

TOWN OF HOPKINTON

DEVELOPMENT POTENTIAL BURNHAM INTERVALE

Final Report May 5, 2009

**Prepared for:
Hopkinton Economic Development Committee**

**Prepared by:
Capital Regional Development Council
www.crdc-nh.com**



SCOPE OF SERVICES

The Capital Regional Development Council was engaged by the Town of Hopkinton on December 29, 2008 to perform a preliminary use study on the Burnham Intervale area. The resulting report outlines the overall benefits and costs associated with different types of commercial and/or industrial development.

The fundamental intent of the engagement is to recommend the highest and best use of the site, while maintaining sensitivity to infrastructure, access, and density impacts. The recommendation also takes into consideration market realities.

The following three activities were undertaken to complete this report.

1. Plan Review

CRDC reviewed existing tax maps, surveys, studies, reports and plans to become familiar with various details of the property including size, access issues, topography, infrastructure, and market challenges and opportunities associated the development of the site. CRDC's report is based entirely on the review of the materials provided and interviews as noted in the acknowledgements.

The following plans/reports were reviewed.

Property Maps, Hopkinton, NH, dated April 1, 2006

Sites Plans, Topographic & Soils Plans, and Grading Plans
Completed by T.F. Bernier, Inc., Land Surveyors
July 1997 through March 2006

Contoocook Village Revitalization
Vollmer Associates, August, 2002

Feasibility Report, Hopkinton Industrial Land Access Study
Provan and Lorber, June, 2000

Appendix A of Above Report, Market Demand, June, 2000

Plan NH Design Charrette, February, 1998

Hopkinton Tax Base Diversification Strategy
Applied Economic Research, July, 1998

Town of Hopkinton Non-Residential Tax Base
Diversification Strategy, Land Capacity Analysis
Whiteman & Taintor, September, 1997

2. Evaluate Potential Users

CRDC evaluated each of the following:

- a) Single large industrial/distribution user
- b) Mixed use development
- c) Business park campus style use with one primary use

3. Determine Impacts

CRDC projected the impacts of the users types on:

- a) Property taxes
- b) Build-out timing (market absorption)
- c) Estimates of types, numbers, salaries and timing of proposed new jobs
- d) Estimate of developable acres
- e) Infrastructure and town services

Disclaimer

Due to the budget constraints associated with this proposal, this study is an overview and general in nature, but sufficient to provide to the Town of Hopkinton with sufficient cost and benefit information to be able to proceed to the next level of analysis.

ACKNOWLEDGEMENTS This report could not have been completed without the assistance provided by the following.

Glen Ohlund, chairman Hopkinton Economic Development Committee
Leon Kenison, Hopkinton town administrator
Steve Clough, Hopkinton public works and waste departments
John Herrick, Burnham Intervale property owner
Tim Bernier, land surveyor and planner
Dan Scanlon, Grubb & Ellis Coldstream Real Estate, Bedford
Michael Bergeron, NH Division of Economic Development
Bill Norton, Norton Asset Management, Real Estate, Concord

MARKET OPPORTUNITIES & CHALLENGES

Prior to the preparation of a specific development plan for a proposed business park, the market feasibility of the proposed project must be evaluated. The project needs to be designed based on market demand. Although this report is not a market feasibility analysis, it does identify the primary topics covered by a comprehensive feasibility analysis.

As listed above in the acknowledgements CRDC interviewed experienced commercial/industrial real estate professionals and the business development manager for the New Hampshire Division of Economic Development to gauge market demand.

Infrastructure

Prior to assessing market demand, the status of existing infrastructure is presented below.

Access

Although the intent of this report is to provide to the Hopkinton community a overall review of the impacts of certain types of development on the Town regardless of how access to Burnham Intervale is addressed, it became clear in conversations with developers, the real estate community, and state recruitment officials, that access to the site must be addressed early in the due diligence process. Current access is not conducive to the successful and competitive development of an interstate-oriented business park. CRDC recommends that selecting one of the access routes (or a yet to be determined alternative) as comprehensively evaluated in the 2000 Provan & Lorber Access Study must occur prior to investing in the development of an industrial park.

The balance of the reports assumes that access will be addressed prior to development.

Water and Sewer

The following information was provided by Steve Clough, Hopkinton Assistant Public Works Superintendent.

Parts of Burnham Intervale are serviced by a Public Water Supply which is not owned by the Town of Hopkinton. The Contoocook Village Precinct, which is chartered as a village district under Chapter 52, owns a 12" water main that partially serves Burnham Intervale Road as far as the entrance to Herrick's Millworks (right before Excalibur Shelving). A property must be within the boundaries of the CVP to be eligible for water service.

The area is not served by municipal sewer. The Town of Hopkinton owns and operates a sewer system and treatment plant, which services Contoocook Village, but doesn't extend up to Burnham Intervale. There would be significant costs to extending to that area because of the hydraulics and low-density of potential new customers. There would have to be a pump station installed which would require a force main up Pine Street to the current sewer termination point. A gravity line would have to be installed to the proposed pump station and depending on where the services were needed could lead to some fairly deep sewer line installations due to the mostly flat terrain in that area.

The average daily demand for water usage is about 125,000 gallons per day for seven months out of the year. The three summer months have averaged 250,000 gallons per day during recent years. It can actually spike higher on some days approaching 350,000 gallons per day. A true year round average is closer to 175,000 gallons per day. The designed capacity of the water system is technically about 200,000 GPD (The precinct is currently putting water bans on in

the summer until a combination of conservation and filtration capacity expansion can be implemented).

The sewer system is designed for 120,000 gallons per day which includes 20,000 gallons per day for stormwater infiltration. Current daily flows are about 65,000 gallons per day. The treatment plant is a simple lagoon system which limits the influent characteristics of potential commercial hookups. The plant had sludge removed, a new treatment system installed, and the design loadings for TSS (total suspended solids) and BOD (biochemical oxygen demand) increased in 2006. Increasing actual capacity would get more involved.

Highlights from CRDC's June 2000 report related to utility impact on market demand follow.

The lack of wastewater treatment will present the following financial impediments to business park development.

Lot Size: Potential businesses will be required to purchase more land to accommodate on-site septic systems.

Building Value: New buildings located in business parks without full utility service tend to be valued less than actual cost. Facilities in business parks with full utility service tend to appreciate at a greater rate than those located in limited service parks.

Types of Users: The lack of municipal sewer will eliminate various types of industrial production that requires treatment of industrial waste. This may eliminate various sectors of value-added manufacturing.

Tax Value: Due to the above factors, borrowers tend to construct lower costs buildings. This equates to a lower tax value per acre of developable land.

Technology: State-of-the-art on-site sanitary sewer treatment systems have experienced a dramatic improvement in technology during the past nine years. This may mitigate some of the above listed concerns, but it is fair to assume that building values will be less if full utilities are not provided.

US Green Building Council Design Standards Impact: Many new commercial buildings and business parks in the US are being constructed to the design standards of the US Green Building Council. As the cost of new technologies become more competitive, businesses have realized that being "green" saves "green". Depending on the level of LEED (leadership in energy and environmental design) certification, building and land values will benefit substantially. In many cases, a LEED certified building or business park will offset the negative impacts noted above under building and tax value. The benefits of green building are listed below.

Environmental benefits:

- Enhance and protect ecosystems and biodiversity**
- Improve air and water quality**
- Reduce solid waste**
- Conserve natural resources**

Economic benefits:

- Reduce operating costs**
- Enhance asset value and profits**
- Improve employee productivity and satisfaction**
- Optimize life-cycle economic performance**

Health and community benefits:

- Improve air, thermal, and acoustic environments**
- Enhance occupant comfort and health**
- Minimize strain on local infrastructure**
- Contribute to overall quality of life**

SITE

Although the Burnham Intervale area north of the Contoocook River contains more than 250 acres, most of the focus of this report is on the approximately 175 acres owned or controlled by John Herrick on the west side of Burnham Intervale Road that has been determined to be suitable for industrial development. Mr. Herrick owns or controls additional adjacent land, but these additional parcels are not addressed in this report. (See map at end of report.)

The 175 acre site is comprised of nine tax parcels ranging in size from 3.9 to 115 acres. A total of approximately 58,000 s.f. of industrial/warehouse buildings are scattered throughout the largest parcel. The total assessed value of the industrial land and buildings in 2008 is about \$1.4 million yielding total annual property taxes of approximately \$42,000, of which about \$8,400 is the Town's portion of the tax (\$4.45 of the total tax rate of \$22.19 or 20%).

An assessment of \$1.4 million equates to a taxable value of \$8,000 per acre. Clearly, as a potential industrial/business park, the site is underutilized and underperforms as tax base. Hopkinton is only seven miles from Concord, where industrial land serviced by municipal water and sewer in approved business parks is valued at \$100,000/acre and above. In nearby Bow, a community without municipal water and sewer in its industrial/business districts, industrial land along the Route 3A corridor is offered in the \$50,000-\$75,000 per acre range, with some approaching \$100,000/acre. Additionally, Hopkinton has three interchanges on Interstate 89, where land nearly at exit 9 is selling in the

\$100,000/acre range. According to the real estate professional contacted, flat developable land with good interstate access without utilities is valued in the \$50,000-\$60,000/acre range. As utilities become available the values jump to the \$75,000 to \$100,000/acre range.

POTENTIAL USERS

Office/Campus

Although office park development will result in the highest property tax revenue to the Town of Hopkinton based on the higher square foot development cost of office buildings and the higher density of multi-storied buildings typically associated with office parks, it became clear in discussions with the real estate and economic development professionals that the market will not support an office campus use. Most of the successful office parks are located in Southern New Hampshire near larger population centers with a high percentage of educated/ professional employees. Bedford, Londonderry and Merrimack were most often identified as desirable locations for office users. The site is not close enough to Dartmouth Hitchcock Medical Center and Dartmouth University in the upper valley to attract related office users. The Concord Hospital also uses a feeder system of smaller facilities in adjacent communities of which one is already located in Hopkinton. The reasons that the site will not be competitive as an office park or campus in the near term are listed below.

- Not close enough to population centers
- No cluster opportunities of similar nearby office users
- Limited visibility from the interstate (depending on the scale of development)
- Sanitary sewer capacity and distribution challenge
- Transportation access to site from interstate
- Competition from existing/proposed southern New Hampshire office parks
- Zoning challenges associated with required office park density (as it relates to parking requirements, and potential traffic)
- Limited nearby retail/commercial services required to serve office park population
- Unknown political support for high density office park

Based on these results, the analysis described in item 2, "Evaluate Potential Users" of the Scope of Services has not been performed for an office park campus in this report.

The report will focus on the opportunities and challenges associated with a large single user and a multiple lot industrial park.

Large Single Industrial/Distribution User

According to the NH Division of Economic Development, the state typically fields three to five requests annually for proposals to accommodate large distribution projects. These companies do not necessarily select New Hampshire as the final location, so the actual recruitment of large projects may be substantially less. The limited number of inquiries combined with fewer that actually select a New Hampshire site for projects reduces the market viability of investing substantial infrastructure and site development resources targeted solely to a single user. There are also New Hampshire sites with better visibility closer to population density on Interstates 93 and 95 that would compete with the Hopkinton site.

Based on market and competitive conditions, it may take 5-10 years to actually recruit a single large user.

The following projections are based on a successful recruitment and are to be used for illustrative purposes only. Final site development costs will be determined by the specific needs of the company.

Tax Rate: The 2008 tax rate for the Town of Hopkinton is \$22.19 per \$1,000 of assessed valuation. The tax rate includes portions for the school district, Merrimack County, and the Town. The actual rate that funds municipal operations is \$4.45/\$1,000.

The following projections are an illustration of a potential single user project. The size and values assume a large warehouse/distribution facility built during the next five years and becoming taxable in 2015. Although the facility is projected to be developed in future years, current tax rates are used to demonstrate potential revenue associated with a project.

Single Large Facility

Proposed Building Size: 300,000 square feet
Construction Cost: \$75/s.f
Proposed Assessed Building Value: \$22,500,000
Proposed Land Value: \$50,000/acre
Proposed Parcel Size: 100 acres
Proposed Assesd Parcel Value: \$5,000,000
TOTAL ASSESSED VALUE: \$27,500,000

2008 Tax Rate: \$22.19/\$1,000 of assessed valuation
Town Portion: \$4.45/\$1,000 of assessed valuation
Proposed Annual Total Tax Revenue: \$610,225.00
Proposed Annual Town Portion: \$122,375

Proposed Occupancy: 2015
Proposed Jobs: 125
Proposed Annual Payroll: \$6,250,000 (\$50,000 average wage base in 2015)

Impact on Municipal Services

Operational water or sewer use provided to the facility would be paid via user charges. Capital investments associated with roads, utility distribution and treatment would need to be a component of the initial park development and recruitment strategy. Detailed projections on park development costs fall outside the scope of this engagement.

Because of the projects proximity to the Concord market and Interstate 89, it is anticipated that all employees would come from surrounding communities. The impact of a 125 employee distribution facility on the housing and school base should be limited.

The insurance underwriters for the building will require that the facility contain a state-of-the-art fire suppression system and possible on-site water storage. This should limit its demand on fire services. The impact of an additional 125 employees in the community should also have limited impact on public safety.

Traditional Industrial Park

Interviews with real estate professionals and the New Hampshire Division of Economic Development all suggest that the most competitive use of the site is the development of a traditional multi-lot industrial/business park. This area of New Hampshire routinely experiences demand for sites that can accommodate light manufacturing, assembly, warehouse, flex-tech, technology and similar uses. The professionals suggested lots that can support buildings in the 5,000 to 50,000 square feet size range. The average cost to construct these facilities is in the \$50-\$60/s.f. range and the market currently supports annual rental rates in the \$4.50-\$6.00/s.f. range.

Development: Assuming that 60 percent of the 175 acres is developable due to the location of existing buildings, slope, access and drainage challenges, yields 105 acres. Subtracting 25 acres for infrastructure, wetlands and design impacts yields 80 acres that could be potentially sold.

Assumed land value: \$50,000/acre
Value at build-out: 80 acres x \$50,000/acre = \$4.0 million
Total lots: 16 (average 5 acres per lot)
Average facility size per lot: 25,000 s.f. x 16 lots = 400,000 s.f.
Total building value: \$60/s.f. x 400,000 = \$24.0 million
TOTAL ASSESSED VALUE: \$28.0 million

2008 Tax Rate: \$22.19/\$1,000 of assessed valuation
Town Portion: \$4.45/\$1,000 of assessed valuation

Proposed Annual Total Tax Revenue: \$621,320
Proposed Annual Town Portion: \$124,600

Based on the diversity of potential business types, sizes and timing, it is much more difficult to project numbers of potential jobs and wage rates. Warehouse users maintain different employment skills and wage rates compared to evolving high technology companies. It is important to position the business park in a manner to attract diverse businesses.

Absorption Trends

Once again, due to current market conditions, it is very difficult to project an absorption rate. The standard business model for most industrial park developers is a 5-7 year exit strategy. This would require the sale of two lots annually with the concomitant construction of 50,000 square feet annually for the next seven to eight years on average.

CRDC projected absorption trends in the 2000 Land Access Study performed by Provan & Lorber based on trends at other business and industrial parks in the region. The projections were very conservative limiting absorption to only 84,000 square feet on 17 acres in ten years.

Impact on Municipal Services

Operational water or sewer use provided to multiple facilities is similar to a single user and would be paid via user charges. Capital investments associated with road design & layout, utility distribution and treatment would need to be a component of the initial park development and recruitment strategy. Substantially more road and utility distribution costs are associated with an industrial park. Detailed projections on park development costs fall outside the scope of this engagement.

As with a single user, the proposed business park's proximity to the Concord market and Interstate 89, anticipates that all employees would come from surrounding communities. The slower development and absorption schedule of smaller lots and building construction will have a reduced impact on the housing and school bases. Incremental development should also limited impact on public safety and the fire department.

If a financially sustainable business model can be developed, the traditional business park model is recommended. The incremental development associated with a traditional industrial park with one or two lots developed annually will also have a lesser impact on access. Buildings in the 10,000 to 25,000 s.f. range may be accompanied by 10-30 jobs, thus existing transportation access through Contoocook Village will not have an initial negative impact. As the park develops toward full build-out with 10-16 new buildings and upwards of several hundred employees, travel through Contoocook Village may become a challenge and require alternative access development.

Due Diligence

Once a determination is made that an industrial park development should be pursued, the following minimum list of tasks must be performed.

Site Control-It is always easiest to perform preliminary due diligence on any parcel with a single owner. The current owner has expressed a desire to see the site developed to its highest and best use in a manner that is mutually beneficial to the Town of Hopkinton and owner.

Wetlands Mapping-to determine final developable acreage.

Topographic Survey-to assist with design and determination of developable acreage.

Boundary Survey-to finalize actual size to assist with design and acquisition price.

Phase I Environmental-to characterize the environmental conditions on the site to assist with development budgeting and financing. Depending on the findings, additional borings and related work may be necessary.

Concept Planning, Engineering & Subdivision-a consulting engineer needs to be engaged to perform conceptual industrial park designs, utility extension designs, infrastructure cost estimates, subdivision plans, and to manage all aspects of the initial due diligence. Designs need to be sensitive to the establishment of buffers between the proposed industrial uses and adjacent non-industrial uses.

Utility Capacities-Although general utility capacities and distribution issues are addressed in this report an important component of the engineering engagement will be a detailed analysis of the municipal water and sewer system's ability to provide adequate service to a potential industrial park. Treatment capacity, distribution, water storage, and sanitary pump station needs should be evaluated. The impact of utility extensions on adjacent property owners and users needs to be considered.

Stormwater Management-The importance of stormwater management planning needs to be addressed in the preliminary design process. The consulting engineer needs to maintain sensitivity to this issue during the design process.

Geotechnical-preliminary test boring to evaluate soil types and their ability to support building construction also needs to be a component of the engineering engagement.

Traffic Analysis-despite the final determination on access (which falls outside the scope of this report) traffic impacts associated with the development of a new industrial park may require a traffic impact study. A scoping meeting with the NH

DOT District office is recommended early in the process. New traffic impacts on adjacent property owners and users needs to be considered.

Hopkinton Staff-maintaining ongoing dialogue with the Town of Hopkinton development review and permitting staff is strongly recommended at all steps of the due diligence process. A checklist of each review item and permit required, the name and contacts of each permitting agency, and the timing associated with each should be secured early in the development process.

Initial Due Diligence Budget: It is recommended that a minimum of \$75,000 be budgeted to address the due diligence items listed above.

Due Diligence Schedule: It is projected that the tasks listed above will take 6-9 months to be completed, prior to the commencement of the permitting process, which will take three to six additional months.

MARKET ANALYSIS

Regardless of the preliminary findings in this study, a comprehensive project feasibility and market analysis needs to be undertaken to address the following questions in more detail.

Can the market absorb the proposed industrial park lots?

What size should the lots be?

How many lots will be available?

At what price can they be sold?

How long will it take to sell the lots?

What types of end-users should be targeted?

Are specific companies interested?

Are non-traditional funding sources available to assist with infrastructure and to finance end users?

Would a sustainable, LEED designed business park make the park more marketable to all end-users or only those with green sensitivities?

DESIRABLE TENANTS

The following are key criteria for the businesses to be recruited to the proposed industrial park based on CRDC's experience working on similar projects.

Year round employment opportunities with good salaries

Low traffic impact

Strong impact on real estate property tax base

Businesses that provide needed services

Light manufacturing/assembly type businesses

Take into consideration the impact of new jobs on housing availability
Sustainable businesses should be targeted

Market Impression of Hopkinton for an Industrial Park

Based on interviews and CRDC's experience working in the region, the following are general observations about a potential industrial park in Hopkinton.

As an ideal location for light manufacturing with very few other opportunities of similar size in Town, the Burnham Intervale site is well suited for these types of companies.

Hopkinton is a desirable community and a more aggressive campaign to recruit businesses to the area should be undertaken.

Hopkinton has four I-89 exits, yet does not take advantage of them with Commercial/industrial development adjacent to the exits.

There should be broad community support to develop the site into a light manufacturing park as long as the access challenge is addressed.

The market can support smaller lots of 3-5 acres in size.

Depending on how the economy emerges in the coming months, the market may take 5-10 years to absorb the lots.

The market will determine build out and absorption.

Encourage sustainable businesses.

Focus on compatible end users.

Establish and maintain good communication with the public, local businesses, real estate professionals, and other potential stakeholders on the project as it evolves.

FUNDING SOURCES

Based on the preliminary analysis of infrastructure needs to provide road access and utility service to the site, collaborative participation in the funding of off-site improvements will be necessary to establish a financially feasible project. The identification of suitable non-traditional financing resources will be an important and required component of project planning. The following is a sample list of potential financial resources.

Tax Increment Financing District (TIF)

New Hampshire RSA 162-K authorizes municipalities to define TIF districts that utilize the future property tax revenues gained from the "incremental assessed value" (compared to original assessed value at the time of establishment of the TIF district) to pay the debt on bonds that are used by the municipality to make public improvements such as water and sewer utility extensions within the defined district. Bond funds can also be used to purchase and improve property and to pay for maintenance costs associated with improvements. TIF districts have been used throughout New Hampshire communities to attract important capital investment projects.

There are 4 basic steps to be undertaken by the municipality to proceed with a TIF district.

ADOPT THE ENABLING STATUTE: The municipality adopts a resolution after a public hearing adopting the provisions of RSA 162-K.

ESTABLISH THE DISTRICT: The specific district must be established to include an area where planned or potential development will occur. The district land area cannot exceed 1.5 percent of the municipality's land area or current taxable assessed value of the parcels to be included in the district cannot exceed 5 percent of the total municipal valuation. The district needs to be named, the number of tax parcels identified, total acreage of the parcels, and total current valuation listed in the district establishment resolution.

PREPARE AND ADOPT THE DEVELOPMENT PROGRAM AND TIF PLAN: The plan establishes district objectives, defines proposed improvements, establishes schedules and budgets, explains the rationale for the district, and it defines the percentage of tax increment to be used to service the bond debt and how much, if appropriate, to return to the general fund. Other items to be addressed in the TIF Plan include environmental controls, district operations, relocation/displacement, amendment procedures, program duration, and overall administration of the district.

AUTHORIZE THE BOND: The municipality adopts the bond which includes the amount of investments being financed and the life and duration of the district.

Community Development Block Grant (CDBG)

The New Hampshire Community Development Finance Authority, CDFA, administers the CDBG program for New Hampshire communities. The primary purpose of the program is the development of projects to establish or maintain viable communities by providing funds to assist housing projects, public facilities and infrastructure and economic development projects. The programs are designed to principally assist low and moderate income people. Job opportunities for this population are required components of all approved applications.

New Hampshire receives approximately \$10 million annually from the U.S. Department of Housing and Urban Development. Grants to communities for approved projects are available for up to \$500,000 per project annually.

Funds targeted to economic development projects can be used to make direct loans to businesses, to acquire and develop real estate for sale or lease to specific businesses, and to build or upgrade publicly owned infrastructure which will support for-profit

businesses with their need to expand, resulting in jobs for low and moderate income people. At least 60 percent of jobs being established must be made available to low and moderate income people. There is a minimum match of 1 to 1. For each \$1 of CDBG funds requested, a minimum of \$1 of non-CDBG money must be committed to the project.

Economic development project applications are accepted on an ongoing basis with no defined application deadline.

Community Development Investment Program (CDIP)

The CDFA also administers the Community Development Investment Program. The program grants New Hampshire state tax credit awards on a competitive basis to qualified organizations for specific projects that show a high level of community support, build partnerships and leverage other funds. All approved projects must raise the money for their projects as donations from New Hampshire businesses that donate the funds to offset New Hampshire business tax liabilities including business profits tax, business enterprise tax, and the insurance premium tax. Legislation permits CDFA to accept donations of up to \$5 million annually, in exchange for a total of \$3.75 million in project awards.

Projects must contribute to the development or redevelopment and economic well being of targeted areas or targeted populations. The projects must contribute to the economic development of New Hampshire, increase primary employment, or provide housing opportunities to low and moderate income people.

Funds have typically been awarded as loans to businesses by approved municipal and non profit applicants that result in jobs being created for low and moderate income people. Although the CDIP program is state sponsored, its goals are similar to the above described federal CDBG program.

For additional information on CDFA programs, review:
www.nhcdfa.org

US Economic Development Authority (EDA)

Hopkinton is currently not located within an U.S. Economic Development Administration, Economic Development District (EDD). Location within an EDD is required to participate in the infrastructure or revolving loan fund programs.

USDA, Rural Development

Rural Business Enterprise Grant (RBEG)

New Hampshire is generally awarded approximately \$200,000 annually for the RBEG program. Applications are competitive and can provide technical assistance and loan funds that benefit small businesses. Funds can also be used to acquire and develop land for business parks that are owned or developed by the Town or non-profit organizations as long as benefits to small businesses can be demonstrated. Assistance can also be provided to install certain infrastructure and utilities. Feasibility studies and market research are also eligible. As noted above, the funds are awarded once annually on a competitive basis and Rural Development prefers to fund multiple projects, so projects are normally funded under \$100,000 per project. 2009 applications were accepted until March 2, 2009. This program may be ideal for the completion of a comprehensive feasibility study in 2010.

CONCLUSION

Hopkinton is strategically located on Interstate 89 with four exits, none of which are fully developed. The community acknowledges the desire to increase its commercial and industrial tax base to shift the existing tax burden away from residential taxpayers. The community faces the challenge of limited large parcels suitable for development, parcels controlled by a single user, close to utilities and municipal services, with potential interstate access.

Burnham Intervale has been identified and studied for more than ten years as the area of the community most suitable for industrial development. This report lists the challenges and opportunities that need further analysis to determine if a formal public-private partnership should be pursued to accommodate the development of the Burnham Intervale Business Park.

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BACKGROUND

CRDC is the largest of the ten recognized New Hampshire regional development corporations established to offer a variety of economic development services, primarily targeted to Merrimack and Sullivan Counties, and several Hillsborough County communities along the I-93 corridor. CRDC is a mission driven organization focused on providing tools that result in private sector job creation and tax base enhancement. CRDC is successful because of its strong partnerships with the financial community, municipalities and local and regional economic development groups. In an effort to assist as many businesses as possible, CRDC offers the following 3 core services: small business lending, real estate development, and economic development consulting.

SMALL BUSINESS LOANS: CRDC provides enhancement financing to small businesses. CRDC is an approved Small Business Administration certified development company. It is certified to provide SBA 504 loans to any small business in New Hampshire. CRDC also manages five additional revolving loan funds targeted to businesses in Merrimack County, Sullivan County, Hillsborough County and downtown Concord. All of the loan programs typically require bank participation. CRDC is staffed by 5 professionals with substantial economic development and lending experience.

REAL ESTATE DEVELOPMENT: CRDC acquires and develops land to accommodate business parks, buys and develops commercial buildings, build-to-lease facilities, and acts as master developer when appropriate, in order to attract businesses and jobs, and to enhance the tax base in New Hampshire communities. The real estate investment policy requires that the local community invite CRDC to participate in a project, that CRDC not compete directly with private development projects, and that the municipality demonstrates the institutional, financial and physical infrastructure to support economic

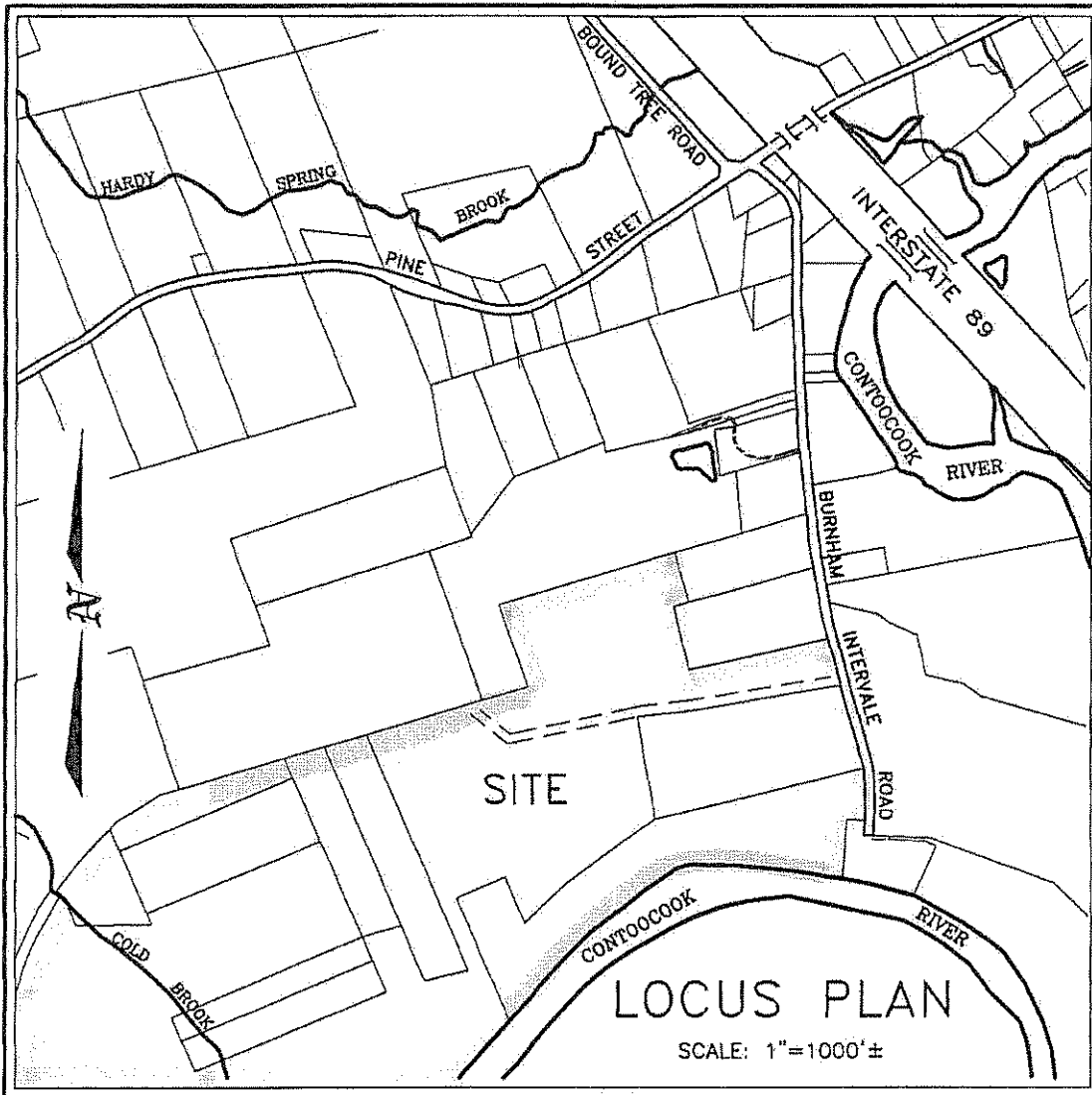
development. CRDC focuses its real estate development activities to projects in Belknap, Grafton, Merrimack, Sullivan and portions of Hillsborough County.

ECONOMIC DEVELOPMENT ASSISTANCE: CRDC provides technical assistance to communities to help stimulate economic development throughout New Hampshire. The Community Economic Development Assistance Program (CEDAP) is fee based and provides assistance in implementing community based economic development initiatives. Forms of assistance include grant writing, site analysis, financial packaging, project feasibility, business recruitment, business visitation, project coordination & liaison, developer/land owner negotiations, community education, regional marketing, and strategic planning for economic development.

GRANTS: CRDC works closely with the New Hampshire Community Development Finance Authority, CDFA, to identify projects, prepare funding applications, and administer projects that are suitable for Community Development Block Grant (CDBG) and Community Development Investment Program (CDIP) financial assistance. These are competitive, project specific programs that are designed to provide loan funds to appropriate job creating development projects throughout New Hampshire. When successful, CRDC secures a grant from the appropriate program, loans funds to the project and capitalizes or recapitalizes an existing small business loan fund with loan payment proceeds. Additionally, CDBG can finance municipal infrastructure in support of business investment.

NEW MARKET TAX CREDITS: CRDC has partnered with Coastal Enterprises, Inc. (CEI) of Portland, Maine to package New Market Tax Credit (NMTC) projects. The NMTC program was established by the US Treasury to attract capital to historically underserved projects and communities. It provides an incentive to debt and equity investors in the form of a 39 percent federal income tax credit over a seven year period for investing capital into qualified projects in eligible targeted areas. CRDC has been selected by CEI as its sole New Hampshire partner to identify and structure suitable projects.

Project area map follows on next page.



BURNHAM INTERVALE AREA
Development Potential Key Map
April, 2009