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## **HB212: revenue generator or opportunity loser**

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The following is testimony that was presented to the NH House of Representatives subcommittee regarding HB212 which would allow municipalities to charge developers impact fees for improvements to state roads that may or may not be in close proximity to the subject property.

Members of this committee, I am opposed to HB212 for the following reasons: I have been a commercial real estate agent for the past 25 years. During this time I have worked extensively with large corporations both foreign and domestic, who have retained my services to lease, renew leases or find a location to locate facilities. My most recent transaction was a search for a new manufacturing location within 200 miles of Knoxville, Tennessee.

From my years of experience I offer the following observations: Corporate real estate executives do not make emotional decisions. When searching for a location for a new facility a corporation will either utilize their internal employees or retain the services of a site search consultant. The successful site will typically offer the needed supply of skilled and unskilled labor, have competitive economic costs and incentives, and meet their geographical needs. It is rare that a corporation will just specify one state. Rather, such as in the case of New Hampshire, a corporation will look at the surrounding New England states and, unfortunately, negotiate with state and municipal leaders to strike the best deal.

Unfortunately, New Hampshire is NOT unique. We continue to experience strong competition from Mass. as well as the other border states. The days of hoping to entice industry because of our quality of life have long since past. Decisions will be generally made based on economic factors, not emotion.

How is New Hampshire doing?

Clearly our state has not escaped the rumored recession. When we read the newspapers we find little mention of new construction other than medical, academic and municipal projects. Given the increasing cost of land and construction materials and even considering the leveling off of labor costs, new projects are few and far between.

Given these hard economic times and further given the rising unemployment rate, now is NOT the time to burden a possible project with additional costs. The only ultimate winner from such fees will be our neighboring states that will use these fees against us to entice corporate expansions out of New Hampshire and to block consideration of New Hampshire initially. The lead article in the February 2, 2009 Wall Street Journal was entitled, "More States Considering Tax Breaks To Woo Jobs." The lead paragraph states, "Rising unemployment has touched off a race among state governors to woo companies with tax breaks and financial incentives, even as budget shortfalls force cuts in education, health care and other services."

The Department of Resources and Economic Development (DRED) does a great job promoting our state and its benefits. Please do not drive a stake through their hearts by imposing impact fees that

will not ultimately bring revenues to municipalities but rather will reduce their overall revenue through lost opportunities.

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