



# **Canaan Economic Development**

*Just imagine –*

*Then do it!*

# Recap from November 2015

## Plans for 2016

- What is ready to go
- What is the greatest need
- What will provide a long term benefit
- What will increase the tax base
- What will leverage funds and resources from many participants

# What's Ready?

- Lodging
- Restaurants
- Coffee shop / deli /and bakery
- Cell service
- Support Farmer's Market and Cardigan Mountain Arts Association

# What is the greatest need?

- Flood proof the village
- Advertising and promotional campaigns and contacts and strategies



# What will provide a long term benefit?

- Trade Association and support
- Development of industrial park
- Maximize WIFI and Comcast
- Encourage entrepreneurs to come, work, invest and play
- Create flexible transportation system
- Explore and possibly expand coop / chain grocery

**2016**

# **New Businesses**

- **Fogarty Environmental**
- **You're Beautiful Skin & Nails**
- **Canaan Hardware Addition**
- **Ugly Pot Shop (Nancy White)**
- **Carolyn Freese Duck Soup Catering**
- **Sarah Hill Lampshades & Lighting – Perry Road**
- **Friends of Mascoma Food Pantry (2 others)**
- **Haphazard Quilting**
- **Kempfield Guests**
- **B&W Catering**

**LIST YOUR BUSINESS ON THE WEB SITE – 84 so far**

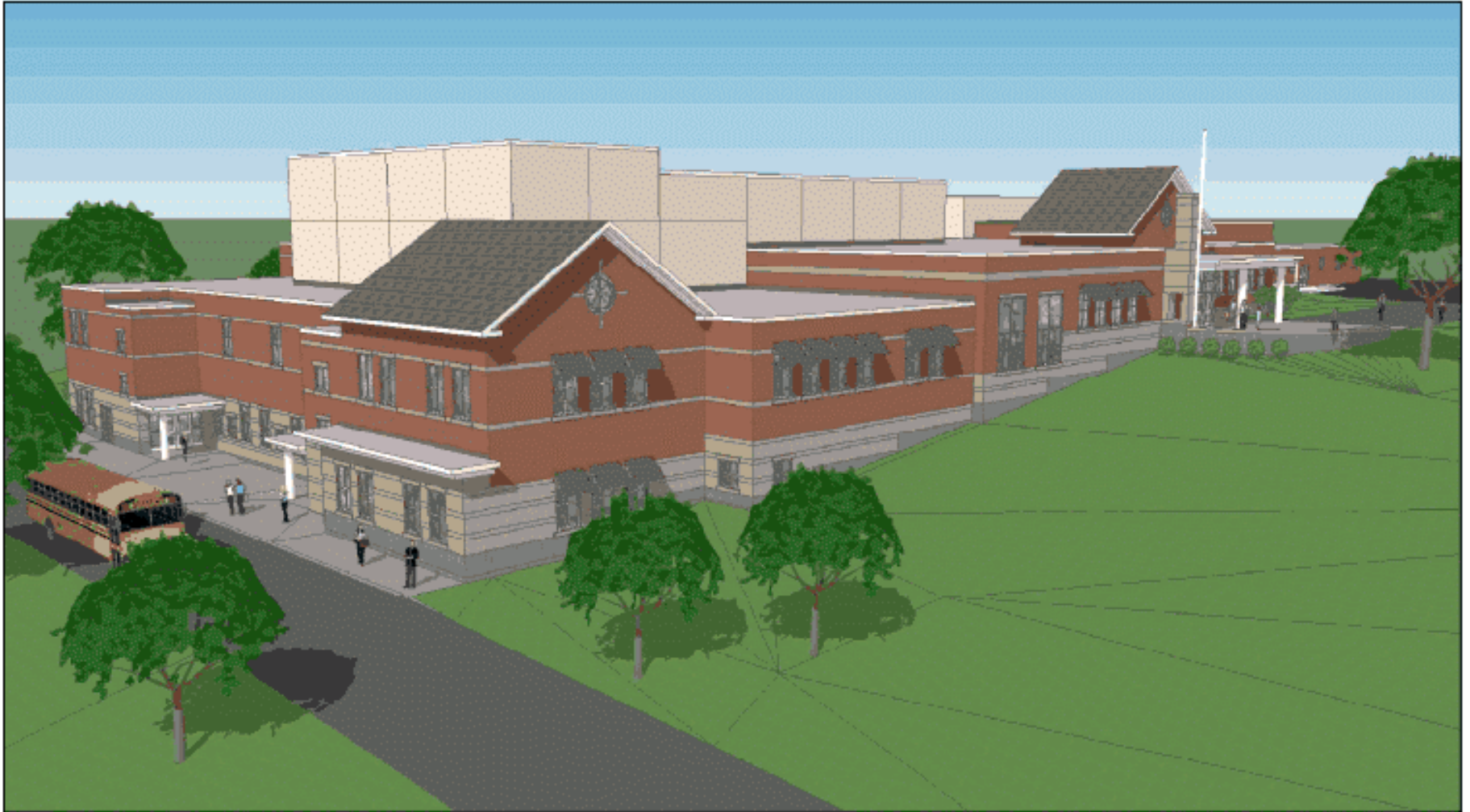
# **Sales & New Owners & Managers**

- **Canaan Village Pizza ?**
- **Dishin' it Out Roxy Lemieux**
- **Old Laundramat – Paula Ward ?**
- **John Henderson - HENDO**
- **Canaan Foodmart ?**
- **Dollar General (sooner or later)**
- **Autoware**
- **Nellie Horsman – Cardigan Mountain Realty**

# Renovations

- **MVRHS**
- **Autoware**
- **HENDO roof**
- **Food Mart roof**
- **Paula Ward 2<sup>nd</sup> Floor**
- **Haphazard Quilting**
- **Race Track**
- **Cardigan Mountain School / Solar / Clark Morgan – McCusker**
- **Majewski Apartments**
- **Cardigan Mountain Realty – windows / apts/ commercial**
- **Canaan Hardware Addition**
- **Papa Z's Coolers & Shelving & new flooring**

# MVRHS



## New Addition

Mascoma Valley Regional High School - Additions & Renovations



# Canaan Motor Club



Canaan Fair Speedway

Reagan Rd

Parker St

118

© 2015 Google

Transfer Station Rd

**Status Map**

- Digital Data
- No Data



1992

Imagery Date: 9/26/2015 43°39'01.35" N 71°59'58.54" W elev 961 ft eye alt 3187 ft



# Health Center









# McCusker Hall





# Autoware



# On-Going Activities

- **Additional renovations and business at Cardigan Mountain Realty**
- **New building at race track**
- **Housing or hospitality at Smith Taplin block**
- **Dollar General**
- **Investment money available for new business**
- **Speculative office space**
- **Deli/Coffee/Bakery/Ice Cream**
- **Wholesale food**
- **Health Center**
- **Art Conkey**
- **1,500 sf R&D**
- **Gravel Pit at Hersey & Zani**
- **Potential for ParkingLot**
- **2015 – 5 sub-divisions / 2016 – 3 sub-divisions so far**
- **Ballfield**

# **Tax Incentive Program**

# Tax Incentive Program

## Articles 13 and 14

### What they are -

They encourage business to locate in Canaan and to renovate property and allow the Town to develop community improvements that are paid for by the owners that use them. These programs rely on private people to renovate buildings and build new businesses.

### What they are not -

- These programs are **not zoning** and there are **no regulations** that tell an owner what he has to do. There is nothing that prevents the sale of the property. There is **no use of eminent domain**.
- These programs **do not reduce the taxes currently raised** on the property.
- These programs **do not use current taxes to pay for the new improvements**, if any.

# Tax Incentive Program

Article 13

**Encourages Renovation or Replacement**

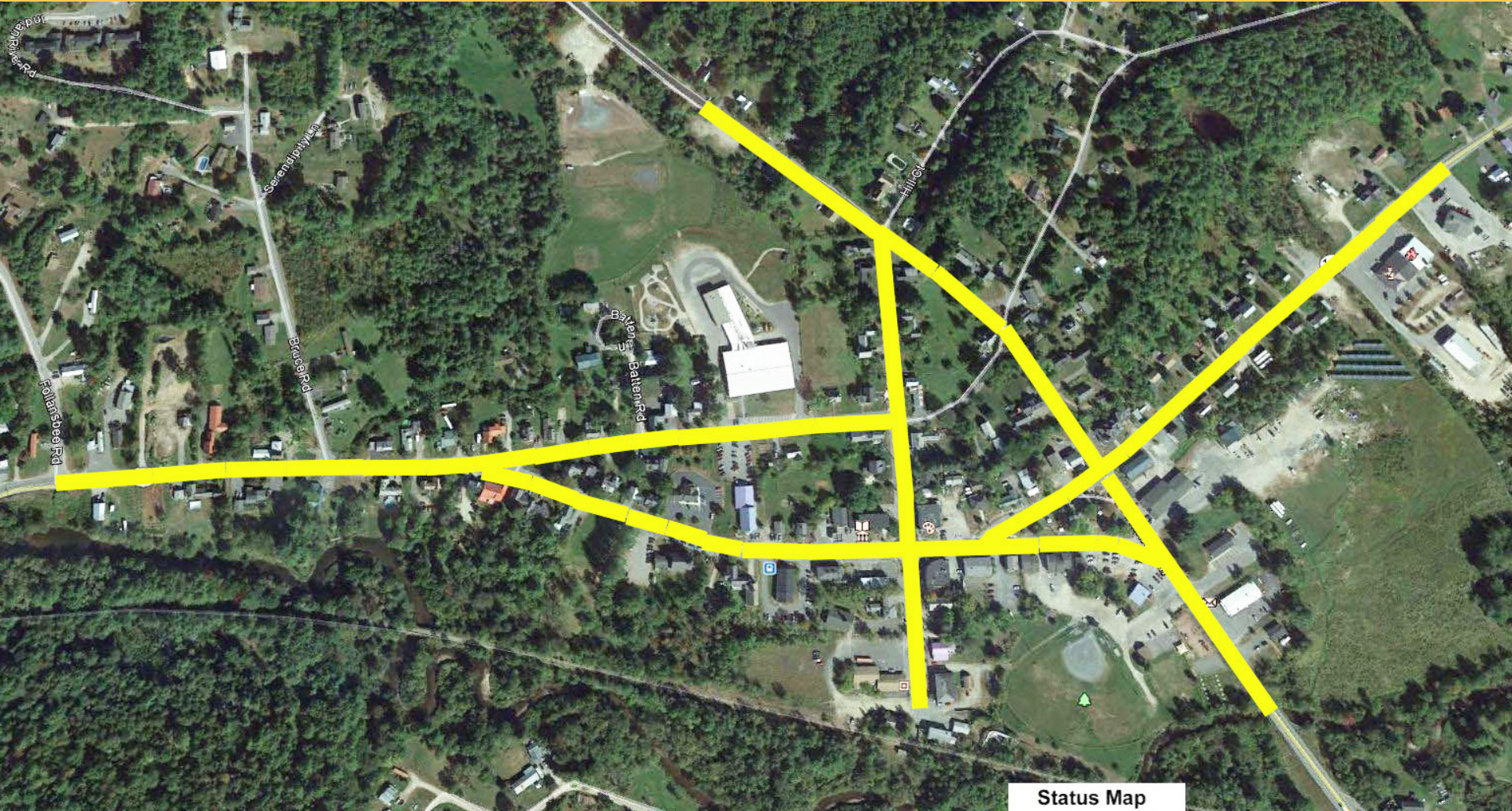
This allows the Selectmen to freeze appraised values for a period of 2 to 5 years IF a owner commits to replacing or renovating a critical building in the Village core within a year of approving the freeze.

**The buildings must be functionally, culturally, historically or economically significant to the Town as determined by the Selectmen.**

**They must be within the area mapped.**



# Tax Incentive Program





# Tax Incentive Program

Example:

Old Freight House at the end of Depot Street



**Article 13** --- EXAMPLE ONLY

# Tax Incentive Program

Current

Assessed Valuation

Land .26 Acres	\$27,000
Freight House	\$ 5,610
Total Card Value	\$32,600 (it's rounded)

Current Tax  $32.6 \times \$30.27 = \underline{\$986.80}$  Current Tax

Owner proposes:

Invest \$150,000 to restore the building.

If that was complete, the Assessed Valuation might go to a total of \$170,000.

The tax after those changes would be a \$5,145.90 tax.

With Article 13, the Board could freeze the assessment at \$32,600 for a period of 2 to 5 years. This would allow the owner to get a business underway without a higher tax burden. The Town does not loose taxes. It doesn't get the higher taxes until the period expires and the project is reviewed annually.

# Tax Incentive Program

## Article 14

### PAYS FOR NEW PUBLIC IMPROVEMENTS

This article encourages economic development by allowing the Town to **make public improvements** in a very specific area and then **take part of the new tax revenue** that comes about because of a higher value due to the improvements and **uses that new revenue to pay for the cost of the improvements and the operational cost or maintenance.**

Each area where this will occur **must have a plan and budget and the plan and budget must be approved by the voters.**

There are only three areas currently contemplated:

- A light industrial park on Village water.
- The central core of the Village – Route 4 from intersection of School Street to Canaan House of Pizza, Route 118 to Papa Z's and Depot Street.
- A light industrial park on Route 118 with on site water and sewer.

# Tax Incentive Program

This program allows for the development of public services and improvements like street lights, sidewalks, water, sewer and parking.

The Select Board plans on splitting higher tax revenue between the improvements and additional revenue to support the Town, School, State and County.

The development does not reduce existing tax assessments nor use general fund tax dollars.

## **Examples Only**

Owner owns 200 acres. Has no public water or sewer. Has no 3 phase power.  
Assessed valuation is \$800 an acre. 5 Acres would be \$4,000. Tax would be \$120 for lot.

Owner donates 20 acres to Town to develop 4, 5 acre parcels.

Lots need a road that is a half mile long. Cost \$100,000

Lot needs an onsite septic and well with daily flows of 1,600 gallons. Cost \$150,000

**Lot needs access to three phase power. Cost \$100,000**

**Total cost \$350,000**

### EXAMPLE #1

#### Sell a lot only - Worse Case

Cost per lot \$80,000 (Assessed Valuation \$60,000 - Tax would be \$1,800 per lot.)

Part of Cost paid by buyer = 75% or \$60,000.

All goes to pay down cost. Balance remaining is \$20,000.

New higher tax is \$1,680 - half goes to Town for general fund and half pays off development.

In 5 years, the lot has paid off another \$4,000. In twenty years, the lot has paid off \$16,000. Total payoff is 25 years. No operational expense since no occupancy.

Net new higher tax \$800.

### EXAMPLE #2

#### Sell a lot and a 30,000 SF building is constructed on the lot.

Assessed Valuation \$60,000 - Tax would be \$1,800 per lot.

Assessed valuation on the lot is \$1,000,000

Assessed valuation on other features is \$100,000

Total Assessed valuation is \$1,160,000.

Total new tax increase is \$35,000.

Payoff

Development Cost is \$80,000.

Pay \$60,000 for lot - Balance \$20,000

Pay next \$17,000 (1/2 of new tax revenue) as follows:

\$10,000 operational cost

\$7,000 on lot - balance of \$13,000

After third year, the lot is fully paid, the town has received \$51,000 in new revenue, the operational expense is fully paid, and there is still \$7,000 a year to invest in other public improvements or operations (lighting, parking etc.).

**Payoff three years**

Cost to town - none

**Net revenue to the Town \$17,000 a year.**

**EXAMPLE #2 EXPANDED DEVELOPMENT -**

Town sells all 4 lots - The Town tax **revenue goes up \$68,000 a year.**

If the owner develops another 4 lots by piggy backing on the first 4 that the Town develops, the **revenue doubles again to \$136,000 a year.** That reduces the total tax rate by 2%.



Town of Canaan

APPLICATION FOR ECONOMIC DEVELOPMENT TAX RELIEF



Applicant Name \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_ Email \_\_\_\_\_ Fax \_\_\_\_\_

Location of Property \_\_\_\_\_

Tax Map & Lot \_\_\_\_\_

Owner of Property (if different) \_\_\_\_\_

Address of Owner (If different) \_\_\_\_\_

Telephone of Owner (If different) \_\_\_\_\_

Describe public benefit:

\_\_\_\_\_  
\_\_\_\_\_

Check box(es) **THESE ARE ONLY PERMITTED USES – NOT ALL ARE LOCAL PRIORITIES**

- Enhances the economic vitality
- Enhances and improves a structure that is culturally or historically important
- Promotes the preservation and reuse of existing buildings
- Promotes development of municipal centers
- Increases residential housing in urban or town centers

**IMPROVEMENTS**

Proposed improvements to the building and lot:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attach sketch of property indicating proposed improvements

Attach visual representations of improvements if available

Attach photos of existing property and buildings

Attach any architectural detail proposed

Indicate proposed contractor (if any)

If structure is a qualifying historic structure, the applicant shall include a New Hampshire division of historical resources individual resource inventory form, prepared by a qualified architectural historian, and 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 or renovated and the property on which those structures are located.

#### **FINANCIAL**

Submit budget for improvements (Confidential)

Indicate source of budget numbers

Indicate source of funds for renovation

Commercial lending – Attach commitment letter (Confidential)

Personal Resources – Provide evidence of adequate resources (Confidential)

Provide tax returns for owner and/or developer for last two years (Confidential)

#### **BUSINESS CAPACITY**

Attach resumes (Confidential) for all key investors or managers related to the property proposed for revitalization. Show relevance of experience to proposed use of the property.

Attach a business plan (Confidential) that supports the proposed use of the property and proves long term sustainability.

Attach market analysis if available (Recommended).

Provide plan for assuring operating capital necessary to sustain business for a minimum of three years and funds the key people related to the operation of the property. (Confidential)

Include signed Covenant to Protect Public Benefit, Agreement to period review and waiver of claims for discontinuance of tax relief, Release of Information for verification of application, Agreement to submit tax returns, and periodic financial statements..



# **Flood Proofing**

















LACKEYS  
LUNCH

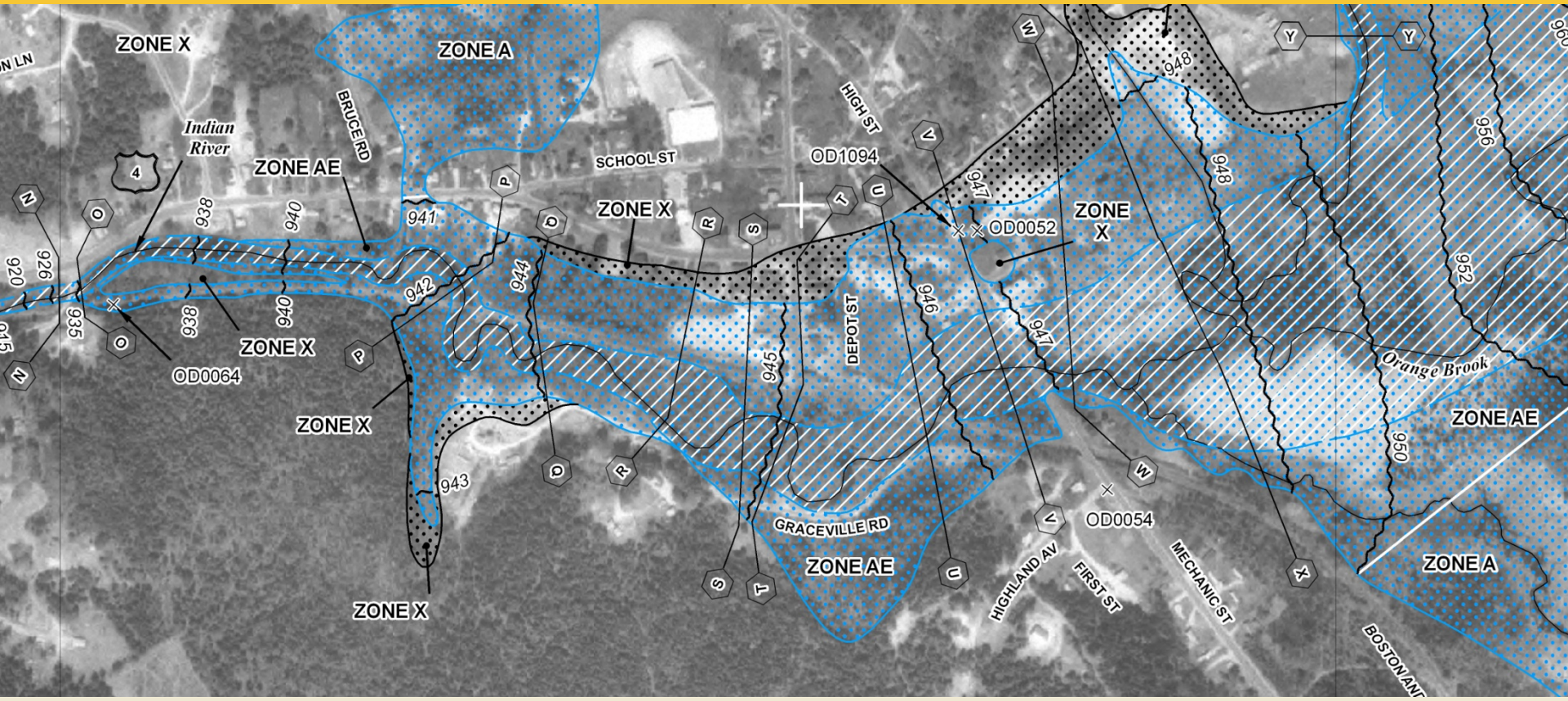




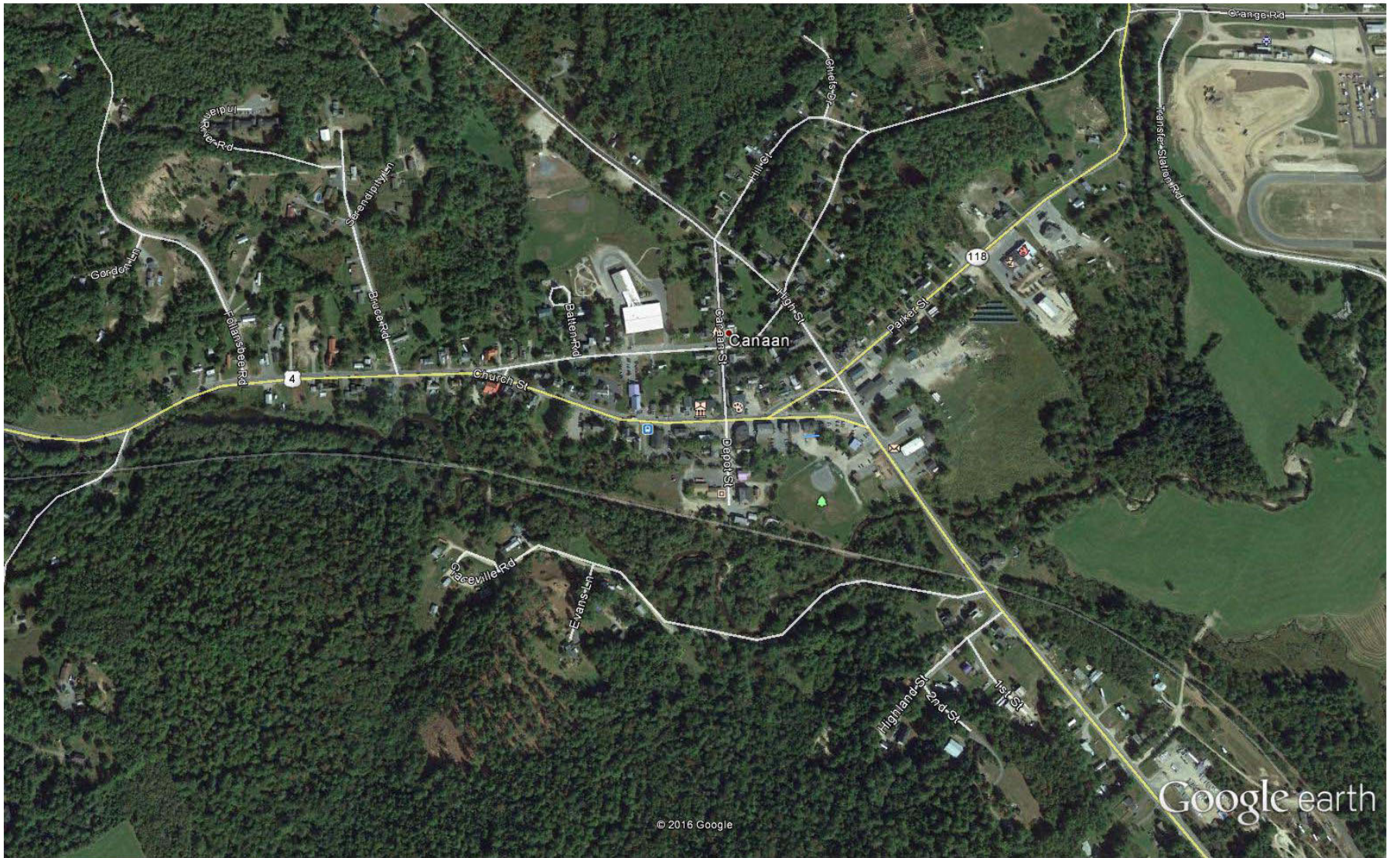




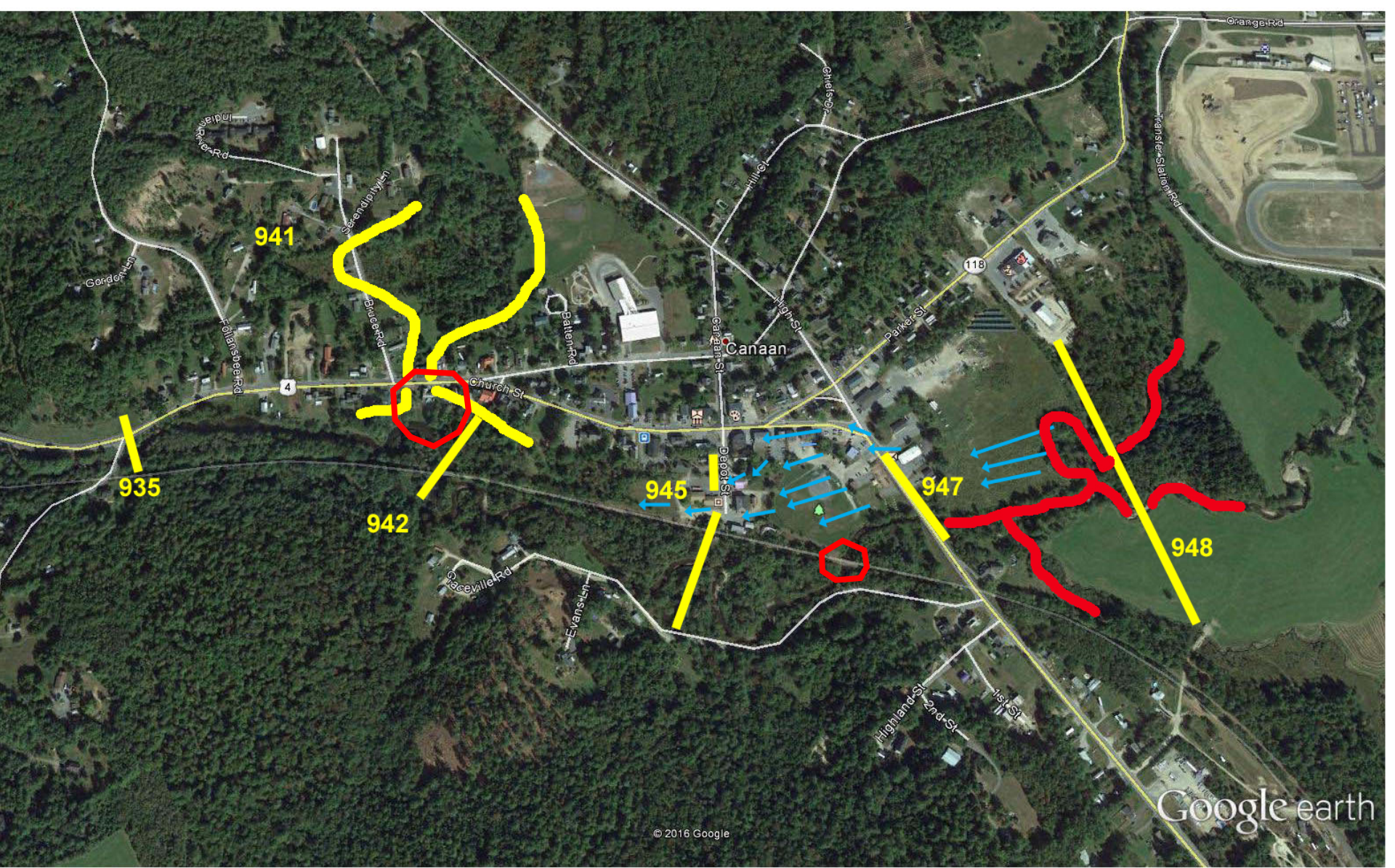












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Canaan

Google earth

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# Flood Proofing Goals

- Preliminary Plan Summer 2016
- Emergency Flood Proofing Design and resources Fall 2016
  - Super Sacks
  - Mobilization Plan
- Final Plan Fall 2016
- Grant Application Summer 2017

# Up-Coming Events

- Town Wide Yard Sales – May & September
- Memorial Day
- 4<sup>th</sup> of July – Fireworks – Meeting House
- Old Home Days
- Endless adult & youth ball games
- Tuesday Concerts in the Park
- Monday Horseshoes
- Sunday Farmer's Market
- July Readings at the Meeting House
- Christmas Craft Fair
- Christmas in Canaan
- Winter Golf

# Problem Solving

- **How can we man a cooperative store inexpensively?**
  - Shared space for cashier & custody
  - Cooperative education
  - SCSEP NH Able Network
  - Volunteers
- **Operators for Coffee Shop/Bakery/Deli**
- **New Events (4 Seasons)**
- **Low income housing Issues - CAN WE BALANCE THESE ISSUES?**
  - Tax base
  - Welfare
  - Housing need
  - Regulation of tenants
  - Tenants paying
  - Housing Standards
  - Housing versus foot traffic & jobs
  - Multi bedroom



# Other Items - Rumors

- Curbing around Common
- Sidewalk to Papa Z's