

Gas Holder Building Committee
Meeting #6
December 14, 2020
9:00 a.m.
Meeting held via Zoom
DRAFT MINUTES

Committee members in attendance:

Councilors Champlin, Kenison, Kretovic, Todd, and Werner

Guests:

Jennifer Goodman, Stuart Arnett, Liz Hengen, Frank LeMay, Bill Norton, Tim Sink, Ben Wilson, Huck Montgomery

City staff:

Deputy City Manager Carlos Baía

Meeting called to order at 9:04 am

Councilor Champlin read the required COVID opening statement per the Governor's order.

1. Approval of the minutes of November 20, 2020:

Motion made by Councilor Kretovic; Seconded by Councilor Todd to approve the minutes. Motion approved, in roll call vote, by Councilors Champlin, Kenison, Kretovic, Todd and Werner.

2. ADG, LLC Gas Holder Report:

Stuart Arnett presented the executive summary of his findings. He noted that in the short-term the building is at risk of irreversible deterioration due to localized damage. Stabilizing the building is not inexpensive. It is expected to be between \$300,000-\$400,000 and needs to be done soon. This measure would provide for what Mr. Arnett is calling "Stage 1" of a full restoration and re-use plan.

Mr. Arnett noted that for Liberty Utilities, just a demolition of the existing building alone would prove expensive since the building is serving as a cap on the sub-soil contamination. Once the building is removed, there would be added remediation costs that Liberty would be responsible for. Therefore, participation in Stage 1 might make financial sense. For the City, "Stage 1" would leave the potential for further redevelopment in the corridor. However, Mr. Arnett did note that it is unlikely that the existing building could be converted to commercial use soon.

Mr. Arnett also remarked that if the historic attributes of the internal gasification mechanisms are retained they would greatly limit the interior for reuses like a restaurant and greatly increase the costs

of an already expensive industrial-to-commercial conversion. A new floor over the tank would be expensive and would cover over an important historic feature.

Mr. Arnett also noted that commercial redevelopment of the site would increase the environmental clean-up thresholds both from the permitting perspective as well as from the public's willingness to enter a brownfield building with less than total remediation, especially as a food service or office facility.

Mr. Arnett stated that residential is not considered feasible for this type of brownfield redevelopment.

Mr. Arnett cited the following limiting factors on commercial/residential redevelopment of the 2 acre site:

- Capped brownfield;
- Slopes;
- Limited sight lines for traffic entering Main Street;
- Adjacent railroad (noise, vibration)
- Rights of way
- No ability to build foundations due to cap limiting buildings to less than 2 stories

Despite the limitations, Mr. Arnett noted that one scenario could have a new building built on the site in addition to the existing Gas Holder. He noted, that it could be a themed museum complementing the Gas House. However, he cautioned that these museums have seen a 30% closure rate in recent times across the country.

Mr. Arnett recommended that the option pursued be one of relying on the renovated Gas Holder building site as a catalyst for themed broad economic development in the South Main Street corridor. He noted that retaining the Gas Holder is no guarantee for success of this alternative, however, if the building collapses or is demolished it would make the area less interesting or "less cool" for future redevelopment.

As to next steps, Mr. Arnett recommended the following:

1. STEP 1: Liberty and the City should convene a working group to generate a Memorandum of Understanding (MOU). MOU could include shared costs; who will fund Stage 1 stabilization; the securing of contractors; continued due diligence relative to the PUC.
2. STEP 2: City and Liberty should prepare a realistic redevelopment plan and shop it to would-be developers to determine serious interest in site.
3. STEP 3: The MOU and the Redevelopment Plan should be brought before the decision-makers by end of April 2021 for a determination as to whether to begin implementing the plan; continue working on the plan or halt further efforts.

At this point, Councilor Champlin opened the meeting to questions from the committee and its auxiliary group. Councilor Kretovic asked how likely it is for the PUC to allow Liberty to share in the costs with the City to stabilize the building. She further asked, if the stabilization failed, would the PUC then allow the costs for demolition to be passed along to the ratepayers. If they don't, who would be picking up that expense.

Huck Montgomery noted that Liberty has had informal conversations with PUC staff and gotten some indication that the PUC might support allowing Liberty to use money programmed for demolition toward restoration. As to the phased approach, where Liberty might participate financially in Stage 1 stabilization, Mr. Montgomery stated that Liberty would not dismiss this idea but questions about the long-term plan for the building would need to be addressed. Liberty would need to have a better idea of the final solution before it would make such an incremental investment. He does not see the PUC being supportive of a scenario where ratepayer dollars are used to stabilize the building for a future use that never materializes.

Councilor Todd asked what the \$300,000-\$400,000 investment in Stage 1 would entail. Frank Lemay noted that the initial conclusion of the structural engineer is that the building is in imminent danger of collapsing, particularly if there is a heavy wet snow storm. The tension ring that keeps the building and roof upright is no longer functioning. Mr. Lemay outlined the stabilization process as follows:

- Erect staging;
- Remove slate shingles to take 80,000-90,000 lbs. of weight off the building;
- Remove cupola;
- Remove the cornice;
- Patch any openings in the roof;
- Install a weathertight rolled roof material (which could last 10-20 years);
- Install a drag strut and steel cabling to maintain tension around the building.

Jennifer Goodman noted that the final report from the structural engineer is anticipated to be done within the next week. This report will have the full restoration cost and she anticipates that it will be higher than the estimate provided in GZA's 2019 report.

Ben Wilson stated that the dollars for Stage 1 stabilization would be a sound investment. It would allow for a developer to apply for Historic Tax Credits since it wouldn't change the historic character of the building. Stabilization would buy a lot of time and therefore generate value.

Councilor Todd asked when the Stage 1 stabilization work should start. Mr. Lemay noted that time is of the essence. Stage 1 would take the winter to accomplish.

Councilor Kretovic stated that she sees a lot of risk but also a huge reward if the building can be saved. She noted that the building identifies Concord. She cautioned, however, that the City thought it had a plan to save and re-use the Penacook Tannery but that building ultimately collapsed and then the City was on the hook for nearly 15 years with additional clean-up expenses.

Councilor Champlin now opened the meeting to questions from the general public.

Councilor Pierce asked if stabilization was successfully completed, what would the annual maintenance costs be for the building and who would be responsible for those. Mr. Arnett answered that this is an evolving process. The goal is to have the building owned and operated by a third party which is the reason he is recommending that the City and Liberty work together to figure this out.

Councilor Champlin clarified that we don't know how much it costs to maintain at this point but that the costs will be influenced by whatever the building's ultimate use ends up being.

Althea Barton asked about the removal of the slate shingles. Mr. Lemay noted that the particular slate shingle on the building is not manufactured anymore. Mr. Lemay does have a concern about this in light of their proposed re-use post removal and storage.

Ron Rayner asked if there was any updated information for costs relative to what would follow demolition. Mr. Montgomery stated that he didn't see how a redevelopment plan would make remediation costs worse. He reiterated that Liberty will continue to have an ongoing obligation to remediate/mitigate the environmental contamination on the site. He noted that Liberty will be part of any project on this site indefinitely so those are costs that they would be assuming.

Ms. Goodman noted that the existing building serves as a cap for the contaminated soil. She explained that if the building is demolished, there would be a cost to add to the cap where it stood. She asked what those costs would be.

Mr. Montgomery replied that those costs would be Liberty's responsibility.

David Brooks asked what has to be done procedurally for the stabilization to begin. Councilor Champlin answered that the committee would need to make a recommendation to City Council. Only City Council could direct the City Manager to have staff convene with Liberty. Councilor Champlin stated that he didn't want to guess as to what the Mayor and Council would choose to do.

Kent Ruesswik wrote that he is not hearing that Liberty is sticking with its January 1st deadline to move to demolition. He asked if that had changed. Mr. Montgomery answered that it had not.

Matt Walsh asked if the gasification tank is removed, would the project still be eligible for federal tax credits and LCHIP. Ben Wilson answered that any application would have to go through the review process locally and at the National Park Service. He stated that whether they would be eligible would depend on the scope of work. However, he noted that if the gasification tank were removed the project could open up a whole new can of worms due to contamination and greater remediation needs.

Mr. Walsh noted that in his experience you can disturb a cap but you have to have a soil management plan in place. He asked if the same couldn't be done with the Gas Holder site. Mr. Arnett acknowledged that this could be done if the NH Department of Environmental Services approves a modification to the permit.

Mark Carney expressed his appreciation at the committee's efforts to preserve this structure.

Councilor Champlin explained that without a final structural report in hand and related cost estimate, it is difficult for the committee to formulate a recommendation to City Council. He recommended reconvening the committee during the 1st week of January.

The consensus of the committee was to accept Councilor Champlin's recommendation. Councilor Kretovic asked that the same structural engineer report and cost estimate also be provided to City Administration for staff's review and feedback to City Council. The committee's consensus was supportive of this request.

Councilor Kretovic moved to adjourn the meeting; Councilor Todd seconded the motion.

Councilors, Champlin, Kenison, Kretovic and Todd voted yes; Councilor Werner was no longer present at this point in the meeting.

Meeting adjourned at 10:27 a.m.

Respectfully submitted,

Carlos P. Baía