



The State of New Hampshire  
**Department of Environmental Services**

**Robert R. Scott, Commissioner**



July 10, 2023

To: Drinking Water and Groundwater Trust Fund (DWGTF) Advisory Commission

Project: Utilities Expansion in the Hooksett Route 3A Tax Increment Financing Area

**Application for the Special Projects Assistance Program from the Town of Hooksett**, submitted June 14, 2023

Dear Advisory Commission,

The New Hampshire Department of Environmental Services (NHDES) received a Special Project Assistance application to the DWGTF Drinking Water Construction Program from the Town of Hooksett on June 14, 2023 requesting \$384,170 in grant funds to support the Route 3A Infrastructure Project (Project). The Project involves bringing sewer and water infrastructure to sections of the Route 3A TIF area between I-93 Exits 10 and 11 that previously did not have utilities to support commercial industry and businesses, and promote economic growth. Under Contract 2 (of 4 total) of the Project, the TIF district infrastructure will connect with the Hooksett Village Water Precinct; HVWP received funding from the Trust Fund in 2021 to increase distribution and storage at the north end of the TIF district to provide predicted water supply demands. Due to extreme construction cost inflation that has occurred since COVID, the budgets established over two years ago are insufficient to construct the entire project, and there is a \$384,170 shortfall.

NHDES reviewed the application and confirmed an Authority to Submit a Funding Application and submission of a Planning Document. The applicant is requesting review as a Special Project and provided NHDES with the information outlined below to demonstrate that the project meets 3 of the 4 criteria:

1. Projects Addressing Drinking Water Contamination— **No**, the project does not address contamination and will not serve water to areas with drinking water contamination.
2. Time Criticality— NHDES concurs with the applicant that the project is time critical. The project was bid and awarded in the fall of 2022 and is currently under active construction. The shortfall in funds is due to additive alternate work that must be awarded in the near term or else the bid valid period will end, and the work will have to be rebid. The pricing of the additive alternate work will most certainly go up if it is rebid.
3. Grant Request due to Financial Hardship— the Town of Hooksett is requesting a \$384,170 grant; which is 14% of the total water infrastructure costs and 3.6% of the total 10.5 million infrastructure investment by the Town of Hooksett, Hooksett Village Water Precinct, Hooksett Sewer Commission, and Port One Industries for water and sewer combined. The Town has exhausted the 2.5 million of seed money approved by the voters and has no additional bonding authority to raise the shortfall to award the two additive alternates. Port One Companies has contributed +/- \$700,000 more than \$7 million required per the Memorandum of Agreement. The Town has attempted to obtain State and Federal funding for this project for the last three years without success.
4. Projects that Support Economic Growth— This project will bring water and sewer infrastructure to an area that did not have a public water supply to support the development of vacant lots in the Town of Hooksett's TIF district located on 3A and within the I-93 corridor. This project will serve 12 large TIF parcels, including a new 500,000 sf distribution center at the Granite Woods location on I-93 southbound expected to employ dozens of people and become a significant source of tax revenue and economic expansion in the area.

[www.des.nh.gov](http://www.des.nh.gov)

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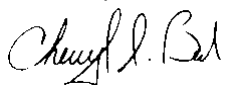
Port One Industries; private developer	\$2,125,070
Hooksett Village Water Precinct	\$49,000
Town of Hooksett	\$110,656
<b>Matching Funds- Water Infrastructure</b>	<b>\$2,284,726</b>
<b>Total Project Cost- Water Infrastructure</b>	<b>\$2,668,896</b>

**NHDES Notes**— The Town of Hooksett has been looking for opportunities to develop their TIF District at the Rte. 93 Exit 11 exchange for several years and because the area had no existing sewer infrastructure and insufficient water infrastructure, the initial costs to provide utilities to the area were significant. The Town partnered with Port One Industries, a private developer that is building a 500,000 sf commercial building on the 60-acre Granite Woods site on I-93 southbound side of the TIF District. Under the memorandum of understanding (MOU) with the Town of Hooksett, Port One Industries agreed to front the costs to construct the necessary infrastructure to get it to their site with the understanding that once their 500,000 sf commercial building was complete, from the additional taxes generated, a portion (40% annually) would be refunded back to Port One Co. over time by the Town to pay the bond on the water and sewer infrastructure. Port One agreed to fund up to \$7 million in infrastructure improvements, with \$2,125,070 allocated for water.

- The “Hooksett, NH Rte. 3A & 3 Corridor - Infrastructure Tax Increment Finance (TIF) District Development Program and Financing Plan January 26, 2022” estimates that the proposed improvements, taken together with the private investments, have the potential to generate between \$5.6 million to \$22.5 million in new property values within seven to fifteen years. In 2021, the DWGTF awarded a \$218,000 grant and \$1,176,800 loan to the Hooksett Village Water Precinct to install new water main and a storage tank to support increased water supply to the Route 3A TIF area.
- Town of Hooksett Affordability Index is currently 0.89 with water rates estimated to increase to \$784.88 from \$747.25 after project completion
- Hooksett Village Water Precinct Affordability Index was reported as 0.91 in 2021 after their rates went from \$638.67 to \$698.43 to pay off the DWGTF \$1,176,800 20-year loan.
- When asked if the Town would pursue a Trust Fund loan, the response was the Town does not have warrant article approval to contribute loan funds to complete the project and the current linear foot price under Contract 2 is very favorable, if the project is postponed to after March and goes to rebid, costs will increase.

Under the Construction Project Rules the project meets the screening criteria in the Construction Project Rules and demonstrates the circumstances for the Advisory Commission’s consideration as a Special Project and may submit an application outside of the annual application process.

Sincerely,



Cheryl Bondi, Ph.D.

Drinking Water and Groundwater Trust Fund Administrator  
MtBE Remediation Bureau, Waste Division  
New Hampshire Department of Environmental Services

2447.00

June 8, 2023

Mr. Michael C. Unger, P.E.  
NHDES Drinking Water & Groundwater Bureau  
P.O. Box 95  
Concord, NH 03301

***Re: Route 3A Infrastructure Project - Contract 2  
Hooksett, NH  
DWGTF Special Project Application***

Dear Mr. Unger:

The purpose of this letter is to submit an application for Special Project Assistance to the NH DWG Trust Fund. The subject application is a perfect fit for this program as it specifically meets three of the four criteria that this program is intended to support.

### **Background**

In 2017, the Town of Hooksett voted to establish a new Tax Incremental Finance (TIF) district along the Route 3A corridor from the Route 93 Exit 10 exchange north to the Exit 11 exchange. In 2018, the Town approved a Warrant Article to raise \$2.5M of seed money to perform engineering report phase and design phase services to develop water and sewer infrastructure shovel-ready projects and identify and assist with obtaining funding assistance to make the TIF a reality.

Despite multiple attempts at obtaining State and Federal funding for water and sewer infrastructure construction, the Town has been unsuccessful based on the fact that most current funding in the water and wastewater industry is focused on contamination, addressing administrative orders, or replacing aged and failing infrastructure. Funding is not readily available for projects being built to encourage economic growth and development. The Town came close with a congressional direct spending grant through Senator Shaheen's office, but it did not make the final cut when it went to Washington.

As a result, the Town has been brainstorming ways to entice developers to invest monies in the TIF district in the form of a public/private partnership to provide the necessary water and sewer infrastructure to support development within the TIF district. Over the last two (2) years the Town has worked very closely with Port One Companies, a private developer interested in constructing a 500,000 square foot commercial building on a 60-acre lot in the TIF district at the Exit 11 interchange. Together, the Town is utilizing their \$2.5M of seed money and Port One



Companies is providing over \$7M of financing to construct new water and sewer infrastructure at Exit 11 to support this new distribution center which will promote jobs and also contribute additional tax revenue to the TIF district. The infrastructure being built under this project will provide municipal water and sewer service to an additional 12 vacant TIF properties that will then have much greater potential to develop.

Due to extreme construction cost inflation that has occurred since COVID, the budgets established over two (2) years ago are proved insufficient to construct the entire project in today's dollars. In terms of percentages, the shortfall is \$384,170, or 14.4% of the total water infrastructure cost for the project. Hooksett has no further bonding authority to pay for this additional work, all funding applications to this point have proven to be unsuccessful and Port One Companies have absorbed more costs than originally agreed to. The Hooksett Village Water Precinct (HVWP) is currently grappling with how to fund over \$12M in infrastructure improvements identified through its asset management and CIP programs, as well as completing a \$2.5M distribution/storage project at the north end of the TIF district. The Town respectfully requests that this application be given high consideration by the DWGTF Committee in that the investment would truly be the last dollars in the project to complete it in its finality and would contribute to a real project that would result in direct economic growth in support of a unique public/private partnership. The monies would fund an important water loop that will increase the resiliency of the water mains providing service to the Town of Hooksett's TIF district.

### **Funding Request**

This project specifically meets three of the four goals of this funding program:

1. Time Criticality. This project was bid and awarded in the fall of 2022 and is under active construction. The shortfall in funds is in regard to additive alternate work that must be awarded in the near term or else the bid valid period will end and the work would have to be rebid. The pricing of the additive alternate work is very favorable and will not likely be seen again under a rebid.
2. Financial Hardship. The Town has attempted to obtain State and Federal funding for the work of this project for the last three years with no success. The Town has exhausted the \$2.5M of seed money approved by the voters, and Port One Companies has already contributed more than required per the Memorandum of Agreement to award the base bid work.
3. Projects that Support Economic Growth. This project is all about economic growth. It brings water and sewer infrastructure to an area that has none to support development of vacant lots in the Town of Hooksett's TIF district in the I-93 corridor.

The funding request for this project is for \$384,170 in grant dollars, which constitutes 14.4% of the total water infrastructure construction costs, and represents only 3.6% of the total \$10.5M infrastructure investment by the Town of Hooksett, HVWP, HSC and Port One Industries in this project.

Please let us know what the next steps should be to advance this request. Thank you.



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Mr. Unger  
June 8, 2023

Very truly yours,

UNDERWOOD ENGINEERS, INC.



David J. Mercier, P.E.  
Vice President

Encl.

cc: Andre Garron, Bruce Thomas - Town of Hooksett  
Mike Heidorn - Hooksett Village Water Precinct  
Ken Conaty - Hooksett Sewer Commission





## DWGTF FUNDING APPLICATION FORM for the Annual Drinking Water Construction Projects Assistance Program



**RSA/Rule:** RSA 485-F

The Drinking Water and Groundwater Advisory Commission is seeking funding applications requesting assistance from the Drinking Water and Groundwater Trust Fund (DWGTF) for drinking water infrastructure improvement projects.

**Submission Instructions:** Submission of applications online through State of NH Online Forms is strongly encouraged to reduce errors and processing time.

1. Visit the State of NH Online Forms web portal at <https://onlineforms.nh.gov>.
2. Register for an Online Form account. If you already have an account from submitting other State of NH Online Forms, you can use it for this application.
3. Click the “Finder” button in the top right. Search for “DWGTF.” Select the “DWGTF Funding Application Form for the Annual Drinking Water Construction Projects Assistance Program.”
4. Complete all steps and submit. You can save and return to your application before submitting.
5. After submitting, you can track the status of your application through the State of NH Online Forms web portal.

If the applicant is unable to submit an online Form, a PDF may be emailed to [paige.n.relf@des.nh.gov](mailto:paige.n.relf@des.nh.gov).

For eligibility requirements, guidance in completing this application and additional information regarding the criteria the Commission may use in making funding decisions, refer to the Advisory Commission’s **“Rules for Construction Projects”** and current Award Plan posted on the [Trust Fund website](#).

1. APPLICANT INFORMATION			
APPLICANT NAME: Town of Hooksett, NH			
ORGANIZATION NAME: Town of Hooksett, NH			
PWS # (if applicable): 1181020	Ownership: <input checked="" type="checkbox"/> Public (e.g., Municipal) <input type="checkbox"/> Private (e.g., Mobile Home Park/Condo Association)		
ADDRESS: 35 Main Street			
CITY: Hooksett	STATE: NH	ZIP: 03106	
CONTACT PERSON: Bruce Thomas, P.E.		TITLE: Town Engineer	
PHONE: 603-419-4003	EMAIL: <a href="mailto:bthomas@hooksett.org">bthomas@hooksett.org</a>		

2. THRESHOLD REQUIREMENTS TO SUBMIT AN APPLICATION
<p><b>Instructions:</b> In accordance with the Commission’s current Award Plan, the Commission requires that the funding applications include two submittals to meet the threshold for project readiness. These forms are available on the <a href="#">Trust Fund website</a>. <b>Attach these submittals to this application. Applications submitted without these attachments will be considered ineligible and will not be reviewed.</b></p>
<p><b>FORM 2</b> – Authority to Submit a Funding Application Attached</p>
<p><b>FORM 3</b> – Planning Document Attached</p>

<b>3. PROJECT INFORMATION</b>
<b>PROJECT NAME:</b> Route 3A Infrastructure Project Contract 2
SELECT ONE: <input type="checkbox"/> Design/Preliminary Engineering Only <input type="checkbox"/> Design and Construction <input checked="" type="checkbox"/> Construction Only
PROJECT DESCRIPTION: <i>Provide a concise (&lt;50 words) summary of the project. If additional space is needed, provide additional information in the Planning Document (see Section 2).</i> <b>The Route 3A Infrastructure Project Contract 2 expands the the existing Hooksett Water Precinct infrastructure within the Town's TIF district. A private developer has contributed a fixed dollar amount to provide the new water infrastructure needed at Exit 11 and based on bids received and the contract awarded, there is a small shortfall in funding to complete all of the work.</b>
PRIORITY: <i>If you are submitting Funding Applications for multiple projects, please rank the projects in order of priority:</i> 1. 2.

<b>4. PROJECT COST/BUDGET (DRINKING WATER COSTS ONLY)</b>	
<i>Do not include preliminary design engineering and testing costs prior to submittal of the funding application as a component of total project cost.</i>	
<b>CATEGORY</b> (add rows as needed)	<b>AMOUNT</b>
Construction Costs	\$ \$2,224,581
Construction Contingency	\$ 111,229
Engineering/Planning Costs	\$ 284,086 (8.6% dsn plus 28.6% constr)
Other Costs (describe):	\$ 49,000 (HVWP engineering costs)
<b>TOTAL PROJECT COST</b>	\$ \$2,668,896
Project costs are based on (e.g., engineering study w/ date and author, bid prices, etc.): Project Costs above are based on the water infrastrucute portions only of the Awarded Contract to Park Construction.	

<b>5. FUNDING REQUEST (DRINKING WATER COSTS ONLY)</b>		
<b><i>The sum of Other Funds Contributing to the Project + Requested Trust Fund Loan + Requested Trust Fund Grant must equal the Total Project Cost from Section 4 above.</i></b>		
<i>Note: Per the Commission's rules, the Commission will endeavor to leverage the DWGTF to the greatest extent possible by taking into consideration, among other things, supplemental funds provided by the applicant. Applications for loans or grants that demonstrate that the applicant has exhausted all other possible funding sources for the proposed project may be given priority. There is no match requirement for loans; however, project proposals that provide the greatest amount of funds from sources other than DWGTF grants or loans whenever possible may be given priority.</i>		
OTHER FUNDS CONTRIBUTING TO THE PROJECT (see Section 7):	\$ 2,125,070	Source: Private Developer
OTHER FUNDS CONTRIBUTING TO THE PROJECT (see Section 7):	\$ 49,000	Source: HVWP
OTHER FUNDS CONTRIBUTING TO THE PROJECT (see Section 7):	\$ 110,656	Source: Town of Hooksett
REQUESTED TRUST FUND <b>LOAN</b> AMOUNT: \$ 0 <i>(This must be a specific dollar amount.)</i>	LOAN PERCENT OF TOTAL PROJECT COST: 0 <i>(See Section 5 of the Commission's current Award Plan)</i>	
REQUESTED <b>LOAN</b> TERM (select one): <input type="checkbox"/> 5 <input type="checkbox"/> 10 <input type="checkbox"/> 15 <input type="checkbox"/> 20 <input type="checkbox"/> 25 <i>The loan term cannot exceed the useful life of the financed improvement(s).</i>		
REQUESTED TRUST FUND <b>GRANT</b> AMOUNT: \$ 384,170 <i>(This must be a specific dollar amount. Complete Section 6 if requesting Trust Fund grant.)</i>	GRANT PERCENT OF TOTAL PROJECT COST: 14.4 <i>(See Section 5 of the Commission's current Award Plan)</i>	