

6/11/2018



## REVENUE VIABILITY IN WILTON



An Economic Base Analysis | Nashua Regional Planning Commission

## Project Description

The UNH Cooperative Extension's 2017 Business Retention and Expansion Report for Wilton highlighted strategies to strengthen the Wilton economy. These include digital marketing, commercial property match-making, developing the Wilton Brand promise, and creating a Town Business Plan. This analysis looks at some of the base data needed to assist with each of these goals with a focus on identifying the highest and best use of land in Wilton.

The objective is to determine the right mix of retail shopping, recreation, cultural and entertainment attractions, housing, jobs, to sustain a town's economic viability and create some resilience to economic cycles. This can help Wilton strategize ways to strengthen its existing tax base through quality residential, downtown businesses and commercial expansion. This report was written with the assistance of the Wilton Economic Development Team with funding support from the Community Development Finance Authority.

## Project Goals

- ❖ Fill and prevent vacancies in the downtown
- ❖ Target business expansion to those most likely to live in or move to Wilton: Artists, families with children and empty nesters
- ❖ Create a robust mix of uses that provide services and businesses desired by residents including:
  - A pub or tavern
  - Dinner restaurant
  - Grocery store
  - Bakery
  - Coffee shop
  - Bookstore
- ❖ Define variables essential to help existing businesses to grow and thrive

## Current Conditions

The following tables give an overview of Wilton's existing tax base and profile its local employment. The data demonstrate that Wilton's tax base is primarily from residential uses, which make up almost 90% of the total. Over the past ten years, Wilton's workforce has declined in the goods producing industries, but service providing industries have remained level. This reflects Wilton's current employment base, which is mostly comprised of small industry, which have an established history in the town.

### 2016 PERCENT OF LOCAL ASSESSED VALUATION BY PROPERTY TYPE

Property Type	%
Residential Land and Buildings	88.2%
Commercial Land and Buildings	10.1%
Public Utilities, Current Use, and Other	1.7%

### EMPLOYMENT & WAGES (NHES – ELMI)

Annual Average Covered Employment	2006	2016
<b>Goods Producing Industries</b>		
Average Employment	759	467
Average Weekly Wage	\$ 785	\$ 864
<b>Service Providing Industries</b>		
Average Employment	490	496
Average Weekly Wage	\$ 699	\$ 722
<b>Total Private Industry</b>		
Average Employment	1,249	963
Average Weekly Wage	\$ 751	\$ 791
<b>Government (Federal, State, and Local)</b>		
Average Employment	502	195
Average Weekly Wage	\$ 499	\$ 796
<b>Total, Private Industry plus Government</b>		
Average Employment	1,750	1,159
Average Weekly Wage	\$ 679	\$ 792

### LARGEST EMPLOYERS (NHES – ELMI)

Largest Businesses	Product/Service	Employees	Established
Label Art, Inc.	Pressure sensitive labels	160	1963
Bur-Bak Machine Corporation	Injection molding	85	1970
Wilton-Lyndeborough Coop	Education	69	
Wilton Elementary School	Education	55	
Kimball Physics, Inc.	UHV electron	50	1973
General Machine & Foundry	Aluminum castings	30	1969
High Mowing School	Education	24	
Pine Hill School	Education	21	
Souhegan Wood Products	Core plugs, winding cores	20	1940
S & Q Printers	Printed forms	9	1984

## Municipal Comparisons

Using basic demographics, population and income as an initial basis of comparison, the following comparison communities were selected as examples with a successful town center, healthy mix of residential and commercial-industrial uses, and tax rates.

Community	2015 Population	Residential Valuation	Commercial -Industrial Valuation	Equalized Tax Rate	Total Equalized Valuation including Utilities & RR	Equalized Valuation per Capita
<a href="#">Hillsborough</a>	5,993	76.4%	16.1%	\$30.32	\$494,444,712	\$82,504
<a href="#">Hopkinton</a>	5,602	87.2%	8.0%	\$31.00	\$662,217,698	\$118,211
<a href="#">Littleton</a>	5,929	44.3%	22.1%	\$27.50	\$657,930,799	\$110,968
<a href="#">New London</a>	4,579	92.7%	6.3%	\$14.84	\$1,186,587,556	\$259,137
<a href="#">Peterborough</a>	6,406	76.9%	21.4%	\$28.06	\$682,515,027	\$106,543
<a href="#">Tilton</a>	3,592	45.2%	49.3%	\$19.82	\$525,449,531	\$146,283
<a href="#">Warner</a>	2,860	84.4%	12.4%	\$28.52	\$270,498,815	\$94,580
<a href="#">Wilton</a>	3,681	88.2%	10.1%	\$25.52	\$379,392,871	\$103,068

A note of caution. A lower tax rate does not always result in a lower tax bill. The home value must also be taken into account. For example, New London, which has the lowest equalized tax rate of the selected comparison communities has one of the highest estimated tax bills per residential property. The estimated equalized tax bill computed below is based upon the residential valuation per housing unit.

Community	Residential Valuation	Housing Units	Residential Valuation Per Housing Unit	Equalized Tax Rate	Estimated Equalized Tax Bill
<i>Computation</i>	[A]	[B]	[C] = [A]/[B]	[D]	[E] = [C] * [D]
Hillsborough	\$377,755,760	2,869	\$131,668	\$30.32	\$3,992,177
Hopkinton	\$577,453,833	2,334	\$247,410	\$31.00	\$7,669,695
Littleton	\$291,463,344	2,964	\$98,334	\$27.50	\$2,704,198
New London	\$1,099,966,664	2,288	\$480,755	\$14.84	\$7,134,399
Peterborough	\$524,854,056	3,364	\$156,021	\$28.06	\$4,377,944
Tilton	\$237,503,188	1,788	\$132,832	\$19.82	\$2,632,725
Warner	\$228,301,000	1,407	\$162,261	\$28.52	\$4,627,679
Wilton	\$334,624,512	1,661	\$201,460	\$25.52	\$5,141,251

## What Creates Value?

There are several variables that can create distinctions among and within communities:

- ❖ Demographic and lifestyle characteristics
- ❖ Employment numbers
- ❖ Housing stock (number of units, ownership levels, interest rates)

- ❖ Available office space, vacancies, average rents
- ❖ Retail and service business mix (types and number of businesses)
- ❖ Traffic volume and patterns
- ❖ Tourism industry statistics like visitor numbers; and
- ❖ Physical layout of the district (focusing on land uses)

Looking at the Town of New London with its significantly higher equalized valuation per capita there are several factors driving the higher tax base. Two factors jump out when looking at the town: the significant amount of lake front property and the presence of Colby Sawyer College. The lakefront properties tend to be occupied seasonally by second home owners who tend to not utilize many town services. Additionally, there are several other large non-residential properties. Each of these contributes to the town’s significant tax base. However, on a per acre basis, do not contribute to the local property tax base any more so than properties in Wilton.

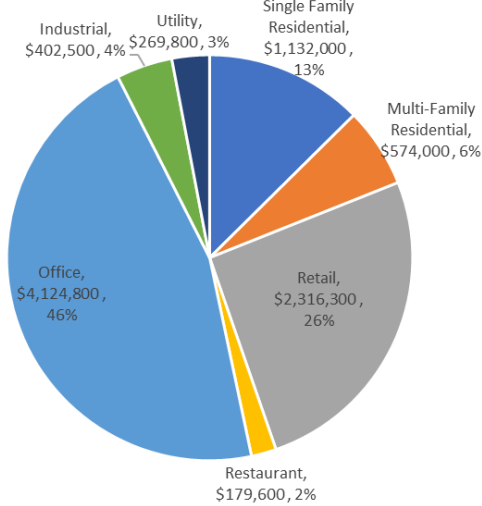
Sample New London Properties	Assessed Value	Tax Rate	Tax Yield	Acres	Value/Acre
Colby Sawyer College	\$40,737,100	0.01484	\$604,539	74.35	\$8,131
New London Hospital	\$9,253,200	0.01484	\$137,317	10.05	\$13,663
Mountain View Shopping Center	\$14,564,100	0.01484	\$216,131	9	\$24,015
Sample Waterfront Residential	\$1,719,800	0.01484	\$25,522	2.1	\$12,153

A similar tax yield per acre analysis in Wilton, with data tables at the end of this report, finds that the town’s denser and community center properties yield significantly more tax revenue than more valuable properties in a community such as New London. Downtown properties in Wilton yield anywhere from approximately \$28,000 to \$160,000 in tax revenue per acre. Whereas industrial properties near and outside the town center generate about \$2,000 to \$16,000 per acre. By comparison rural residential yields only between \$500 and \$3,500 on a per acre basis.

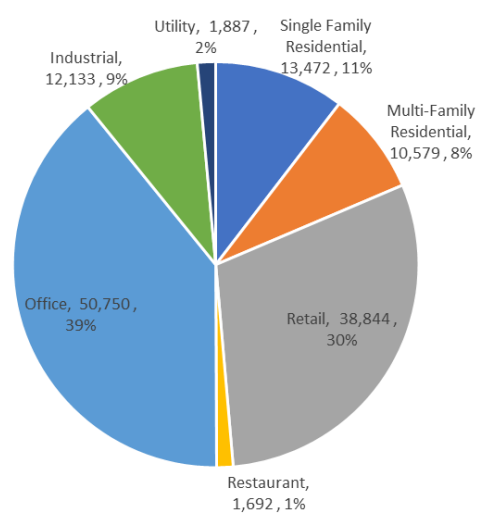
This indicates that continued investment and the potential for infill development in the town center can provide the best tax base on a per acre basis than other forms of development. There are several reasons why investment and redevelopment in the town center may be the best strategy for Wilton. Historically, downtown Wilton has always been the economic engine for the community since the 19<sup>th</sup> century with the advent of the railroad. This is also the reason downtown Wilton has some of the few mixed-use structures in the town, which are a more efficient use of the land. The presence of multi-story mixed-use buildings also allows downtown properties to have more redevelopment potential compared to single story industrial or big box developments, making them more resilient to economic shifts. Investing in downtowns also provides other benefits of smart growth development, such as limiting sprawl, reducing impact on open space, and making neighborhoods more walkable.

The following four graphs depict the current mix of Wilton’s downtown and total area by the value of developed property and the gross square footage. As the charts indicate, there is room to grow the restaurant and retail sectors, but emphasis should also be placed on retaining and expanding existing businesses.

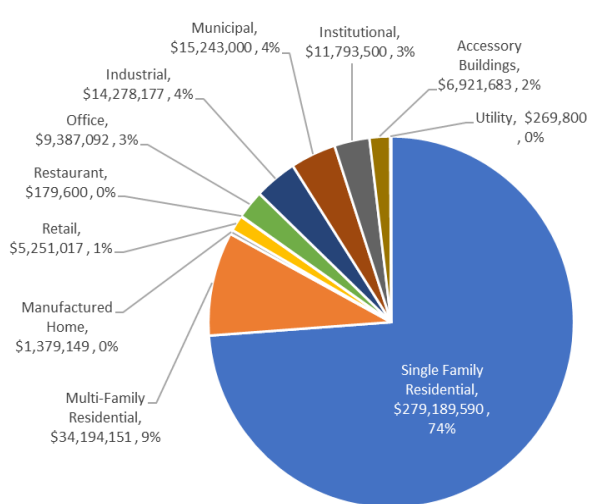
**Downtown Commercial District  
Value of Developed Property**



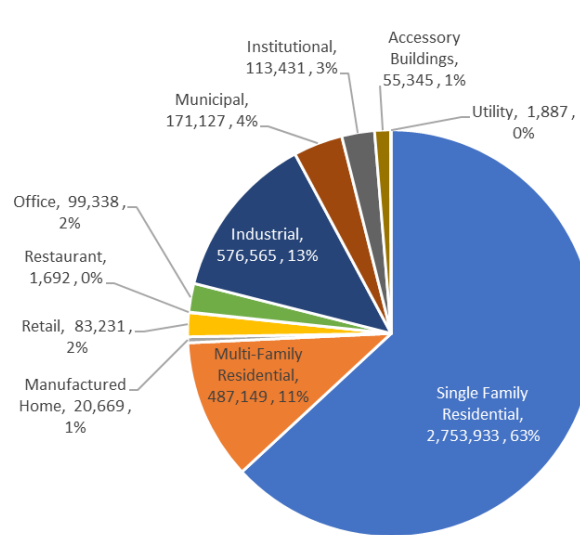
**Downtown Commercial District  
Gross Square Footage**



**Town of Wilton  
Value of Developed Property**



**Town of Wilton  
Gross Square Footage**



## (Re)Development Potential

The following represent three different development or redevelopment scenarios for Wilton to increase its tax base. Specific properties are presented with their existing conditions, redevelopment potential, and how certain tax incentives could be used to jumpstart this development (see [Potential Tax Incentives for Wilton Report, 2018](#)). The first scenario is redevelopment of an existing downtown commercial property; the second is a development scenario for denser residential housing near the Town center, and the final scenario is the development of a vacant property on Route 101. There are also other strategies for Wilton to increase its revenue by adding more amenities, such as Riverwalk or a community center (see [Extending the Stony Brook Riverwalk in Downtown Wilton Report, 2018](#)).

## Downtown Commercial Development<sup>1</sup>

Existing Conditions	Total	Parcel 1	Parcel 2
Parcels	Stimson Buildings	J-100	J-101
Total Acreage	0.74	0.4	0.34
Frontage (Feet)	365	229	136
Zoning District	Downtown Commercial		
Building Gross SF	6,498	2,016	4,482
Land Value (2016)	\$159,400	\$80,400	\$79,000
Improvements Value (2016)	\$119,800	\$40,100	\$79,700
Total Value (2016)	\$279,200	\$120,500	\$158,700
Tax Revenue	\$7,585.86	\$3,273.99	\$4,311.88

### Development Potential

Redevelop Existing Structures and Construct Additional Square Footage with a Mix of Retail, Office, Restaurant.

New Building Gross SF	4,000
Total Building Gross SF	10,498
Construction Costs (\$65/sf)	\$682,370
Land Value	\$159,400
Improvements Value (\$80/SF)	\$839,840
Total Value	\$999,240
Tax Revenue (\$27.17/1000)	\$27,149.35

### Tax Increment Finance District

Municipal Benefit	\$19,563.49	Incremental tax revenue could be used for direct investment in pedestrian improvements- river trail, crosswalks, and bridge.
Applicant Benefit	NA	No direct financial benefit. Applicant is taxed at full value of improvements, however, benefits from off site improvements made by the town.

<sup>1</sup> Adapted from [https://www.craftsman-book.com/media/static/previews/2017\\_NBC\\_book\\_preview.pdf](https://www.craftsman-book.com/media/static/previews/2017_NBC_book_preview.pdf)

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**Economic Revitalization Zone**

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Municipal Benefit	\$19,563.49	Increased municipal general tax revenue, investment in the downtown, potential for direct, indirect and induced benefits.
Applicant Benefit	TBD	Direct savings to the applicant that would offset the bottom line of construction costs and render the project more economically viable.

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**Community Revitalization Tax Relief Incentive**

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Municipal Benefit	TBD	Town would initially see only a portion of the full value tax revenue, however would still see direct investment and associated indirect and induced benefits.
Applicant Benefit	TBD	Reduced tax burden equates to reduced post construction costs helping to make the project more economically viable.

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**Commercial and Industrial Construction Exemption**

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Municipal Benefit	\$9,781.74	Town would receive 50%+ of the increased value in municipal taxes, plus see direct, indirect and induced benefits associated with the business investment.
Applicant Benefit	\$9,781.74	Reduced post construction costs helping to make the project more economically viable.

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**Historic Preservation Tax Credit**

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Municipal Benefit	\$19,563.49	Increased municipal general tax revenue, investment in the downtown, potential for direct, indirect and induced benefits.
Applicant Benefit	20% of Income	Reduced post construction costs helping to make the project more economically viable.



## Downtown Residential Development<sup>2</sup>

Existing Conditions	Pine Valley Street
Parcel	K-105-3
Total Acreage	2.07
Frontage (Feet)	510
Zoning District	Residential District
Building Gross SF	NA
Land Value (2016)	\$65,900
Improvements Value (2016)	\$0
Total Value (2016)	\$65,900
Tax Revenue	\$1,790.50

### Development Potential

Scenario 1: 10 New Single Family Residential Structures (2,500 gross sf each with approximately 1,500 livable sf). Equates to a density of 5 units per acre. Would require a variance or zoning change to be allowed.

Scenario 2: 12 New Townhomes configured in 2-3 structures (1,800 gross sf each with approximately 1,200 livable sf). Equates to a density of 6 units per acre. Would require a variance or zoning change to be allowed.

	<u>Scenario 1</u>	<u>Scenario 2</u>
New Building Gross SF	25,000	21,600
Total Building Gross SF	25,000	21,600
Construction Costs (\$75/sf)	\$1,875,000	\$1,620,000
Land Value	\$65,900	\$65,900
Improvements Value (\$80/SF)	\$2,000,000	\$1,728,000
Total Value	\$2,065,900	\$1,793,900
Tax Revenue (\$27.17/1000)	\$56,130.50	\$48,740.26
Approx. Tax per Unit	\$5,102.77	\$4,430.93

### Tax Increment Finance District

Municipal Benefit	<u>Scenario 1</u> : \$54,340.00	Incremental tax revenue could be used for direct investment in area infrastructure improvements.
	<u>Scenario 2</u> : \$46,949.76	
Applicant Benefit	NA	No direct financial benefit. Applicant is taxed at full value of improvements, however, benefits from off site improvements made by the town.

<sup>2</sup> Adapted from [https://www.craftsman-book.com/media/static/previews/2017\\_NBC\\_book\\_preview.pdf](https://www.craftsman-book.com/media/static/previews/2017_NBC_book_preview.pdf) and <https://www.weareapartments.org/calculator/>

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**Economic Revitalization Zone**

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Municipal Benefit	NA
Applicant Benefit	NA

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**Community Revitalization Tax Relief Incentive**

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Municipal Benefit	TBD	Town would initially see only a portion of the full value tax revenue however would still direct, indirect and induced benefits associated with the business investment.
Applicant Benefit	TBD	Reduced post construction costs helping to make the project more economically viable.

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**Commercial and Industrial Construction Exemption**

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Municipal Benefit	NA
Applicant Benefit	NA

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**Historic Preservation Tax Credit**

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Municipal Benefit	NA
Applicant Benefit	NA

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**Economic Impact of 10 New Apartment Homes**

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**Total Impact**

The combined direct and indirect contribution of apartment construction, operations and resident spending to the state economy.

Total Economic Impact	\$2,476,433
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**Total Jobs**

The total number of direct and indirect jobs supported by apartment construction, operations and resident spending within the state economy.

Total Jobs Supported	21
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**Managing Apartments**

Apartment homes are economic engines, driving dollars and jobs that strengthen local communities.

Operation Dollars Spent	\$40,179
Direct On-site Jobs	0
Total Economic Contribution	\$77,813
Total Jobs Supported	1

### **Building Apartments**

Apartment construction continues as a bright spot in the economy, helping lead the housing recovery

Total Economic Contribution	\$2,133,972
Total Jobs Supported	17

### **Living in Apartments**

Renting can be a smart choice for a wide range of individuals and families across all income levels. That's why a diverse array of people call apartments home.

Spending Power	\$145,611
Direct Jobs Supported	1
Total Economic Contribution	\$264,648
Total Jobs Supported	3

## Route 101 Development<sup>3</sup>

<b>Existing Conditions</b>		417 Gibbons Highway
Parcel		F-21
Total Acreage		14.5
Frontage (Feet)		780
Zoning District		Industrial
Building Gross SF		Vacant
Land Value (2016)		\$139,100
Improvements Value (2016)		\$0
Total Value (2016)		\$139,100
Tax Revenue		\$3,779.35
<b>Development Potential</b>		
New Highway Commercial or Light Industrial Construction		
New Building Gross SF		20,000
Total Building Gross SF		20,000
Construction Costs (\$50/sf)		\$1,000,000
Land Value		\$139,100
Improvements Value (\$60/SF)		\$1,200,000
Total Value		\$1,339,100
Tax Revenue (\$27.17/1000)		\$36,383.35
<b>Tax Increment Finance District</b>		
Municipal Benefit		NA
Applicant Benefit		NA
<b>Economic Revitalization Zone</b>		
Municipal Benefit	\$32,604.00	Increased municipal general tax revenue, investment in the downtown, potential for direct, indirect and induced benefits.
Applicant Benefit	TBD	Direct savings to the applicant that would offset the bottom line of construction costs and render the project more economically viable.
<b>Community Revitalization Tax Relief Incentive</b>		
Municipal Benefit		NA
Applicant Benefit		NA

<sup>3</sup> Adapted from [https://www.craftsman-book.com/media/static/previews/2017\\_NBC\\_book\\_preview.pdf](https://www.craftsman-book.com/media/static/previews/2017_NBC_book_preview.pdf)

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**Commercial and Industrial Construction Exemption**

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Municipal Benefit	\$16,302.00	Town would receive 50%+ of the increased value in municipal taxes, plus see direct, indirect and induced benefits associated with the business investment.
Applicant Benefit	\$16,302.00	Reduced post construction costs helping to make the project more economically viable.

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**Historic Preservation Tax Credit**

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Municipal Benefit	NA
Applicant Benefit	NA

## Tax Yield Per Acre Analysis (TYPA)

### Downtown Properties

Tax Lot	Address	Use	Assessment	Tax Rate	Tax Yield	Acreage	TYPA*
J-59	19 Main St	Barbershop	\$88,500.00	0.02717	\$2,404.55	0.03	\$80,151.50
J-58	25 Main Street	Retail - Antiques	\$173,700.00	0.02717	\$4,719.43	0.1	\$47,194.29
J-57	27 Main Street	Vacant Bank	\$531,600.00	0.02717	\$14,443.57	0.09	\$160,484.13
J-56	27 Main Street	Vacant Bank	\$405,000.00	0.02717	\$11,003.85	0.1	\$110,038.50
J-55	33 Main St	Real Estate Office	\$204,300.00	0.02717	\$5,550.83	0.1	\$55,508.31
J-54	39 Main St	Restaurant	\$142,800.00	0.02717	\$3,879.88	0.06	\$64,664.60
J-53	41 Main St	Putnam's Store	\$124,700.00	0.02717	\$3,388.10	0.06	\$56,468.32
J-52	43 Main Street	Share Coffee	\$201,400.00	0.02717	\$5,472.04	0.09	\$60,800.42
J-51	47 Main St	Residential	\$156,100.00	0.02717	\$4,241.24	0.15	\$28,274.91
J-50	51 Main St	Spa/Food Retail	\$135,000.00	0.02717	\$3,667.95	0.08	\$45,849.38

### Industrial Properties

Tax Lot	Address	Use	Assessment	Tax Rate	Tax Yield	Acreage	TYPA*
K-169	10 Souhegan St	Souhegan Wood Products	\$438,600.00	0.02717	\$11,916.76	1.4	\$8,511.97
K-168	9 Souhegan Street	Riverview Mills	\$1,992,100.00	0.02717	\$54,125.36	3.5	\$15,464.39
L-66	Mill Street	Label Art	\$759,500.00	0.02717	\$20,635.62	2.3	\$8,972.01
J-110	33 Mill Street	Label Art	\$781,300.00	0.02717	\$21,227.92	1.33	\$15,960.84
F-142	8 Mansur Road	Monadnock Spring Water	\$1,660,000.00	0.02717	\$45,102.20	10.1	\$4,465.56
F-167	592 Gibbons Highway	Storage Units (pre-merge)	\$944,200.00	0.02717	\$25,653.91	4.3	\$5,966.03
B-110	19 Stoney Brook Drive	Atlantic Prefab	\$1,880,300.00	0.02717	\$51,087.75	23.87	\$2,140.25

Data: 2016 Assessment and 2017 Tax Rate

\*Tax Yield Per Acre

**Dense Residential near downtown**

Tax Lot	Address	Use	Assessment	Tax Rate	Tax Yield	Acreage	TYP A*
K-48	9 Park Street	Three Family (6 bedrooms)	\$165,200.00	0.02717	\$4,488.48	0.16	\$28,053.03
K-49	10 Crescent Street	Single Family (3 bedrooms)	\$184,500.00	0.02717	\$5,012.87	0.08	\$62,660.81
K-50	29 Maple Street	Single Family (4 bedrooms)	\$175,300.00	0.02717	\$4,762.90	0.18	\$26,460.56
K-51	31 Maple Street	Single Family (4 bedrooms)	\$150,000.00	0.02717	\$4,075.50	0.15	\$27,170.00
K-52	33 Maple Street	Single Family (3 bedrooms)	\$156,600.00	0.02717	\$4,254.82	0.35	\$12,156.63
K-53	35 Maple Street	Single Family (3 bedrooms)	\$177,800.00	0.02717	\$4,830.83	0.1	\$48,308.26
K-54	Prince Street	Vacant Lot	\$56,700.00	0.02717	\$1,540.54	0.1	\$15,405.39
K-174	5 Howard Street	Elderly Housing (33 units)	\$2,090,500.00	0.02717	\$56,798.89	1.4	\$40,570.63

**Suburban Residential near Abbot Hill**

Tax Lot	Address	Use	Assessment	Tax Rate	Tax Yield	Acreage	TYP A*
M-72	45 Greene St	Single Family (4 bedrooms)	\$223,500.00	0.02717	\$6,072.50	1	\$6,072.50
M-73	41 Greene St	Single Family (3 bedrooms)	\$206,700.00	0.02717	\$5,616.04	1.2	\$4,680.03
M-74	33 Greene Street	Single Family (4 bedrooms)	\$232,300.00	0.02717	\$6,311.59	1.1	\$5,737.81
M-75	27 Greene St	Single Family (3 bedrooms)	\$199,500.00	0.02717	\$5,420.42	1.1	\$4,927.65
M-76	19 Greene St	Single Family (3 bedrooms)	\$227,900.00	0.02717	\$6,192.04	1.1	\$5,629.13
M-78	21 Proctor Road	Single Family (3 bedrooms)	\$229,600.00	0.02717	\$6,238.23	1.2	\$5,198.53

**Rural Residential off Route 101**

Tax Lot	Address	Use	Assessment	Tax Rate	Tax Yield	Acreage	TYP A*
C-24-1	19 Irish Way	Single Family (3 bedrooms)	\$246,500.00	0.02717	\$6,697.41	5	\$1,339.48
C-24-2	30 Irish Way	Single Family (3 bedrooms)	\$264,100.00	0.02717	\$7,175.60	6.55	\$1,095.51
C-23-1	59 Goldsmith Rd	Single Family (3 bedrooms)	\$281,500.00	0.02717	\$7,648.36	5.79	\$1,320.96
C-23-6	5 Rancourt Drive	Single Family (4 bedrooms)	\$288,200.00	0.02717	\$7,830.39	2.26	\$3,464.78
C-23-8	22 Rancourt Drive	Single Family (3 bedrooms)	\$335,279.00	0.02717	\$9,109.53	16	\$569.35
C-23-5	6 Rancourt Drive	Single Family (4 bedrooms)	\$281,300.00	0.02717	\$7,642.92	2.29	\$3,337.52

\*Tax Yield Per Acre