



# Franklin

## NEW HAMPSHIRE

### *The Three Rivers City*

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Date: June 7, 2023

From: Economic Development Group

To: Citizens of Franklin

Re: \$20 Million Bond Proposal

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***If the resolution passes, will the city receive a check for \$20 million to spend?***

No. The resolution will serve as an authorization for the issuance of a \$20 million bond. However, for each project, the City Council will require separate approvals for appropriations. Each approval will be contingent upon thorough proposals, plans, and budgets. Only upon receiving such approval will the funds be allocated and used.

***How will the \$20 million be spent?***

The \$20M is a capital improvement bond and will need to be spent on improvements that have a useful life of at least 20 years. The economic development group is recommending the following:

First, roughly \$5 million will be allocated towards modernizing City Hall to comply with the latest safety and building codes. Additionally, enhancements will be made to the Opera House to accommodate its maximum seating capacity and attract larger theatrical productions. Grant funding may also be available to help with the Opera House portion of the project. The ultimate budget will be determined based on comprehensive engineering and design plans. The Opera House is expected to pay for their share of the renovations.

Secondly, \$9 million will be used for road and sidewalk repairs throughout the city. A detailed list of roads included in this project is part of the CIP. To see the list of roads, go here:

<https://www.franklinnh.org/sites/g/files/vyhlf601/f/uploads/fy23draftcipplan.pdf>

Look for projects labeled “R” for roads in the “type” column of the summary document starting on page 14 (16 of the pdf file) – you can view detail sheets of each specific project by going to the page number indicated in the Ref# column of the summary. The \$9M will cover approx. 76.6% of the road projects as presented in the CIP plan. Of course, prices, conditions and priorities can change making this a fluid document.

Thirdly, \$3.5 million will be used to stabilize the Trestle Bridge. The final budget will depend on long term plans for the bridge which will be determined by the City Council. The available options include stabilizing the bridge to prevent further deterioration; upgrading it to support pedestrian traffic; removing the bridge entirely; or opting to take no action and allowing the bridge to collapse into the river.

Lastly, \$2.5 million will be allocated to finance the construction of the final two features and the slalom racing course in the Winnepesaukee River at Mill City Park. This investment plays a crucial role in securing the sustained growth of our local and regional economy. Continued efforts will be made to aggressively pursue outside grant funding to assist in financing this project.

***What are the terms of the bond?***

Currently, we estimate the bond terms based on a 20 year amortization schedule at 3.5% annual interest rate. Monthly payments would be approximately \$116,000 for an annual total of \$1,400,000. Different payment options would change these estimates.

***How much will my real estate taxes be increased by?***

Debt service on the bond equals \$2.47 per \$1,000 of assessed value. For example, if your property has an assessed value of \$300,000, the calculation is 300 times \$2.47 or an annual increase of \$741.00. Broken down by project, the annual increase is \$185 for City Hall, \$352 for roads, \$111 for the Trestle Bridge, and \$92 for the White Water Park.

***When will the tax increase go into effect?***

Upon the issuance of the bond, the annual bond payments will be collected. In the event no funds have been used from the bond, the taxes collected should be deposited into a distinct account specifically designated for future bond payments.

***Won't the increase in real estate taxes force the elderly to sell their homes?***

No. There are exemptions already in place to help prevent that from happening. To see the details about the elderly exemption, go here:

<https://www.franklinnh.org/assessing-department/pages/elderly-exemption>

***What will happen if the City Council does nothing?***

Due to life-safety issues, City Hall will close, and municipal offices will likely be relocated. As a result, Opera House productions will be scaled back and shifted to smaller venues. Use of the Opera House by schools and students will be discontinued.

The condition of roads, walkways, and the trestle bridge would continue to deteriorate, but with an ever increasing rate of disrepair. Consequently, the costs to repair or rebuild these damaged structures would significantly escalate.

The completion of the white water park would be delayed and thereby jeopardize the continued growth of economic development in Franklin

We know what doing nothing looks like. It is the difference between the Stevens Mill and the Stanley Mill.

***Why is the Economic Development Group promoting the bond?***

The City Council bears exclusive responsibility for providing funds for the repair and maintenance of city-owned assets. The deteriorated state of City Hall, roads, sidewalks, and the Trestle Bridge has been widely acknowledged and documented for many years. In the past, the strategy employed has been to do as little as possible and postpone necessary measures, effectively adopting a "kick the can down the road" approach.

The Economic Development Group believes that the City has reached a tipping point in tackling overdue repairs and maintenance. By recommending the \$20 million bond to the City Council, the Group aims to initiate a community dialogue and emphasize the significance and urgency of these issues. When the City steps up to address critical and strategic projects, outside investors take notice and often do the same. More investment in the city helps all.

***Will the bond payments “break” the tax cap?***

No. In accordance with NH State Statute and Franklin City Charter, capital expenditure and debt service (ie, bond) payments are eligible for exclusion from the calculation for tax cap items. Bond funding for capital investments and improvements is used by every tax cap community in New Hampshire with the exception of Franklin. By not using this powerful funding tool, Franklin is restricting its economic growth and development.

Franklin City Charter can be found here:

<https://ecode360.com/10175836>

See section 32-B of the charter for the tax cap exclusion discussed above.

***Will bond funding hurt us when applying for State and federal grants?***

No. Just the opposite. The bond funding will showcase Franklin’s commitment to investing in its own redevelopment and to building a thriving and prosperous economy.

***Can’t separate bonds be approved for the individual projects once detailed plans and budgets have been presented to the City Council?***

Possible, but much more expensive and time consuming to implement. Just not a practical approach. Also, the City shows good faith by having the total \$20 million bond in place.

***When discussing the costs of construction of the white water park in 2017 wasn’t the city told that no funding from the city would be needed?***

Yes. The \$2.9 million in costs for engineering, permitting, and the construction of the first feature and amphitheater were completely sourced from external funds. At that time, it was anticipated that the completion of the remaining two features of the project would be funded by state and federal grants, which could be obtained through the application process.

However, the Covid pandemic dramatically impacted the economy and forced changes in the funding landscape whereby the criteria for awarding grants were modified to meet the new reality. While recent grant applications have not been approved, Mill City Park remains committed to actively pursuing all possible funding sources at the state and federal level.

### ***Why will the city invest in the White Water Park?***

Historically, the Winnepesaukee River has always been the primary economic engine driving the vitality of Franklin and the region. Without the river, there is no reason for Franklin to exist. When all the mills closed, that engine was turned off, and the local economy started a long decline into various degrees of poverty and disrepair.

The WWP will act as a catalyst in reestablishing the river's power as the economic engine behind the city's revitalization. This assertion is supported by numerous studies highlighting the transformative impact of a white water kayaking venue on the resurgence of a community. More information on this important topic is available at: <https://www.franklinnh.org/>

Click on Project Updates about mid-way down the home page.

### ***How can I learn more?***

Request a meeting with members of the Economic Development Group to answer questions and discuss the issues surrounding the bond proposal.