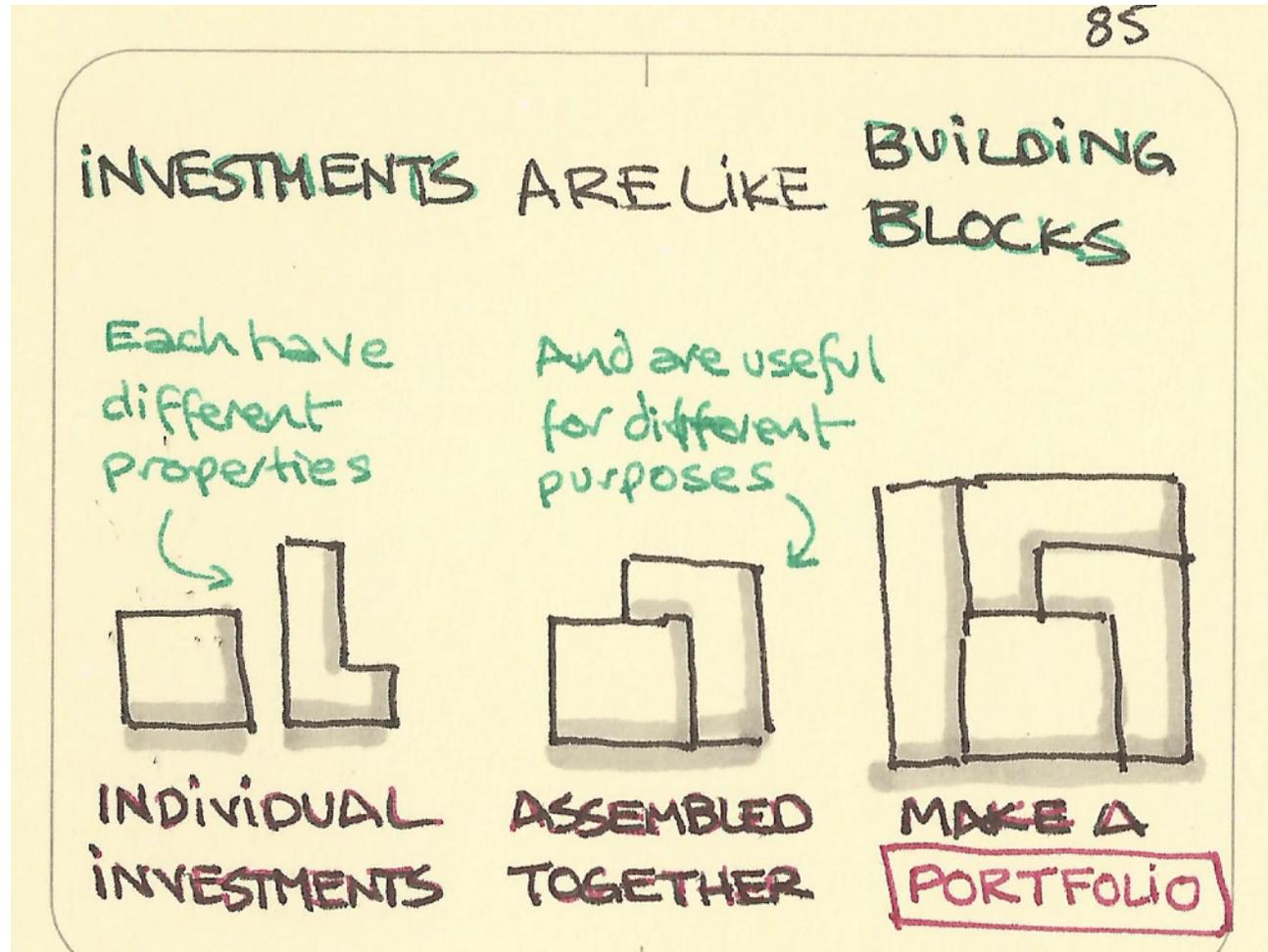


Bond Discussion

April 24, 2023

Slides are a culmination of multiple presentations from March 8 & April 10, 2023

Building Community



Backup Slides

Economic Development Task Force

- ▶ **Niel Cannon**, Finance and Development Consultant
- ▶ **Jim Aberg**, FBIDC (Franklin Business & Industrial Development Corp)
- ▶ **Marty Parichand**, ONE / MCP (Outdoor New England / Mill City Park)
- ▶ **Seth Creighton**, Franklin Planning & Zoning
- ▶ **Judie Milner**, Franklin City Manager

Bond Projects

Why \$20M?

1. \$5M for Opera House & City Hall.

Municipal buildings are not eligible for grants.
Opera house is eligible for grants.

2. \$9M for Roads

Repaving city roads are not eligible for grants.

3. \$3.5M for Trestle Bridge.

Bridge repair is not eligible for grants.

4. Stanley Tool.

Is grant eligible.

5. Phase 2 & 3 of the Whitewater Park.

Is grant eligible.



Why \$20M? (Most Challenging So Far)

1. Economic Development Team is part time & voluntary
2. Most projects are related to deferred maintenance
3. The price tags are much larger
4. Franklin's socioeconomics are changing, which makes us less eligible for grants.



This isn't going to happen again.

- ▶ Over the last 7 years, the team has helped facilitate about \$10M of grants, donations and other funding to support the revitalization.
- ▶ In this time, we've seen:
 - ▶ \$38M+ at Steven's Mill
 - ▶ \$23M+ at Peabody Place
 - ▶ \$12M+ at Franklin Light & Power
 - ▶ \$6M total at Odd Fellows, Shepard, Buell Block
- ▶ The attraction of new businesses; Vulgar, Kettlehead, Waterhorse, Downtown Crepes, Broken Spoon, Lakes Region E-Bikes and others.



\$79M

The intent of this slide is to show the ROI of our work over 7 years.

However, it is important to note that as Franklin economic distress indicators improve (poverty rate, household median income, etc), we are less eligible for grants.

Projects Underway

Under Construction or Completed Projects

1. Facade Building Renovations:
Shepard Block & Buell Block

2. Odd Fellows Building (IFA)

3. Stevens Mill (Chinburg Properties)

4. Peabody Place

5. Phase 1 of the Whitewater Park



Under Construction or Completed Projects

1. Facade Building Renovations:
Shepard Block & Buell Block

2. Odd Fellows Building (IFA)

3. Stevens Mill (Chinburg Properties)

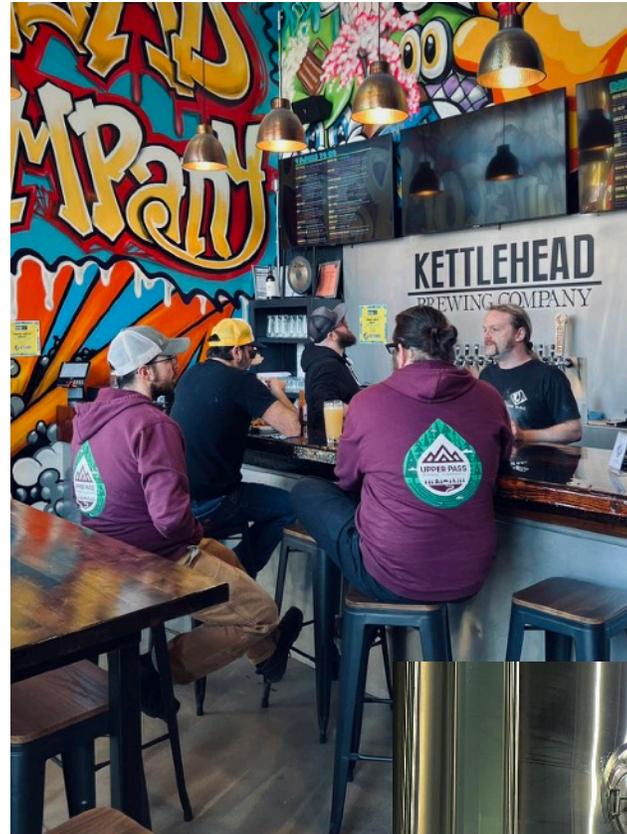
4. Peabody Place

5. Phase 1 of the Whitewater Park



Under Construction or Completed Projects

1. Facade Building Renovations: Shepard Block & Buell Block
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Under Construction or Completed Projects

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5. Phase 1 of the Whitewater Park



The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the left and right sides of the frame, creating a modern, dynamic feel. The central area is a plain white space where the text is located.

Benefits and Recent Investments

Benefits of Municipal Investment

Large scale benefits:

- ▶ Ability to complete signature ROI projects, timely
- ▶ Expenditures will continue to attract private investments
- ▶ Increased Tax Base / Revenue
- ▶ Branding Tourism
- ▶ Job Creation / Leveraging Private Investment (TIF)

Direct benefits to residents:

- ▶ Improved health and safety
- ▶ Better quality services
- ▶ Increase in home equity
- ▶ Reduced personal costs (i.e.- smooth roads = less vehicle maintenance)
- ▶ Over time improvements will lead to a fully funded school system

New Private Investment Since 8/2021

- ▶ Newfound Pet Center
- ▶ Downtown Crepes
- ▶ Zeke's Sweets
- ▶ Lakes Region E-Bikes
- ▶ Shorey's Grilled Cheese & Ice Cream
- ▶ Mosquito Squad
- ▶ Goodwin Counseling Services
- ▶ US Cellular
- ▶ Mike Rivers Automotive
- ▶ Franklin's Hidden Treasures
- ▶ Waterhorse Irish Pub
- ▶ Kettlehead Brewing Company



Business Expansions Since 8/2021

- ▶ Vitex Extrusions
- ▶ Franklin Café
- ▶ Innate Therapeutic Services
- ▶ IFA Expansion
- ▶ Potential Projects



Whitewater Park Impacts

Outdoor Recreation

Nationwide

- \$862B Economy supporting 4.5M Jobs
- Outdoor recreation contributes more to the US economy than oil and gas, mining and agriculture.

New Hampshire

- \$2.7B Economy supporting 28,000 Jobs
- Plus about half of visitor/tourist spending which was \$5.5B in 2021
- Visitor spending per population (\$4,339 was more than two times the national average (\$2,077) in 2020.

The Whitewater Park builds on this established and healthy outdoor economy.

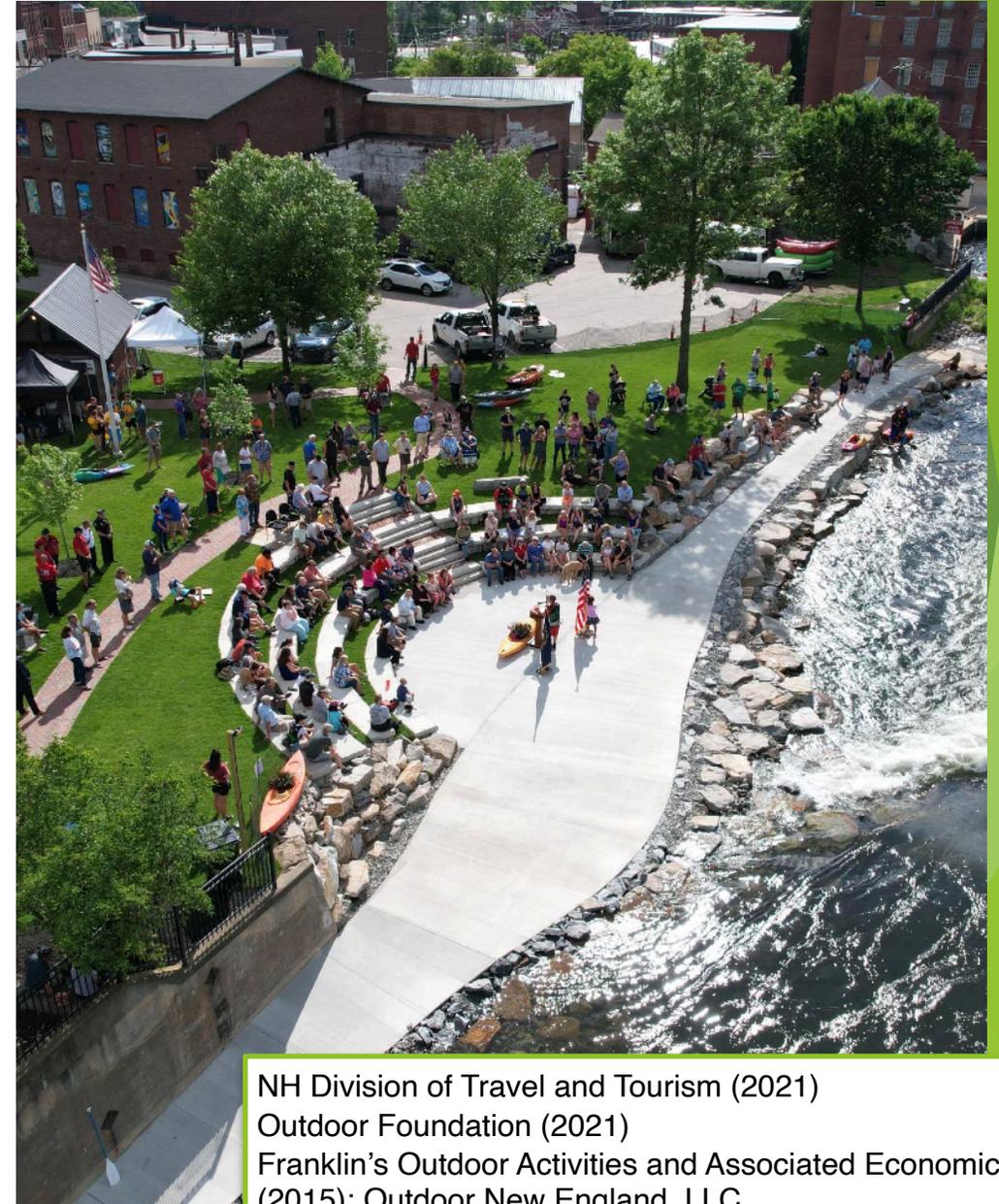


*US Bureau of Economic Analysis (2021)
NH Economic Conditions (2021)
Outdoor Foundation (2019)*

Whitewater Park Impacts

How will completion of the WWP help?

- The only olympic style, in river whitewater park in the Northeast serves a substantial market area and potential, together with existing outdoor activities, it will attract **190,000 annual visitors**.
- Based on current NH spending patterns, these **visitors will spend about \$9.77M and generate another \$6.7M in indirect spending locally**
- **81% of this spending will be concentrated in the following sectors: food service, lodging, retail trade, arts and entertainment. These are downtown appropriate businesses!**



NH Division of Travel and Tourism (2021)
Outdoor Foundation (2021)
Franklin's Outdoor Activities and Associated Economic Impact (2015); Outdoor New England, LLC

Whitewater Park Impacts

The demand created by this spending will catalyze additional private investment in Franklin's downtown and enhance its tax base:

- There are about 42,000 square feet of vacant space, including storefronts and upper floors, within a short walking distance from the termination of the whitewater course. We believe that the demand for space in the benefiting sectors will lead to renovation of at least 80% of these spaces within 2 - 3 years. At \$300/SF that equates to over \$10,000,000 in new investment.
- In the Mill District there is still some untapped long-term potential in the Stanley site, the Armory, and the Proulx Building. Potential investment \$5,000,000 to \$10,000,000!

Get ready to welcome responsible investment in our City!



NH Division of Travel and Tourism (2021)
Outdoor Foundation (2021)
Franklin's Outdoor Activities and Associated Economic Impact (2015); Outdoor New England, LLC

Tax Cap Calculation

Tax Cap Calculation

▶ Taxes From Prior Year		\$ 17,169,934
▶ CPI-U (Dec-Dec = 6.5%)		<u>+ \$ 1,116,046</u>
	▶ Subtotal	\$ 18,285,980
▶ Pick Ups		
▶ Value	\$ 10,547,868 / 1,000	
▶ Tax Rate	\$ 24.39	<u>+ \$ 257,263</u>
▶ Tax Cap Operating		\$ 18,543,243
▶ P&I Payments & Capital		<u>+ \$ 0</u>
▶ Total Tax Cap		\$ 18,543,243
▶ Franklin City Charter C-32 & NH RSA 49-C:33		

Tax Distribution

School Statewide Property Tax	1,217,843
School Local School District	5,384,379
Merrimack County	1,931,238
TIF Districts	134,614
Veteran's Credits	128,525
Overlay	31,000
Municipal Operations	9,715,643
Total Property Tax Supporting Current Budget	18,543,242

Authorization of Debt

▶ Taxes From Prior Year		\$ 17,169,934
▶ CPI-U (Dec-Dec = 6.5%)		<u>+ \$ 1,116,046</u>
	▶ Subtotal	\$ 18,285,980
▶ Pick Ups		
▶ Value	\$ 10,547,868 / 1,000	
▶ Tax Rate	\$ 24.39	<u>+ \$ 257,263</u>
▶ Tax Cap Operating		\$ 18,543,243
▶ P&I Payments & Capital		<u>+ \$ 1,400,000</u>
▶ Total Tax Cap		\$ 19,943,243
▶ Franklin City Charter C-32 & NH RSA 49-C:33		

Tax Distribution with LTD Authorization

School Statewide Property Tax	1,217,843	6.11%
School Local School District	5,384,379	27.00%
Merrimack County	1,931,238	9.68%
TIF Districts	134,614	0.67%
Veteran's Credits	128,525	0.64%
Overlay	31,000	0.16%
Municipal Operations	9,715,643	48.72%
Debt Service Fund	1,400,000	7.02%
Total Property Tax Supporting Current Budget	19,943,242	100.00%

Tax Cap vs Cap Rate

- ▶ Tax Cap is the Total Taxes collected by the city - this is a constant
- ▶ Tax Rate Formula
 - ▶ $\text{Total Taxes} / (\text{Assessed Value} / 1,000) = \text{Tax Rate}$

Tax Cap vs Cap Rate

▶ Total Taxes / (Assessed Value / 1000) = Tax Rate

▶ Examples

▶ $100 / (100,000 / 1000) = \1.00

▶ $100 / (90,000 / 1000) = \1.23

▶ $100 / (120,000 / 1000) = \$.84$

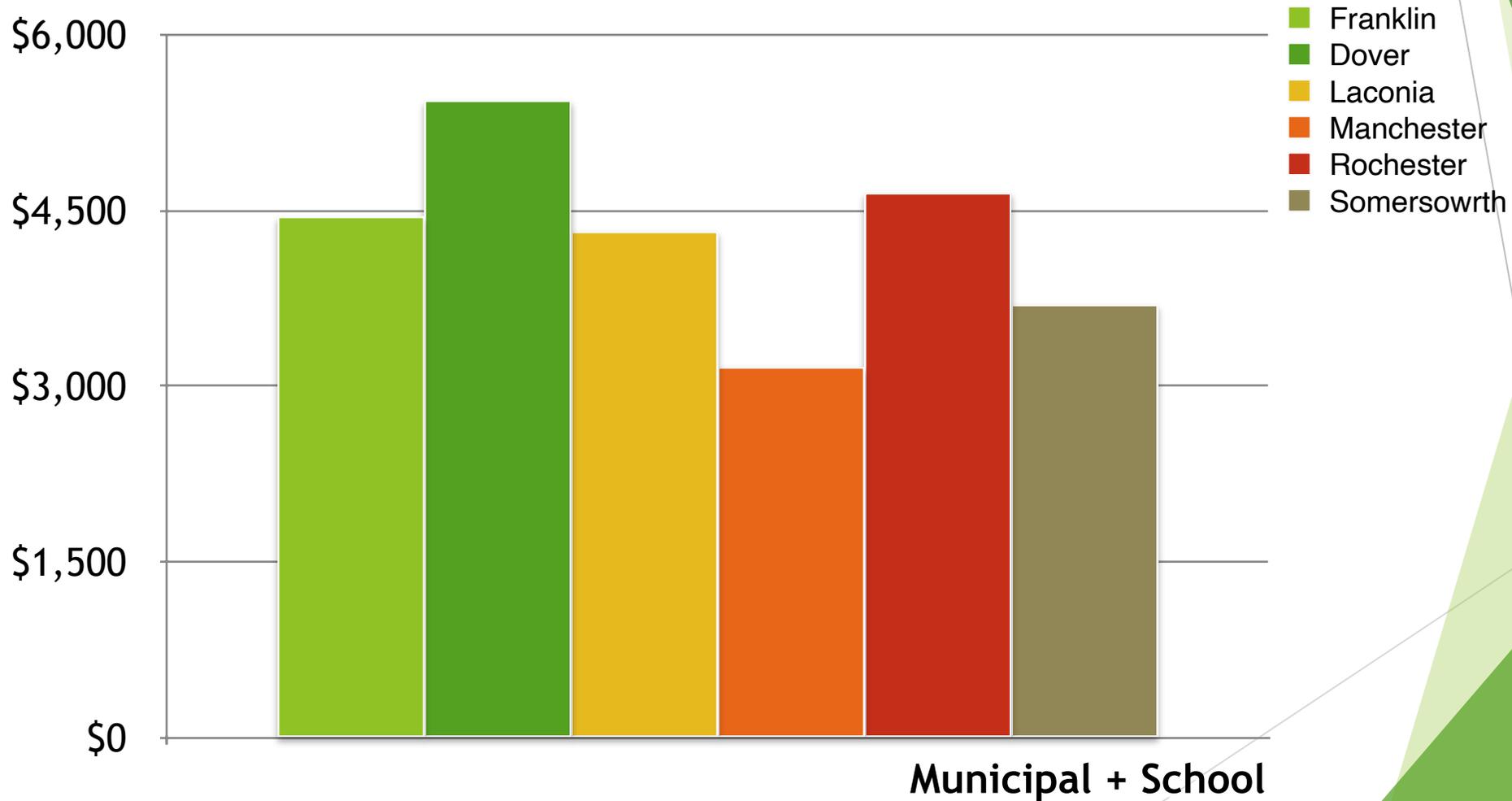
Bond Effect on Tax Rate

- ▶ Effect on current tax rate = \$2.02 - 2.47
- ▶ Possible effect on tax rate in 2023 after revaluation = \$1.56 - \$1.89
 - ▶ Why a range? Depends on Financing Terms
 - ▶ Why the difference? Revaluation is showing 30-40% increase in values - used conservative 30% for this example

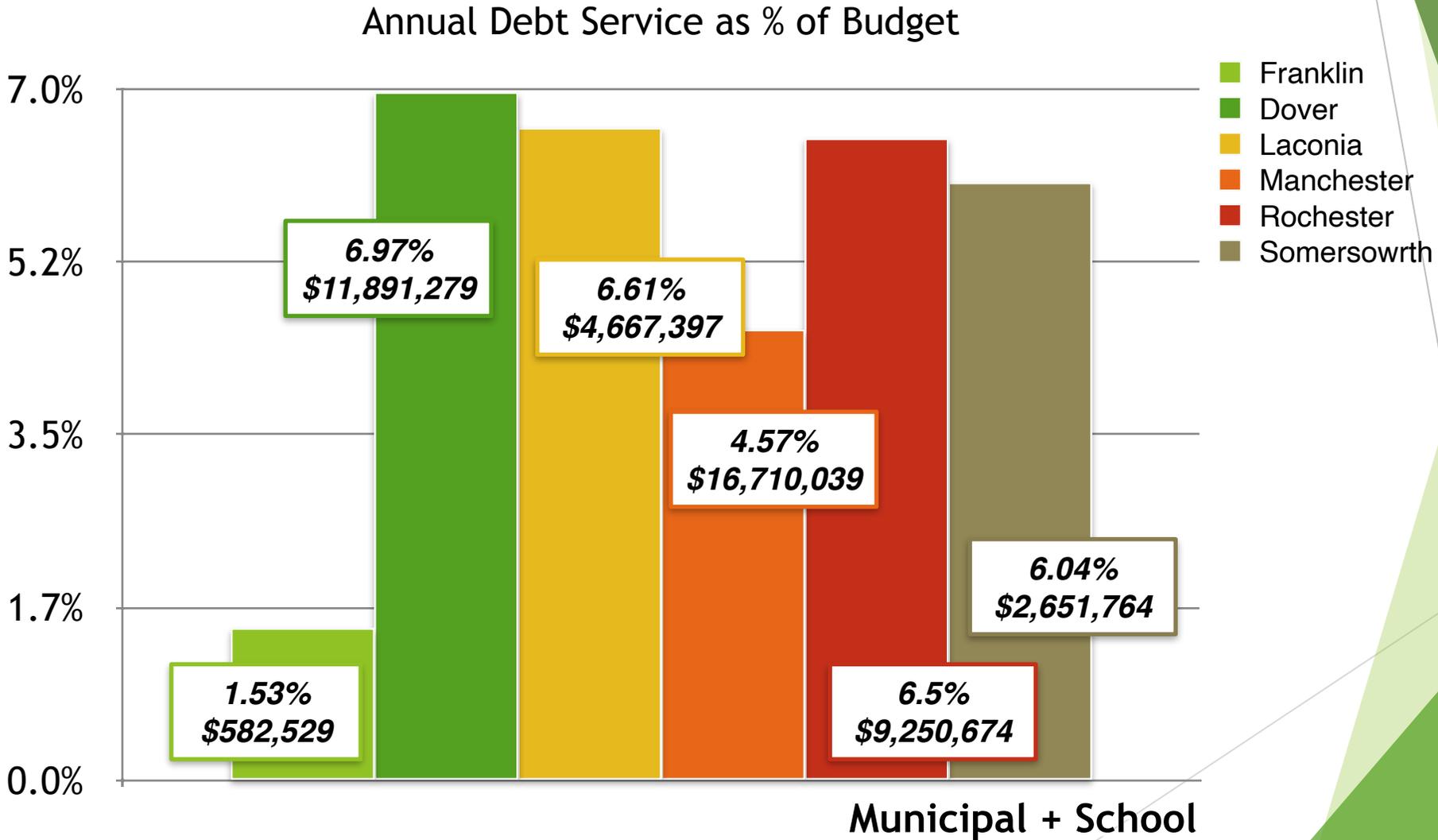
Franklin does not invest
in its future.

Franklin is not investing in the future.

Total Budget per Capita

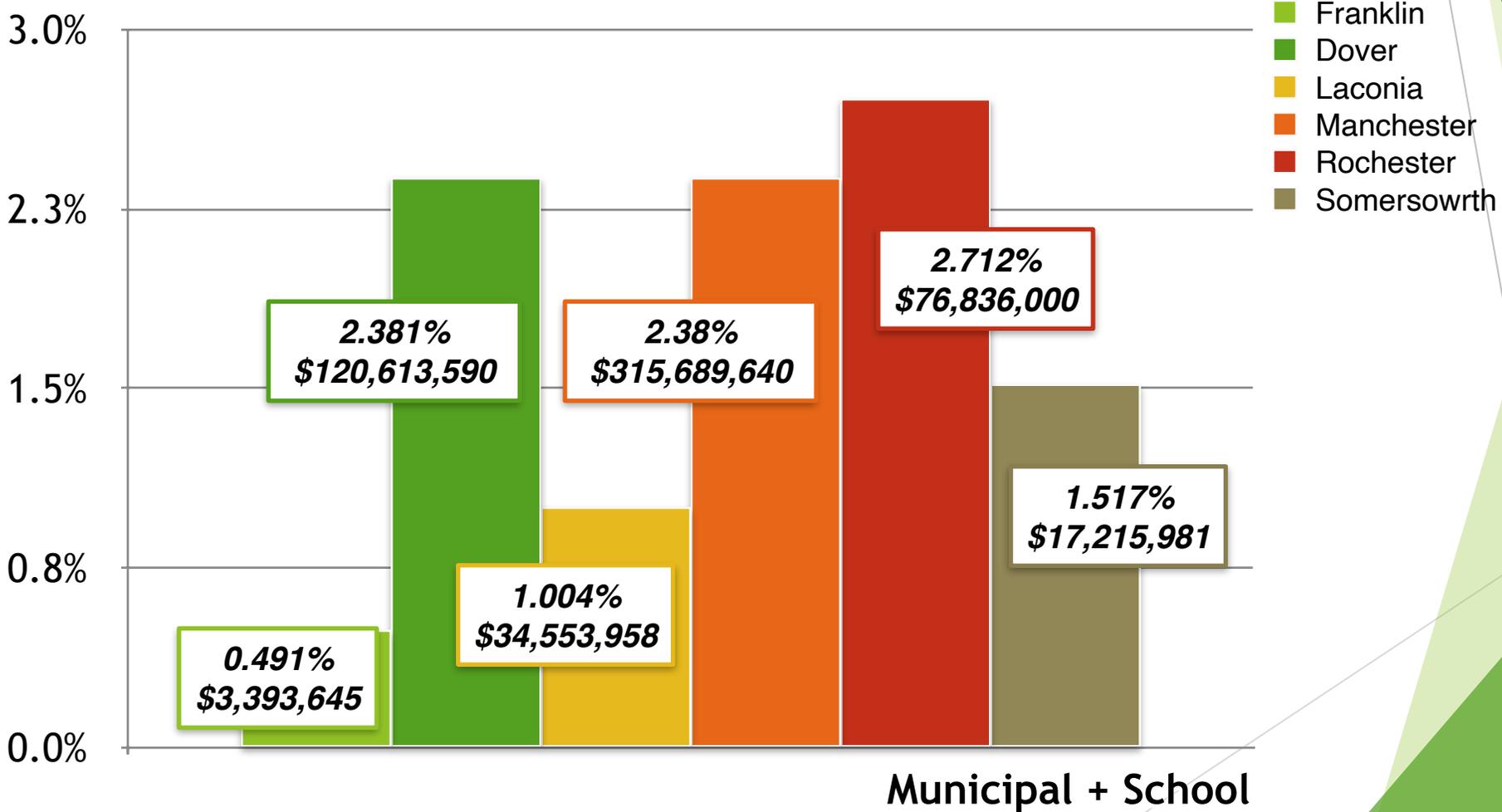


Franklin is not investing in the future.



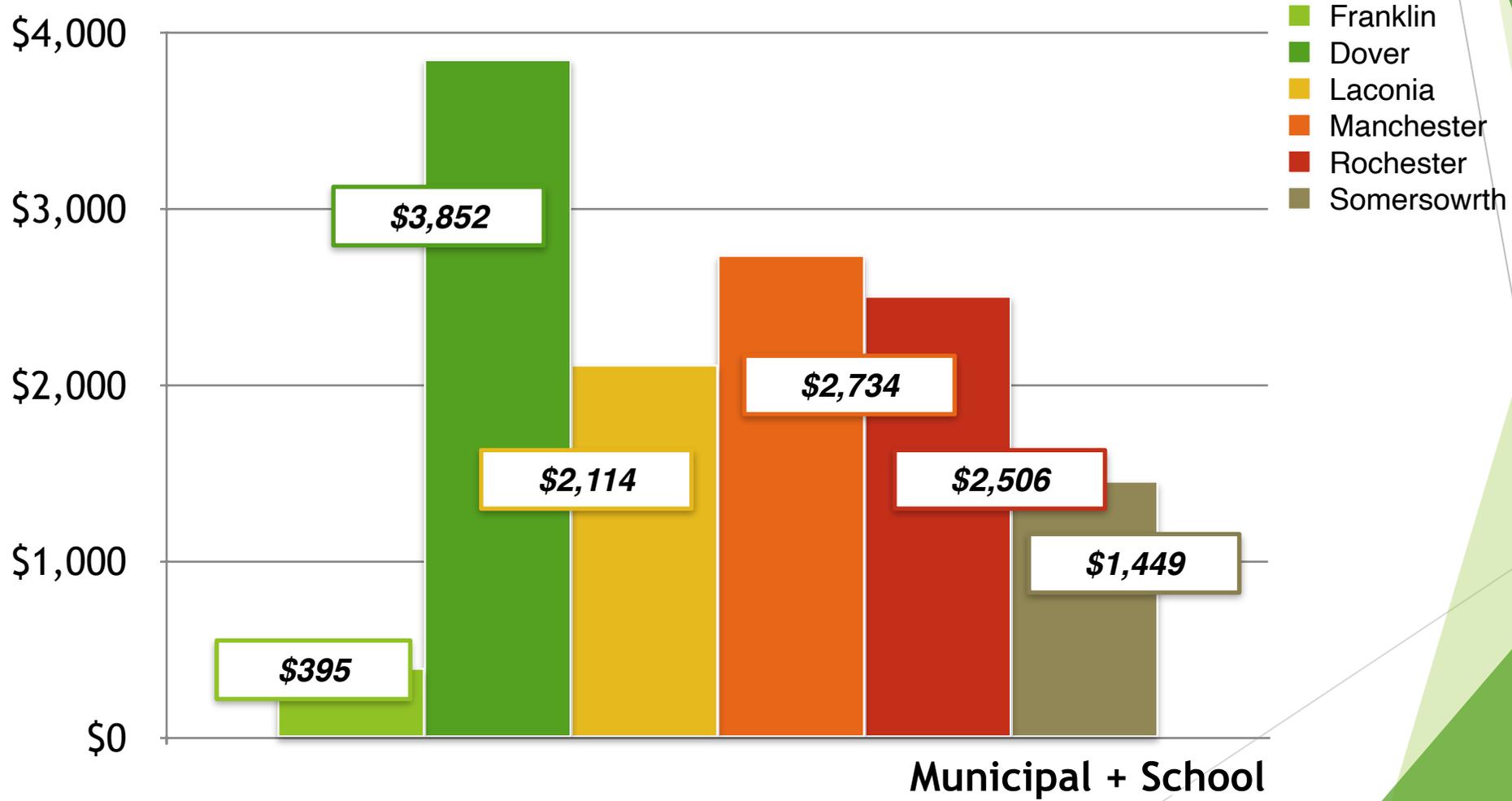
Franklin is not investing in the future.

Bonded Indebtedness as % of Assessed Valuation



Franklin is not investing in the future.

Total Debt Per Capita



	Franklin	Dover	Laconia	Manchester	Rochester	Somersworth
Assessed Valuation	\$690,748,259	\$5,066,056,620	\$3,441,276,113	\$13,264,649,054	\$2,833,624,409	\$1,134,772,148
Tax Rate (2022)	\$0.02439	\$0.01984	\$0.01485	\$0.01824	\$0.02528	\$0.02809
Population	8,586	31,316	16,342	115,470	30,661	11,883
Current Budget						
Municipal	\$19,062,530	\$95,633,068	\$31,729,257	\$172,548,076	\$60,420,947	\$15,319,151
School	\$19,080,631	\$74,955,593	\$38,850,836	\$192,917,789	\$81,968,777	\$28,596,753
Total	\$38,143,161	\$170,588,661	\$70,580,093	\$365,465,865	\$142,389,724	\$43,915,904
Total Budget/Capita	\$4,442	\$5,447	\$4,319	\$3,165	\$4,644	\$3,696
Annual Debt Service Payments						
Municipal	\$254,442	\$5,528,957	\$2,538,851	\$11,151,655	\$4,493,059	\$814,224
School	\$306,589	\$6,362,322	\$2,128,546	\$5,558,384	\$4,757,615	\$1,837,540
Total	\$582,529	\$11,891,279	\$4,667,397	\$16,710,039	\$9,250,674	\$2,651,764
Debt Service as % of Budget	1.53%	6.97%	6.61%	4.57%	6.50%	6.04%
Bonded Indebtedness						
Municipal	\$1,042,996	\$37,829,457	\$20,808,337	\$270,572,640	\$37,649,640	\$5,954,939.0
School	\$2,350,649	\$82,784,133	\$13,745,621	\$45,117,000	\$39,186,360	\$11,261,042.0
Total	\$3,393,645	\$120,613,590	\$34,553,958	\$315,689,640	\$76,836,000	\$17,215,981.0
Debt as % of Assessed Valuation						
Municipal (3%)	0.151%	0.747%	0.605%	2.040%	1.329%	0.525%
School (7%)	0.340%	1.634%	0.399%	0.340%	1.383%	0.992%
Total	0.491%	2.381%	1.004%	2.380%	2.712%	1.517%
Total Debt Per Capita	\$395	\$3,852	\$2,114	\$2,734	\$2,506	\$1,449

Data table for previous slides.

Bond Costs

What is the cost?

Bond Amount	\$20M
Annual Payment	\$1.4M
Debt Service	\$2.47 per \$1K

All numbers are based on current assessment.

Property Value	Tax Increase Per Year	Tax Increase Per Month	Tax Increase Per Week	Tax Increase Per Day
\$100,000	\$247.00	\$20.58	\$4.75	\$0.68
\$150,000	\$370.50	\$30.88	\$7.13	\$1.02
\$200,000	\$494.00	\$41.17	\$9.50	\$1.35
\$250,000	\$617.50	\$51.46	\$11.88	\$1.69
\$300,000	\$741.00	\$61.75	\$14.25	\$2.03
\$350,000	\$864.50	\$72.04	\$16.63	\$2.37
\$400,000	\$988	\$82.23	\$19.00	\$2.71

What is the cost? By Project.

Projects	Bond Amount	Percentages
Roads	\$9M	45%
City Hall	\$5M	25%
Trestle Bridge	\$3.5M	17.5%
Whitewater Park	\$2.5M	12.5%

Property Value	Annual Tax Increase By Project				
	Roads	City Hall	Trestle Bridge	Whitewater Park	Tax Increase Per Year
\$100,000	\$111.15	\$61.75	\$43.23	\$30.88	\$247.00
\$150,000	\$166.73	\$92.63	\$64.84	\$46.31	\$370.50
\$200,000	\$222.30	\$123.50	\$86.45	\$61.75	\$494.00
\$250,000	\$277.88	\$154.38	\$108.06	\$77.19	\$617.50
\$300,000	\$333.45	\$185.25	\$129.68	\$92.63	\$741.00
\$350,000	\$389.03	\$216.13	\$151.29	\$108.06	\$864.50
\$400,000	\$444.60	\$247.00	\$172.90	\$123.50	\$988.00

This is an approximation based on the full \$20M bond without additional grants or other funds. As items are removed interest rates will cause amount to decrease.

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. The shapes are primarily triangles and polygons, creating a dynamic, layered effect. The central text is positioned in the white space between these green elements.

Demographics & Economic Indicators

DEMOGRAPHIC STATISTICS & ECONOMIC INDICATORS

(1) American Community Survey
from the US Census Bureau

POPULATION (1)					
	2021		2010	Change	%Change
NH	1,387,505		1,316,470	71,035	5.4%
US	332,031,554		308,745,538	23,286,016	7.5%
FRANKLIN	8,766		8,477	289	3.4%
MERRIMACK CNTY	154,591		146,445	8,146	5.6%

PER CAPITA INCOME (1)					
	2021	Franklin %	2010	Change	% Growth
NH	\$43,877	78%	\$31,442	\$12,435	39.5%
US	\$37,638	91%	\$27,334	\$10,304	37.7%
FRANKLIN	\$34,350	100%	\$20,420	\$13,930	68.2%
MERRIMACK CNTY	\$40,054	86%	\$25,325	\$14,729	58.2%

MEDIAN HOUSEHOLD INCOME (1)					
	2021	Franklin %	2010	Change	% Growth
NH	\$83,449	74%	\$63,227	\$20,222	32%
US	\$69,021	89%	\$51,914	\$17,107	33%
FRANKLIN	\$61,664	100%	\$48,369	\$13,295	27%
MERRIMACK CNTY	82,457	75%			

DEMOGRAPHIC STATISTICS & ECONOMIC INDICATORS

(1) American Community Survey
from the US Census Bureau

MEDIAN FAMILY INCOME (1)					
	2021	Franklin %	2010	Change	%Change
NH	\$95,244	82%	\$76,446	\$18,798	25%
US	\$77,263	101%	\$62,982	\$14,281	23%
FRANKLIN	\$78,073	100%	\$56,431	\$21,642	38%
MERRIMACK CNTY	\$103,376	76%	\$75,268	\$28,108	37%

POVERTY STATUS (1)					
	2021		2012		% Change
NH	7.2%		8.4%		-14%
US	12.8%		14.9%		-14%
FRANKLIN	4.8%		19.7%		-76%
MERRIMACK CNTY	9.8%		8.9%		10%

LABOR FORCE (1)					
	2021		2010	Change	% Growth
NH	776,557		738,509	38,048	5%
US	168,246,346		154,037,474	14,208,872	9%
FRANKLIN	4,866		4,434	432	10%
MERRIMACK CNTY	84,002		81,566	2,436	3%

DEMOGRAPHIC STATISTICS & ECONOMIC INDICATORS

(1) American Community Survey
from the US Census Bureau

EMPLOYED (1)					
	2021		2010	Change	%Change
NH	748,601		695,283	53,318	8%
US	157,646,827		141,883,331	15,763,496	11%
FRANKLIN	4,705		4,130	575	14%
MERRIMACK CNTY	80,978		77,243	3,735	5%

(2) National Center for
Educational Statistics; NH
Department of Education

STUDENTS ELIGIBLE FOR FREE OR REDUCED LUNCH PROGRAM (2)					
	TOTAL ENROLLMENT		STUDENTS ELIGIBLE		PERCENT
NH	147,065		35,316		24.0%
US	49,962,161		26,000,645		52.0%
FRANKLIN					
Elementary	282		173		61.5%
Middle	367		212		57.6%
High	181		82		45.2%
TOTAL	830		467		56.2%

Franklin is Changing: Residents

	Franklin	YoY Change	NH	YoY Change
Total Population	8,766	0.8%		
Median Age	45.8	-1.7%	43	0.2%
Median Household Income	\$61,664	6.3%	\$88,465	1.8%
People below Poverty Level	413	-16.7%		
Poverty Rate	4.8%		7.2%	

Merrimack County
Concord
Laconia

8.7%
9.3%
10.3%

(1) American Community Survey
from the US Census Bureau

Franklin is Changing Our Neighbors

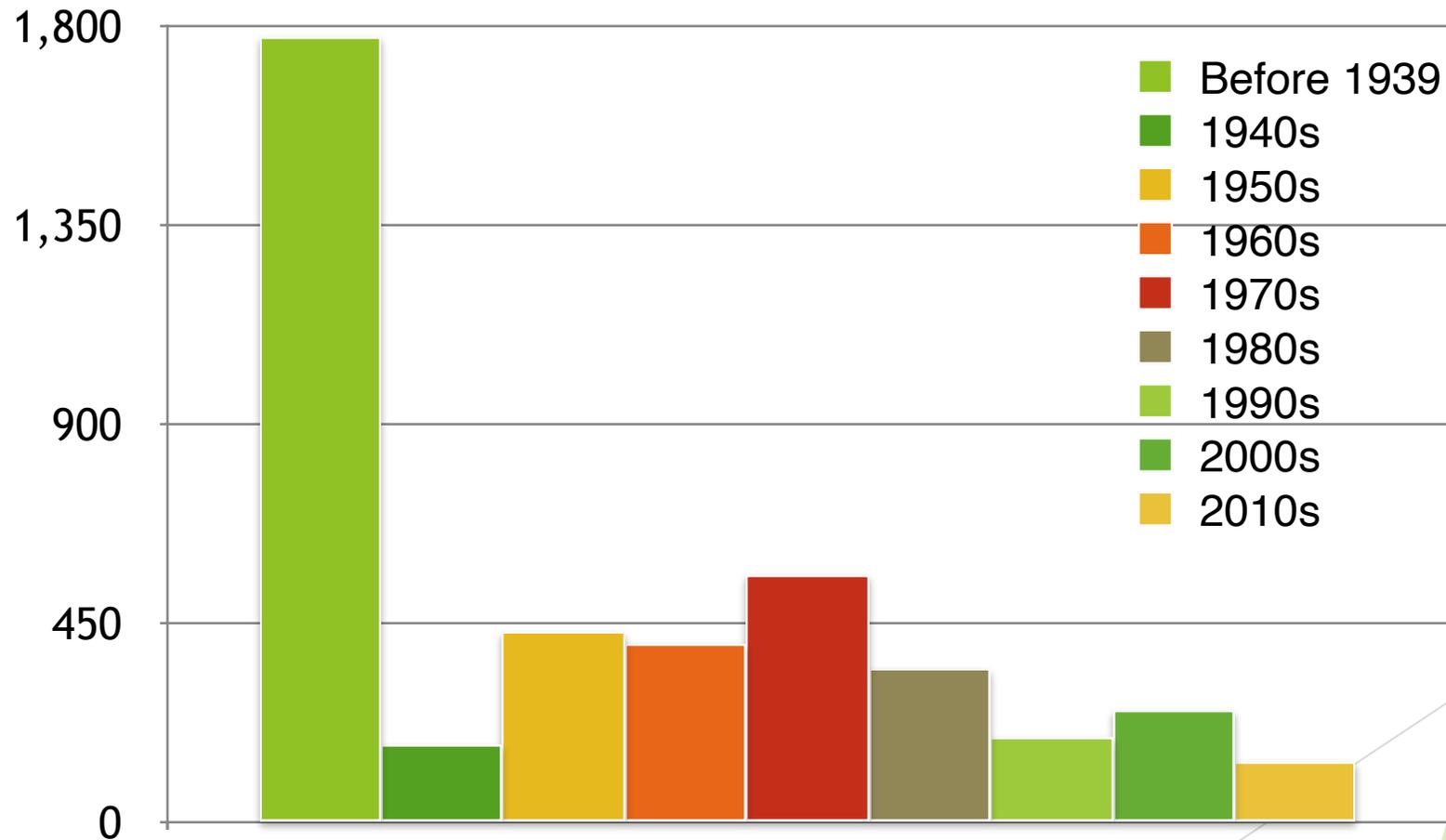
		YoY Change
Total Households	3,779	-4.1%
Households with Children	918	3.5%
Households without Children	2,861	-6.3%
Average Household Income	\$77,146	12.1%
Owner Occupied Households	2,503	-4.1%
Of Owner Occupied: With Mortgage	1,374	-2.6%
Of Owner Occupied: Without Mortgage	1,129	-3.0%

**45% of
homes**

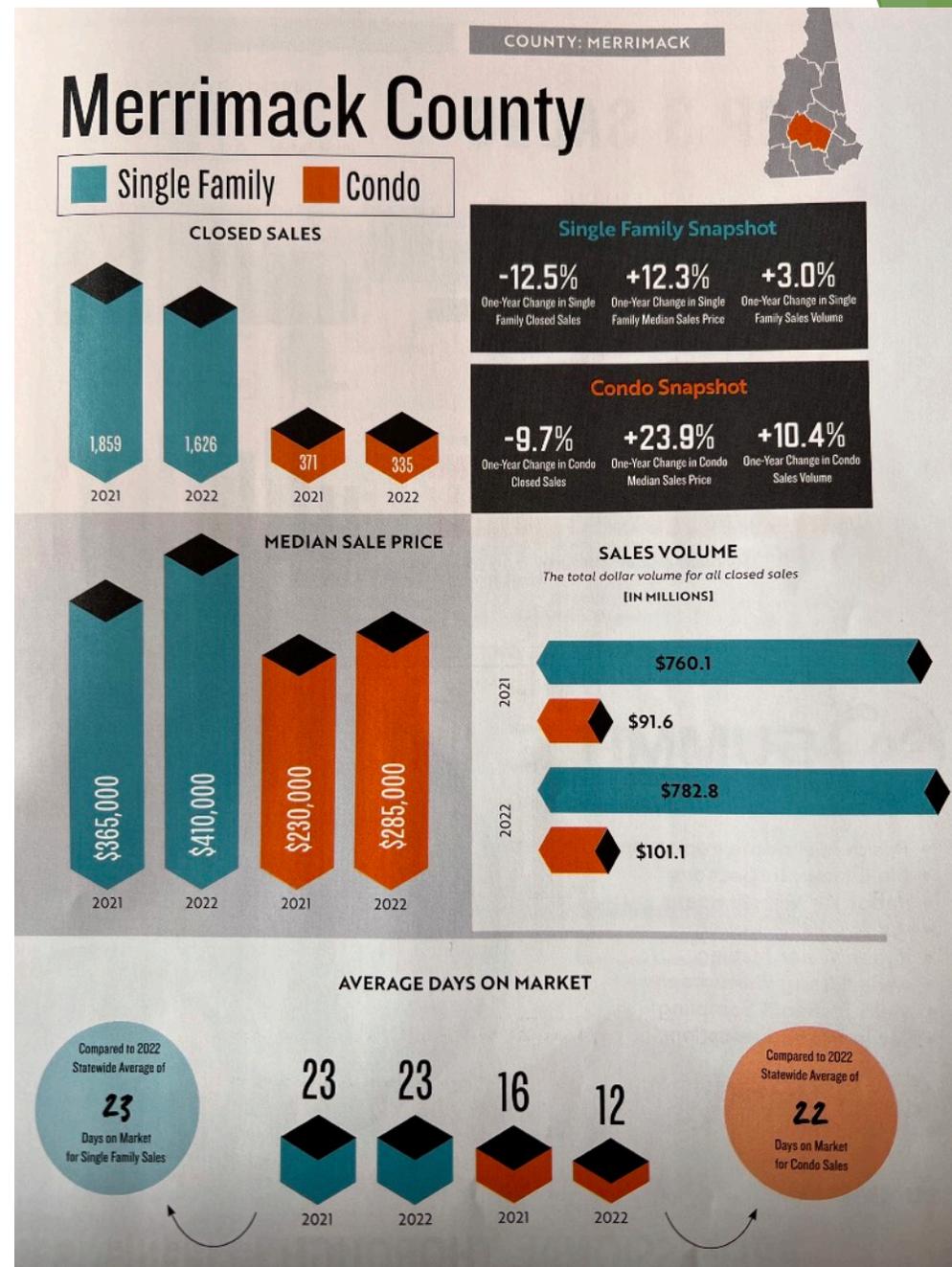
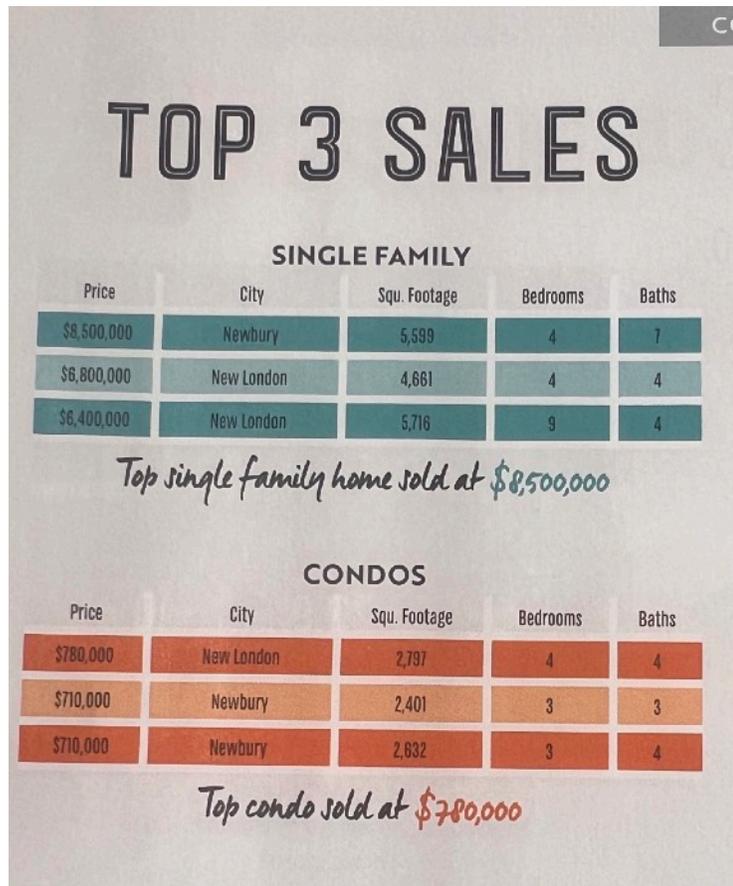


*(1) American Community Survey
from the US Census Bureau*

House Construction by Decade



Franklin is Changing Merrimack County



Franklin is Changing: Home Values

Single Family Residence Key Metrics	December			Year to Date		
	2021	2022	% Change	Thru 12-2021	Thru 12-2022	% Change
Closed Sales	9	6	- 33.3%	108	91	- 15.7%
Median Sales Price*	\$243,000	\$300,000	+ 23.5%	\$244,000	\$290,000	+ 18.9%
Median List Price	\$319,450	\$340,000	+ 6.4%	\$249,900	\$287,400	+ 15.0%
Volume of Closed Sales	\$2,172,900	\$1,794,800	- 17.4%	\$27,675,500	\$28,026,595	+ 1.3%
Days on Market Until Sale	23	48	+ 108.7%	26	20	- 23.1%
Pending Sales	6	6	0.0%	106	96	- 9.4%
Months Supply of Inventory	0.2	1.4	+ 600.0%	—	—	—
New Listings	4	5	+ 25.0%	122	117	- 4.1%
Inventory of Homes for Sale	2	11	+ 450.0%	—	—	—
Percent of Original List Price Received*	100.6%	99.8%	- 0.8%	100.2%	100.8%	+ 0.6%

New Hampshire Realtors

**50% increase over
Merrimack County**

The tale of two cities...

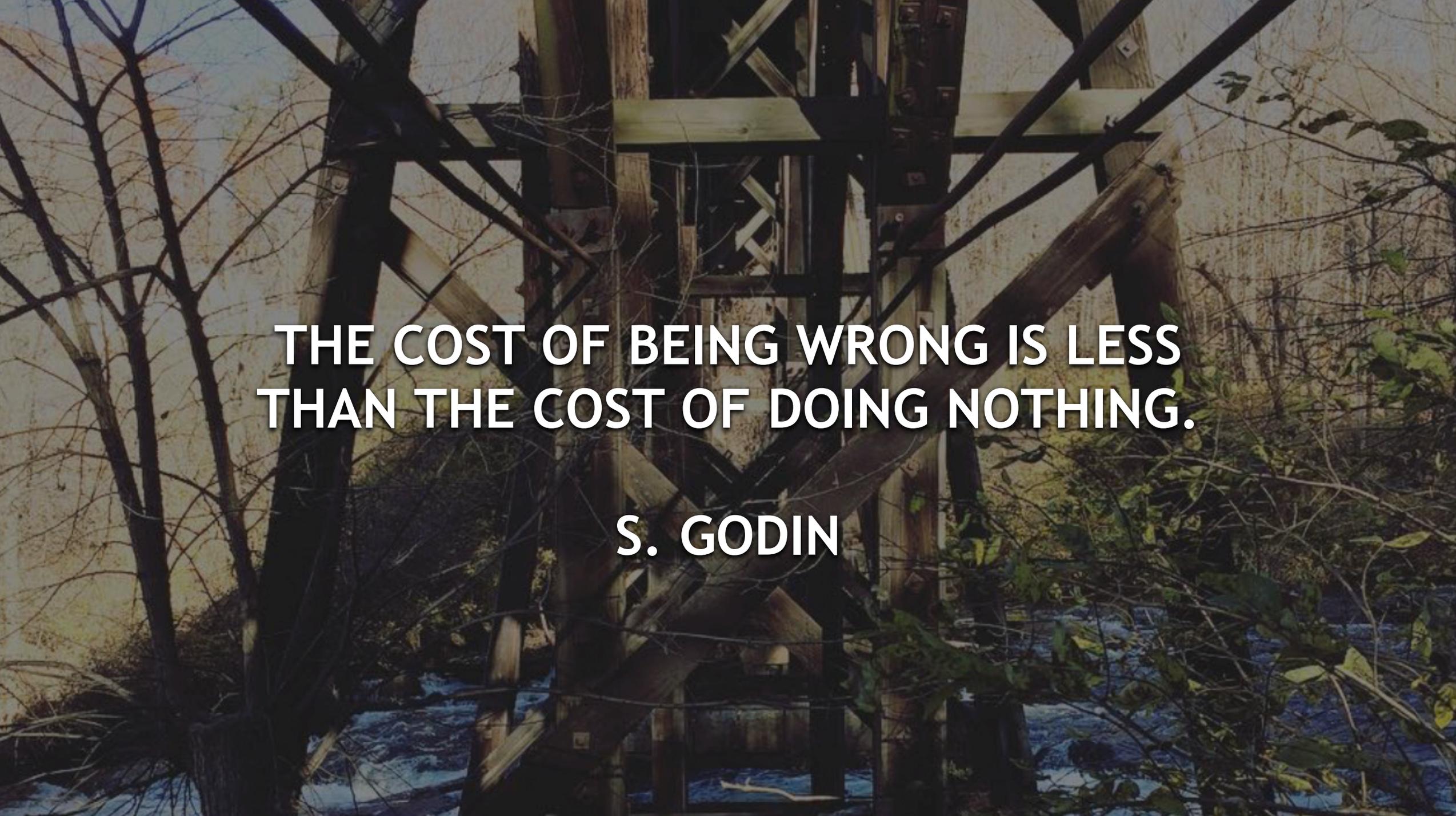
How do we move forward?

This?



Or That?



A photograph of a wooden bridge structure over a river. The bridge is made of dark wood and has a complex truss design. In the foreground, there are several bare, dark trees with thin branches. The river below is blue and appears to be flowing. The background shows a clear blue sky. The overall scene is somewhat desaturated, giving it a moody or somber feel.

**THE COST OF BEING WRONG IS LESS
THAN THE COST OF DOING NOTHING.**

S. GODIN