	0.017	No value	\$0.00	Franklin Power LLC, see 117-361-00 for total value
117	365	20	Canal Street	1.760	\$1,092,400.00	\$7,100,000.00 [change resulting from 50 new residential units @130K per unit and increases in value of commercial space]	20 Canal Street large mill building
117	405	124-150	Memorial Street	12.100	No Value- City of Franklin	\$0.00	Odell Park- City of Franklin
134	413	--	Willow Street	4.210	No Value- City of Franklin	\$0.00	Land along river, beyond the trestle and accessed from Willow Street
TOTALS				52.410	\$17,261,300.000	\$28,505,100.000	

Appendix C- Bond Estimate Payment Schedule

Bond Amount: \$1,257,000.00

Payments Calculated at a rate of 5.25%

FY	Principal	Interest	Total
2010	\$67,000.00	\$70,941.94	\$137,941.94
2011	\$65,000.00	\$62,475.00	\$127,475.00
2012	\$65,000.00	\$59,062.50	\$124,062.50
2013	\$65,000.00	\$55,650.00	\$120,650.00
2014	\$65,000.00	\$52,237.50	\$117,237.50
2015	\$65,000.00	\$48,825.00	\$113,825.00
2016	\$65,000.00	\$45,412.50	\$110,412.50
2017	\$65,000.00	\$42,000.00	\$107,000.00
2018	\$65,000.00	\$38,587.50	\$103,587.50
2019	\$65,000.00	\$35,175.00	\$100,175.00
2020	\$65,000.00	\$31,762.50	\$96,762.50
2021	\$60,000.00	\$28,350.00	\$88,350.00
2022	\$60,000.00	\$25,200.00	\$85,200.00
2023	\$60,000.00	\$22,050.00	\$82,050.00
2024	\$60,000.00	\$18,900.00	\$78,900.00
2025	\$60,000.00	\$15,750.00	\$75,750.00
2026	\$60,000.00	\$12,600.00	\$72,600.00
2027	\$60,000.00	\$9,450.00	\$69,450.00
2028	\$60,000.00	\$6,300.00	\$66,300.00
2029	\$60,000.00	\$3,150.00	\$63,150.00
TOTALS	\$1,257,000.00	\$683,879.44	\$1,940,879.44

Bond Amount: \$750,000.00

Payments Calculated at a rate of 5.25%

FY	Principal	Interest	Total
2010	\$40,000.00	\$42,328.13	\$82,328.13
2011	\$40,000.00	\$37,275.00	\$77,275.00
2012	\$40,000.00	\$35,175.00	\$75,175.00
2013	\$40,000.00	\$33,075.00	\$73,075.00
2014	\$40,000.00	\$30,975.00	\$70,975.00
2015	\$40,000.00	\$28,875.00	\$68,875.00
2016	\$40,000.00	\$26,775.00	\$66,775.00
2017	\$40,000.00	\$24,675.00	\$64,675.00
2018	\$40,000.00	\$22,575.00	\$62,575.00
2019	\$40,000.00	\$20,475.00	\$60,475.00
2020	\$35,000.00	\$18,375.00	\$53,375.00
2021	\$35,000.00	\$16,537.50	\$51,537.50
2022	\$35,000.00	\$14,700.00	\$49,700.00
2023	\$35,000.00	\$12,862.50	\$47,862.50
2024	\$35,000.00	\$11,025.00	\$46,025.00
2025	\$35,000.00	\$9,187.50	\$44,187.50
2026	\$35,000.00	\$7,350.00	\$42,350.00
2027	\$35,000.00	\$5,512.50	\$40,512.50
2028	\$35,000.00	\$3,675.00	\$38,675.00
2029	\$35,000.00	\$1,837.50	\$36,837.50
TOTALS	\$750,000.00	\$403,265.63	\$1,153,265.63