



City of Concord

City Council

Meeting Minutes - Draft

Monday, August 12, 2019

7:00 PM

City Council Chambers
37 Green Street
Concord, NH 03301

Non-public session in accordance with RSA 91-A: 3, II (d) to discuss property acquisition to be held at 5:30 p.m.

Present: Councilor Bouchard, Mayor Bouley, Councilors Champlin, Coen, Grady Sexton, Hatfield, Herschlag, Keach, Kenison, Kretovic, Matson, Nyhan, Rice Hawkins, Todd and Werner were present.

At 5:35 p.m., Councilor Grady Sexton moved to enter into non-public session in accordance with RSA 91-A: 3, II (d) to discuss property acquisition. The motion was duly seconded and passed with no dissenting votes.

At 6:50 p.m., Councilor Bouchard moved to adjourn the non-public session. The motion was duly seconded and passed unanimously with no dissenting votes.

In public session, Councilor Nyhan moved to the seal the minutes. The motion was duly seconded and passed unanimously.

1. Call to Order.

Mayor Bouley called the meeting to order at 7:00 p.m.

2. Invocation by Andy Cutts, The Christian Science Church.

3. Pledge of Allegiance.

4. Roll Call.

Present: 15 - Councilor Candace Bouchard, Mayor Jim Bouley, Councilor Byron Champlin, Councilor Mark Coen, Councilor Amanda Grady Sexton, Councilor Meredith Hatfield, Councilor Allan Herschlag, Councilor Fred Keach, Councilor Linda Kenison, Councilor Jennifer Kretovic, Councilor Gail Matson, Councilor Keith Nyhan, Councilor Zandra Rice Hawkins, Councilor Brent Todd, and Councilor Robert Werner

5. Approval of the Meeting Minutes.

July 8, 2019 City Council Meeting Minutes.

Action: Councilor Kretovic moved approval of the July 8, 2019 meeting minutes. The motion was duly seconded and passed with no dissenting votes.

6. Resolution in recognition of the services of Deputy Chief Keith G. Mitchell.

Mayor Bouley presented a resolution in recognition of the services of Deputy Chief Keith G. Mitchell.

7. Presentation by Jamie Simchik regarding HRKNSScowork space.

Jamie Simchik, Capitol Commons and Hotel Concord, indicated that they are pursuing doing a coworking space with 2,500 square feet on the second floor. He noted that when they were asking around as to how to best do this, they were presented with the incubator study. He indicated that it was a wealth of information and very helpful. They reviewed this study thoroughly and what they latched onto was the need for physical infrastructure and, because they have space in their building, they felt this was something that they could provide. He feels that there is a good movement to provide some creative working space for people in the Concord area. He stated that they envision approximately thirty "hot seats", three to four private offices, amenities such as local coffee and beer, and a virtual community (an app to connect with other users of the space). From a membership point of view, they are looking at a basic membership that entitles people to programming, day passes, monthly passes for "hot seats" and private offices.

Councilor Werner pointed out that there are a lot of other makerspacers around the state that has been successful. He asked what Mr. Simchik would describe as key elements to make this space in Concord as successful as some of the others have been around the state. Mr. Simchik stated that when researching coworker space they found that there was not a lot of competition so it is tough to figure out what works and what doesn't work. They think that their programming and amenities will help to make it successful and welcoming.

Councilor Champlin noted that, as someone that was involved with the incubator study from its genesis at the Chamber of Commerce to voting in favor of the city's participation, its really gratifying to hear that it was important in moving forward with the cowork space. He feels that they are in a great location and feels that everything he has seen shows that these types of cowork and incubator spaces really thrive when they are in the center of a community.

Councilor Kretovic inquired in regards to the technology amenities that would be available. Mr. Simchik responded that they are working with their IT team to do a fairly fast bandwidth; they will probably double the pipe coming into the building servicing the hotel. The coworking management platform they are looking at will allow I-pads in the meeting room spaces and allow people to reserve meeting room spaces. He stated that they haven't worked it out but a membership will get people an "X" amount of hours per month.

Councilor Kretovic asked about internet security and high security access so that there isn't a shared network. Mr. Simchik replied that they will figure that out noting that it will be separate from the coworking space. He stated that people will log into the wifi based on their password; as far as access into the space, they are using Brivo, a cloud based access control management system. He noted that people can also use phones as well. He added that there will be printer security as well.

Councilor Herschlag asked how people could get in touch with Mr. Simchik or the coworking space. He asked if it was possible to have a link on the city's website to direct people to this site. City Manager Tom Aspell responded that it will be on both the Invest Concord and city's websites. Mr. Simchik responded that they currently just have a Facebook page called HRKNSScowork.

8. Agenda overview by the Mayor.

*****Consent Agenda Items*****

Note: items listed as pulled from the consent agenda will be discussed at the end of the meeting.

Approval of the Consent Agenda

Action: Councilor Nyhan moved approval of the consent agenda with item 30 removed for discussion. Mayor Bouley indicated that item 45A was incorrectly placed at the end of the agenda and should be a consent item. There was no objection to add 45A as part of the consent agenda. The motion was duly seconded and passed with no dissenting votes.

Referencing item 9 on the consent agenda and a citywide ban on plastics, Councilor Kenison pointed out that the city can't do this because there needs to be enabling legislation from the State. She just wanted to clarify that this is not what Ms. Page is looking for.

Referral to the Solid Waste Advisory Committee

9. Communication from Gale Page requesting the City of Concord consider implementing single use disposable restrictions at all city events held on city property, and businesses on city property as well as consider a citywide ban on the use of styrofoam.

Action: This communication was referred to the Solid Waste Advisory Committee.

Referral to the Traffic Operations Committee and the Transportation Policy Advisory Committee

10. Communication from Jan LaTourette requesting consideration be given for the installation of a stop sign on Country Club Lane in East Concord.

Action: This communication was referred to the Traffic Operations Committee and the Transportation Policy Advisory Committee.

Items Tabled for September 9, 2019 Public Hearings

11. Ordinance amending the Code of Ordinances; Title II, Traffic Code; Chapter 18, Parking, Article 18-1, Stopping, Standing and Parking, Section 18-1-6, Parking Prohibited at All Times in Designated Places, Schedule I, Community Drive; together with report from the Director of Redevelopment, Downtown Services & Special Projects.

Action: This ordinance was moved to set for a public hearing.

12. Ordinance amending the Code of Ordinances; Title V Administrative Code; Chapter 30, Administrative Code, Article 30-3, Boards and Commissions, Airport Advisory Committee; together with report from the Deputy City Manager for Development.

Action: This ordinance was moved to set for a public hearing.

13. Ordinance amending the Code of Ordinances, Title V, Administrative Code; Chapter 35, Classification and Compensation Plan, Schedule D of Article 35-2, Class Specification Index, by modifying the Position of Custodian; together with report from the Director of Human Resources and Labor Relations.

Action: This ordinance was moved to set for a public hearing.

14. Resolution accepting and appropriating the sum of \$23,065 in unmatched grant funds from the United States Department of Justice, Edward Byrne Memorial

Justice Assistance Grant Program, funds designated for law enforcement related programs; together with report from the Police Department.

Action: This resolution was moved to set for a public hearing.

15. Resolution appropriating the sum of \$347,760 for the purpose of paved greenway trail improvements at Terrill Park (CIP #59) including accepting \$100,000 in grant funds from the Land and Water Conservation Fund (LWCF), \$69,000 in donated funds from the Friends of the Merrimack River Greenway Trail, and authorizing the issuance of bonds and notes in the amount of \$178,760 for the Terrill Park Trail Improvements Project (CIP #59); together with report from the Parks and Recreation Director and a letter of support from the Friends of the Merrimack River Greenway Trail.

Action: This resolution was moved to set for a public hearing.

16. Resolution rescinding the appropriation of \$25,000 and de-authorizing the issuance of bonds and notes in the sum of \$25,000 for the 2020 Equipment Replacement Subproject (CIP #569), and appropriating the sum of \$17,000 and authorizing the issuance of bonds and notes in the sum of \$17,000 for the 2020 Loader Backhoe Subproject; together with report from the Parks and Recreation Director.

Action: This resolution was moved to set for a public hearing.

17. Resolution repurposing the sum of \$11,971 from the 2019 Equipment Replacement Subproject (CIP #569) for use on the 2020 Loader Backhoe Subproject (CIP #569); together with report from the Director of Parks & Recreation.

Action: This resolution was moved to set for a public hearing.

18. Resolution rescinding the appropriation of \$9,000 and de-authorizing the issuance of bonds and notes in the sum of \$9,000 for the 2020 Pocket Parks Subproject (CIP #258), and appropriating the sum of \$9,000 and authorizing the issuance of bonds and notes in the sum of \$9,000 for the 2020 Memorial Field subproject (CIP#557); together with report from the Parks and Recreation Director.

Action: This resolution was moved to set for a public hearing.

From the City Manager

19. Positive Citizen Comments.

Action: This positive comments was received and filed.

Consent Reports

20. Diminimus gifts and donations report from the Library Director requesting authorization to accept monetary gifts totaling \$2,136.52 as provided for under the pre-authorization granted by City Council.

Action: This consent report was approved.

21. Diminimus gifts and donations report from the Parks and Recreation Director requesting authorization to accept monetary gifts totaling \$10,036.49 as provided for under the pre-authorization granted by City Council.

Action: This consent report was approved.

22. City Council 2018-2019 Quarterly Priorities Report from the City Manager.

Action: This consent report was approved.

23. Quarterly Report from the Police and Fire chiefs on drug overdoses and other statistics

Action: This consent report was approved.

24. August 2019 Economic Development Report from the Economic Development Director.

Action: This consent report was approved.

25. Report from the Associate Engineer requesting authorization for the expenditure of funds for additional drainage repairs and improvements be completed on the apron at the airport, FY2020, CIP#75 General Airport Repairs.

Action: This consent report was approved.

26. Report from the Senior Planner regarding a temporary bicycle and pedestrian demonstration project.

Action: This consent report was approved.

Consent Resolutions

27. Resolution authorizing the City Manager to enter into a municipal agreement with the State of New Hampshire Department of Transportation (NHDOT) for State Bridge Aid Program funding in conjunction with the design, permitting, right-of-way, and construction of the Hooksett Turnpike Bridge Replacement

Project (CIP#361); together with a report from the Associate Engineer.

Action: This consent resolution was approved.

28. Resolution authorizing the City Manager to enter into a municipal agreement with the State of New Hampshire Department of Transportation (NHDOT), for State Bridge Aid Program funding in conjunction with the design, permitting, right-of-way, and construction of the Birchdale Road Bridge Replacement Project (CIP#498); together with report from the Associate Engineer.

Action: This consent resolution was approved.

29. Resolution authorizing the City Manager to submit an application to the United States Department of Justice - Edward Byrne Memorial Justice Assistance Grant Program for funds designated for law enforcement related programs; together with report from the Police Department.

Action: This consent resolution was approved.

30. Resolution authorizing the City Manager to enter into off-site improvement agreements regarding redevelopment to the former NH Employment Security Site; together with report regarding redevelopment of the former NH Employment Security site located at 32 South Main Street. (Pulled from consent by Councilor Hatfield)

Action: This item removed for discussion at the end of the agenda.

Consent Communications

Appointments

31. Mayor Bouley's proposed appointment to the Regional Planning Commission and the Rules Committee. Councilor Meredith Hatfield

Action: This appointment was approved.

End of Consent Agenda

Public Hearings

- 32A. Resolution accepting and appropriating the sum of \$55,000 in funding from the Adverse Childhood Experience Response Team (ACERT) Program administered through the Merrimack County Child Advocacy Center, funds designated for overtime expenses incurred by the Police Department for ACERT Program activities; together with report from the Deputy Chief of Police.

Action: City Manager Tom Aspell provided a brief overview.

Mayor Bouley opened the public hearing.

Public Testimony

Laura Quiroga, Director of Strategic Initiatives for Children at Amoskeag Health and one of the developers of ACERT, stated that research has occurred over the past few decades on what children experiences impacts them over the course of their lifetime. This body of research talks about ACES - adverse childhood experiences; these are things that children are exposed to such as physical, emotional, sexual abuse, neglect, and household dysfunction. She explained that what was found was that those adverse childhood experiences are directly connected to the poor outcomes that is being seen later on in life or health and behavioral outcomes. She noted that she received a call in 2015 from the Manchester Police Department who indicated that what they found was that more than 400 children were exposed to domestic violence situation and because of the way the courts are set up, those children received no advocacy. She stated that after reviewing this data, they pulled community members and organizations together who decided to try a release form that officers could carry and have a parent sign, therefore, allowing them to share information about that incident only with an appropriate community partner that could provide that child and/or family with services. She pointed out that the release was helpful and worked but wasn't enough and fizzled over time. They brainstormed and researched coming up with an idea to have a police officer, a community health worker or behavioral health person, and a crisis services advocate who could follow up on the incidences as a team. This team was launched in July 2016 and, to date, they have successfully referred more than 1,100 children to services. They are there to help the child and the parents so that they can thrive and not have poor outcomes later on. She stated that Laconia just launched their program on August 1st and others are looking to replicate this program.

There being no further public testimony, the Mayor closed the hearing.

- 32B. Resolution accepting and appropriating the sum of \$24,972.80 in grant funding from the New Hampshire Project Safe Neighborhoods Initiative Grant Program for funding designated to address violent crime in the community; together with report from the Police Chief.

Action: City Manager Tom Aspell indicated that there is no requirement for city

funds for match.

Mayor Bouley opened the public hearing. There being no public testimony, the Mayor closed the hearing.

- 32C. Ordinance amending the Code of Ordinances, Title V, Administrative Code; Chapter 35, Classification and Compensation Plan, Schedule D of Article 35-2, Class Specification Index, modifying positions within Legal and Parking; together with report from the Director of Human Resources and Labor Relations.

Action: City Manager Tom Aspell provided a brief overview.

Mayor Bouley opened the public hearing.

Public Testimony

Roy Schweiker, resident, noted that he is not there to oppose either of the proposed increases but feels that, in accordance with employees getting higher pay, they should accept additional responsibilities. In regards to the City Solicitor's office, he would like to add to the duties that they review all city development proposals to see if they comply with regulations of the Securities and Exchange Commission. In regards to Parking, he would like to see parking officers, at least occasionally, every day of the week and every hour of the day.

Councilor Champlin asked Mr. Schweiker if he was aware that its been the desire and hope of the Parking Committee to impose weekend and neighborhood enforcement but, with the part time positions, they have been unable to fill these in the current job market. He noted that they hope to make these positions more attractive by making them full time.

There being no further public testimony, the Mayor closed the hearing.

- 32D. Ordinance amending the Code of Ordinances, Title V, Administrative Code; Chapter 35, Classification and Compensation Plan, Schedule D of Article 35-2, Class Specification Index, adding the position of HVAC Technician; together with report from the General Services Director and the Director of Human Resources and Labor Relations.

Action: City Manager Tom Aspell provided a brief overview.

Mayor Bouley opened the public hearing. There being no public testimony, the

Mayor closed the hearing.

Public Hearing Action

33. Resolution accepting and appropriating the sum of \$55,000 in funding from the Adverse Childhood Experience Response Team (ACERT) Program administered through the Merrimack County Child Advocacy Center, funds designated for overtime expenses incurred by the Police Department for ACERT Program activities; together with report from the Deputy Chief of Police.

Action: Councilor Kenison moved approval. The motion was duly seconded and passed on a roll call vote with Mayor Bouley, Councilors Champlin, Coen, Grady Sexton, Hatfield, Herschlag, Keach, Kenison, Kretovic, Matson, Nyhan, Rice Hawkins, Todd, Werner and Bouchard voting yes. This item received the required two-thirds vote.

34. Resolution accepting and appropriating the sum of \$24,972.80 in grant funding from the New Hampshire Project Safe Neighborhoods Initiative Grant Program for funding designated to address violent crime in the community; together with report from the Police Chief.

Action: Councilor Bouchard moved approval. The motion was duly seconded and passed on a roll call vote with Mayor Bouley, Councilors Champlin, Coen, Grady Sexton, Hatfield, Herschlag, Keach, Kenison, Kretovic, Matson, Nyhan, Rice Hawkins, Todd, Werner and Bouchard voting yes. This item received the required two-thirds vote

35. Ordinance amending the Code of Ordinances, Title V, Administrative Code; Chapter 35, Classification and Compensation Plan, Schedule D of Article 35-2, Class Specification Index, modifying positions within Legal and Parking; together with report from the Director of Human Resources and Labor Relations.

Action: Councilor Nyhan moved approval. The motion duly seconded.

Councilor Kretovic indicated that a constituent recently reached out to her because their 17 year old child parked on the wrong side of the road and received a ticket overnight. They were willing to pay the ticket but curious as to why the Police Department is spending their time writing overnight tickets. The reason she asks this question is because Mr. Schweiker brought of concerns and that tickets are not written overnight in the neighborhoods. She asked how they reconcile they two ideas. Mr. Aspell responded that it happens.

The motion to approve passed with no dissenting votes.

36. Ordinance amending the Code of Ordinances, Title V, Administrative Code; Chapter 35, Classification and Compensation Plan, Schedule D of Article 35-2, Class Specification Index, adding the position of HVAC Technician; together with report from the General Services Director and the Director of Human Resources and Labor Relations.

Action: Councilor Nyhan moved approval. The motion was duly seconded and passed with no dissenting votes.

37. Resolution adopting an amended and restated development program and financing plan for the Sears Block Tax increment Finance District; together with report from the Director of Redevelopment, Downtown Services & Special Projects. (Public hearing held on July 8, 2019) (Supplemental report submitted)

Action: Mayor Bouley indicated that items 37 through 41 all deal with either the former NH Employment Security redevelopment or the South Main Street utility improvement: item 37 requires a majority vote and changing the TIF districts for both of the South Main utility improvements as well as NH Employment Security redevelopment; item 38 requires a majority vote and gives the City Manager the approval to enter into an agreement for both of the projects; item 39 is the South Main utility improvements and is a two-thirds vote; item 40 is having the City Manager enter into a purchase and sales with Dol-Sol and is a majority vote; item 41 is the appropriation of the sum of the \$3.5 million for the redevelopment of the former NH Employment Security building and is a two-thirds vote. He pointed out that item 30, removed from the consent agenda, would also fit into this group as well. Mayor Bouley asked the Council to consider taking up item 41 first because if it passes, they can take up the other items; if item 41 did not pass, then the others become moot except for the items which include the South Main Street utility improvements.

Councilor Hatfield likes the idea but asked if they could include questions that they have in regards to the items dealing with the utility pieces. Mayor Bouley indicated that Council can ask questions on any of the items from 37 to 41.

This item being discussed/voted on following the vote on item 41.

Mayor Bouley stated that this resolution includes both the supplemental South Main Street utility improvements as well as the NH Employment Security Redevelopment. Given that item 41 did not pass, he asked that if Council wanted to approve this item how is it proposed that they move forward.

City Solicitor Jim Kennedy pointed out that Council already held a public hearing and noticed the item in accordance with state law so Council can simply amend the resolution to remove and/or delete the reference to the Employment Security project. What they'd be maintaining, to the extent that Council wanted to maintain the utility project, is that they would make that clear in the vote to pass the resolution; the resolution would be adopted as amended.

Councilor Coen moved to approve this resolution. The motion was duly seconded.

Councilor Kretovic moved an amendment to the motion to remove the portion related to the NH Employment Security building. The motion was duly seconded and passed on a voice vote.

The resolution, as amended, passed on a voice vote.

38. Resolution authorizing the City Manager to enter into agreements pertaining to a public private partnership for utility improvements within the Sears Block Tax Increment Finance District; together with report from the Director of Redevelopment, Downtown Services & Special Projects. (Public hearing held on July 8, 2019)

Action: Councilor Nyhan moved approval. The motion was duly seconded.

Councilor Matson moved an amendment to the motion to remove the portion related to the NH Employment Security building. The motion was duly seconded.

Councilor Champlin indicated that he would be recusing himself from voting on this item since he is a board member to the Capitol Center for the Arts.

Councilor Hatfield pointed out that the total proposed cost of the project is approximately \$310,000 and the city would contribute \$150,000. She asked staff to explain what the benefit to the city is. Mr. Walsh responded that it improves the aesthetics to the Bank of NH Stage and paves the way to allow other properties to be ready for redevelopment. He explained that what this is primarily doing is addressing two large poles that are near the Bank of NH Stage as well as one behind Endicott Furniture. He added that moving poles and addressing those wires is also expanding the electrical capacity of this particular area of the city.

Providing an example of power going out in a business due to another business, the Mayor asked if this would allow the areas within this grid to be taken care of. Mr. Walsh responded yes explaining that it adds capacity to the whole area to help alleviate that problem.

Councilor Herschlag indicated that the Demolition Review Committee met recently and their recommendation said that "the structure is significant and the loss is potentially detrimental to the community" "the committee believes the structure in its entirety should remain where it is and has been since circa 1850". He asked why should the city be contributing to a project when they aren't sure of what the outcome is going to be of that structure. He would feel much more comfortable to delay voting on this until such time as they clearly know what is going to happen to that building. Without assurances he doesn't see why they should be rewarding a developer for moving forward with the project that doesn't have the support of a significant portion of the community and doesn't have the support from the Demolition Review Committee.

Mayor Bouley asked if Councilor Herschlag is trying to lead people to believe that its just the Families in Transition building this would affect and not the whole block. He pointed out that it addresses the whole block.

Councilor Herschlag indicated that the request is specifically for the Capitol Center for the Arts and for the Families in Transition building. He stated that they have to remember that while they're making improvements that's going to help the Capitol Center for the Arts, in all likelihood they are going to be receiving a tax exempt status so they won't be contributing to the future taxes to the community. He doesn't understand why the businesses that are going to benefit the most aren't going to contribute more for this project and the city is going to be contributing the bulk of the money for this project.

Councilor Kretovic asked staff to clarify if the city's portion for this is coming from the Main Street fund further asking if these were utilities they were planning to move and didn't. Mr. Walsh responded that, during the complete street project, the city appropriated \$2 million for utility improvement on South Main Street; the final cost of the project was \$1,520,000. He explained that savings were achieved by doing some interim improvements to get Main Street to a point that the project could go forward and be built recognizing they didn't know what some of the other projects might be coming in the future for redevelopment. There were some area utilities that were moved off of Main Street but still remained in other places. He

noted that the two poles that they are talking about were installed by the city as part of the Main Street project with the permission of the previous property owner at the time this was done.

The motion to amend passed on a voice vote. Councilor Champlin took Rule Six.

The resolution, as amended, passed on a voice vote. Councilor Champlin took Rule Six.

39. Resolution appropriating the sum of \$150,000 for utility improvements within the Sears Block Tax Increment Finance District and authorizing the issuance of bonds and notes in the amount of up to \$150,000; together with report from the Director of Redevelopment, Downtown Services & Special Projects. (Public hearing held on July 8, 2019)

Action: Councilor Nyhan moved approval. The motion was duly seconded and passed 13 to 2 on a roll call vote with Mayor Bouley, Councilors Champlin, Coen, Grady Sexton, Keach, Kenison, Kretovic, Matson, Nyhan, Rice Hawkins, Todd, Werner and Bouchard voting yes. Councilors Hatfield and Herschlag voted no. This item received the necessary two-thirds vote,

40. Resolution authorizing the City Manager to enter into a purchase and sale/development agreement with Dol-Soul Properties, L.L.C. concerning the sale and redevelopment of city owned real estate located at 32-34 South Main Street and 33 South State Street known as the former New Hampshire Employment Security Property; together with report from the Director of Redevelopment, Downtown Services & Special Projects. (Public hearing held on July 8, 2019) (Public testimony submitted)

Action: Councilor Coen moved approval. The motion was duly seconded and failed on a voice vote.

41. Resolution appropriating the sum of \$3,500,000 for the redevelopment of the former New Hampshire Employment Security Building (CIP #578) within the Sears Block Tax Increment Finance District and authorizing the issuance of bonds and notes in the amount of \$3,500,000; together with report from the Director of Redevelopment, Downtown Services & Special Projects. (Public hearing held on July 8, 2019)

Action: Councilor Champlin indicated that a lot of people have been concerned about the \$3.5 million, the city's half of the bridge between the projected cost and the expected cost of the project. He asked, if they were to approve this additional

support, would that be the largest dollar amount of support that the city has provided to a major project in the downtown. Matt Walsh, Director of Redevelopment, Downtown Services, & Special Projects, responded no explaining that, in the past, the city has made larger financial contributions to other projects that have been developed on South Main Street in the last decade or so.

Councilor Champlin asked how would the projected return in property tax revenue compare to other similar major projects in the downtown area. Mr. Walsh responded that this one is more favorable if looking at a ratio of dollars put into the project versus the assessed value that those incentives will create; the ratio for this project is around twenty two percent. The city has had other projects on South Main Street that have been, in some cases, significantly higher than that over the last ten to fifteen years.

Councilor Champlin asked if they would be spending less city money to support this project than they have in past projects and perspective, receiving more property tax revenue. Mr. Walsh responded that to be correct.

Councilor Champlin noted that people have been concerned with the idea that there is a \$7 million gap. He asked if Mr. Dolben could explain how he feels that makes the city partnering with him 50-50 on bridging this gap makes the project viable. Mr. Dolben explained that when they put this project together they did their economic feasibility at looking at doing a project that did not have internal parking to it and would utilize spaces within the city garages and neighborhood. After quite a bit of research, he stated that it became clear to them that this was not the way to go; the project really required having at least one space per apartment inside the building. He indicated that when they took the schematic design that they brought to the city and reviewed with the Design Review Committee, they came up with cost estimates that significantly exceeded the building without the parking. They came to the conclusion that it was not feasible to deliver an apartment building, in this location and this market, without having the parking as required by it. He noted that they had a project that's more expensive than the market can support. They had come back to the city indicating that they would like to do this project but can't afford to build it believing that the feeling between the parties was that they would be better off to go with a project that everybody thought was right for the site and needed to find some way to close the gap between what they feel is economically feasible and what the project can afford to pay. Mr. Dolben indicated that they reached an agreement with staff that they would find a way by either putting more equity in the deal or having the market support higher revenue

which would then allow them to be able to support the financing to make the project work. On his end, they are taking significant risk to bridge this other half of the gap and the city is obviously stepping up in order to help get this project to go by putting their money up as well. He stated that they are willing to take the risk because they believe in the project and are hopeful that interest rates will stay low, construction costs stay competitive, and that they will see some market improvement.

Councilor Kenison indicated that it appears to her that there is a perception that they will not be collecting any taxes on this property. She is thinking that they would be collecting immediately, a portion of taxes, based on the current value. Mr. Walsh replied that there is often misconception about tax collection in tax increment finance districts; in this case, they will start collecting taxes on the property starting April 1st following the closing. He stated that there is a good chance that the initial April 1st, following the closing, the project will still be under construction and they'll get a portion of the projected assessed value. When the project is completed, staff is projecting the assessed value will be just under \$21 million and will generate \$625,000 per year. He explained that this property is tax exempt and when it becomes taxable, the base value of the property, which they are projecting will be the land value because the building will be removed at that time, is going to be just under \$400,000 of assessed value. That property tax on that is going to be around \$11,000 and will come to the city's general fund, school district, county immediately; the balance of it will be captured by the TIF district to pay down debt service issued for projects such as the Capital Commons project and Main Street project to support this project. Mr. Walsh stated that the city will be collecting taxes on the property in accordance with state law as soon as the property is owned by the private property.

Councilor Kretovic stated that the benefit of thirty days is that they get a lot of feedback within the community with regards to the different projects that come before the Council. Scalability and viability are the two biggest things that people have provided to her as far as feedback. She noted that when they were originally looking at this project, purchased the building and put it out there that they were interested in market rate housing with a restaurant/retail component, 125 units in the downtown was very viable. Since this time, they've had a number of different housing opportunities in the downtown. She indicated that the question is really related to scalability - when looking at a \$7 million gap, is it possible to scale back on this project or relook at the number of units as to whether the market is still viable for 125 units. Mr. Dolben replied that they attempted to maximize the

number of units that could be built because what they are trying to do is create economies of scale. They believe that the overall market for luxury apartments in the city will well absorb this; the question is at what rate of rent per month? He stated that they came to the conclusion that they are pushing the envelope in terms of what residents will want to pay for rent versus the cost of the project which is how they came up with this gap. He noted that their job as professionals is to try and figure out how to get more into the project by paying less, that interest rates stay down, and that eventually the market will come up so they are able to make it work. Mr. Dolben feels that having a bigger project is better for the city in terms of taxable revenue.

Councilor Herschlag keeps hearing the number \$625,000; if the project is assessed at \$20.8 million and when he uses the current city tax rate of \$28.19, he comes up with \$586,352 and when using the conservative number of \$16.6 million of assessed value of the property, he comes up with \$469,013 but yet the minimum payment for the eighth amendment would be \$490,000. He asked if staff could explain to him where that \$625,000 number comes from because its also included within the resolution. Mr. Walsh explained that the \$625,000 comes from an assessed value of \$20,797,000. He has taken today's tax rate and inflated it approximately three percent per annum, compounded that to get to when they believe the completion date will happen; this building, per the development agreement schedule, would come on line sometime in September 2022. He pointed out that the first year fully completed will be April 1, 2023.

Councilor Herschlag indicated that they've had the discussion that, if they extend the payments out, perhaps there won't be enough money available to fund a project. If there is \$625,000 anticipated available each year for the full value of the project and if they bond a total of \$4.6 million, if they go out twenty years, assuming that the project is taxable, the yearly payments would be only \$351,528. He asked for an explanation as to why the remainder of those funds couldn't come back to the city, school and county to help mitigate future tax increases and pay for citywide, schoolwide and countywide services. Mr. Walsh responded that in accordance with the development program and financing plan before the Council this evening, this document talks about the city's strategy for issuing debt supported by the TIF district and plans to expedite repayment of that debt as quickly as possible by capturing all the tax revenues that are generated by new development in the TIF district to pay it off. He pointed out that all three of the city's TIF districts have the same language. He explained that what this will essentially do is that they are trying to use a shorter debt schedule and, by doing

that, they would end up releasing all the assessed value faster. He indicated that they customarily take only eighty percent of what the projected assessed value of a project is because they want to be conservative in their financial projections in the TIF district to make sure it works in the event that something does not go as they may have planned; this is the difference of the \$625,000 tax revenue estimate and the \$490,000 guarantee that the developer has agreed to in the development agreement.

Councilor Herschlag stated that even at \$490,000 this leaves, at 4.5 percent interest, \$140,000 to be disbursed between the city, county and schools. The city is going to have an investment in this project of approximately \$4.6 million and asked Mr. Dolben why they shouldn't expect him to have a surety bond if, for any reason, he was to walk away from this project. Mr. Dolben responded that the way the deal is structured, the city doesn't put its money up until the project is financed, his cash equity is in escrow and the contract for construction is awarded, bid and bonded. He doesn't feel that, at that point, the city needs a surety bond from them because they have full performance already guaranteed in the nature of a maximum guaranteed construction contract.

Referencing Councilor Champlin questioning the city's shared investment in projects in the TIF districts, Councilor Coen asked what a substantial amount already invested in the past and the results of this. Mr. Walsh responded that almost all the projects that have been developed in the Sears Block TIF district, since the district was created in 2003, have had some form, shape or manner of city incentive or assistance to be done; this form of assistance has been varied. He noted that the city has had projects that had investments of upwards of \$8 million over time. He feels that the return on investment on this proposed project is much stronger.

Mayor Bouley pointed out that the example being given is Capital Commons in which the community benefitted from that project. He questioned if the community would benefit from the proposed project.

Mr. Walsh noted that when the city built the Storrs Street Parking Garage and everything that went with the Capital Commons project, this was a \$16.4 million investment, community benefit. It created a parking garage and plaza that is benefitting the community; it created a lot of vitality downtown with a 102,000 square foot building, a new restaurant, and the Red River Theatre. He stated that that building is assessed at \$13.9 million and generates approximately \$392,000 a

year in property taxes. Mr. Walsh pointed out that this project is slightly different but at the same time it's going to create, long term, \$21 million in new assessed value and \$625,000 of annual property tax revenues which will, when the TIF is paid off, come to support the city's general fund, school district, the county and state. He stated that it will be one of the largest single paying tax paying properties in the city, will be the largest building in the downtown, and the residents that would live here will create economic development benefits for the community through their spending whether in downtown, the Heights or Penacook.

Mayor Bouley asked Mr. Dolben who does his absorption calculations. Mr. Dolben responded that they do it internally but when they get to the financing, they will hire a third party consultant to do this work because they will need a third party report for their lenders. Mayor Bouley asked Mr. Dolben to share the current projections and what the projections will be at the time of completion. Mr. Dolben responded that their expectation is that they are going to build this project within eighteen to twenty months with first occupancy near the end of this period of time in month sixteen or seventeen. He believes that they will begin moving people in at the rate of twenty to twenty five per month; within six months they will be full, from delivery.

Mayor Bouley questioned as to why it took two years to come to this pointing out that this began in 2017. Mr. Dolben replied that it took a while to figure out. Mayor Bouley asked if this was the primary focus of the company currently questioning whether they have other projects going on. Mr. Dolben responded that he has five different projects going on currently but this is a primary focus of their company. He pointed out that they just completed 256 apartments in Salem, NH; they have projects going in Massachusetts in Lynn, Salem, Gloucester, Weymouth and Quincy. His company is accustomed to doing five to six deals ongoing at one time; they are just completing one and would like to have this fit into their schedule to continue their growth. Mayor Bouley asked Mr. Dolben if he sensed that the market is on the way up. Mr. Dolben responded that it's on the way up.

Mayor Bouley asked what happens to real estate if there is an economic downturn. Mr. Walsh responded that if they end up with a situation where the project opens in a recession and Mr. Dolben cannot get the level of rent anticipated, the way that the project is going to be assessed, the \$20.8 million value is based on the income approach. In the event that Mr. Dolben can't get \$2,000 per month for a two bedroom unit and gets less than that, the city is protected because they are making all their financial projections not based on the tax revenues from a \$20.8 million

project but a project that is eighty percent of this level - \$16.5 million to \$16.6 million. Mr. Walsh remains confident that the city will be in good shape.

Councilor Kenison has been hearing from many constituents who has concerns with the amount of money the city has put into this building feeling that the city bought it for too much money, sold it for less, the costs of weatherization and keeping it going for five years. She noted that what some of constituents are focusing on is all those costs which she doesn't associate with this project. She feels that the previous costs don't belong in the consideration of the project before them.

Mayor Bouley inquired in regards to the absorption rates in other properties such as Elm Grove. Mr. Walsh indicated that the building that Elm Grove owns on Pleasant Street, the yellow brick building, created twelve units. It is his understanding that they are all leased up and at one point had a waiting list that was more than seventy people for twelve units. His understanding is that they are charging north of \$1,500 per month for loft studios. He added that the twenty units at Remi Block was absorbed within less than two months.

Councilor Champlin inquired as to how much are they talking about bonding here. His understanding is that of \$4.6 million about \$1.2 million of that is money already spent on other projects. He thinks about \$1 million is tagged to thirty two spaces at the Storrs Street Parking Garage and about \$2 million for burying the power lines. Mr. Walsh indicated that there are no new costs for the Storrs Street Parking Garage, the last of that debt service, with the exception of some recent repairs, was issued in 2007. He stated that the debt service for the underground utility work that was done as part of the complete streets project was issued already - \$1,520,000. He pointed out, in this case, the underground utilities is on about 750 feet of frontage on South Main Street and, if looking at this on a pro-rated basis, about \$255,000 of that cost really goes to the frontage of Employment Security. He pointed out that other properties between the Bank of NH Stage and Employment Security are going to benefit from that.

Referencing Mr. Dolben's half of the \$7 million, Mayor Bouley indicated that he believes he was going to cover those costs with valued engineering. Mr. Dolben stated that he will either have to reduce the entire cost of the project, create more revenue out of the building, or he's got to put cash in.

Councilor Hatfield questioned whether all 125 units will be luxury units. Mr.

Dolben responded yes. Councilor Hatfield noted that she believes the estimate is \$2,000 per month for a two bedroom unit. Mr. Dolben responded roughly yes explaining that they have a variety of unit types; the rents do not include heat and hot water. Councilor Hatfield asked what the rent is for a comparable unit in the Salem development. Mr. Dolben responded that it's currently \$2,300.

Councilor Hatfield inquired whether there are other luxury apartments currently in Concord. Mr. Walsh responded that there are nice units but not at this level. He noted that over the last five or six years, the city has slowly been getting into market rate in downtown starting with the Endicott Hotel conversion that started in 2013. He feels that Mr. Dolben's project will be unique because it will have some of the best views in the city because of the height of the building, an eighty foot building comparable to the height of the Hotel Concord building. He added that there will be parking inside the building which is something no project in downtown has in this type of format.

Councilor Hatfield inquired as what the proposed height of the building is. Mr. Walsh responded that the building is in the the central business performance district which has an eighty foot height limit. Councilor Hatfield asked what the height is of some of the buildings within the vicinity. Mr. Walsh responded that he believes the the Hotel Concord building is the exact height excluding the mechanical penthouse on top of that building.

Referencing Table One in the memo accompanying item 40, Councilor Hatfield pointed out that it discusses the reduction of the sales price as a possibility but then in the table it refers to discounted land price of \$500,000. She inquired whether this discount has already been negotiated. Mr. Walsh explained that the city acquired this property from the state in 2014; the state originally wanted \$1,075,000 for the property. The city acquired the property \$1,575,000 largely because if you try to negotiate harder with the state beyond a ten percent price discount you have to go back to the legislature and they were concerned with being able to get anything less than this through the legislature at that time. He noted that the current purchase and sales agreement contemplates selling it to Mr. Dolben's company for \$1,075,000 hence the difference of \$500,000.

Councilor Hatfield, referencing page five of the memo, noted that it appears that it may be discounted further and counted towards the \$3.5 million. Mr. Walsh responded that is a possibility. He explained that the city's \$3.5 million, their share of the \$7 million gap, could be infused into the project in a few different ways:

onsite improvements, offsite improvements, investments in abutting properties, if necessary, in order to accommodate the project, look at paying various fees that are customary for the permitting process, the sales price.

Councilor Hatfield, referencing page three under the revenues of the project, pointed out that it shows \$378,000 in permitting revenues but the table shows a few numbers. Mr. Walsh responded that what they are trying to demonstrate is other revenues that may come to the city; one of them is permitting revenues, another is parking revenues. Councilor Hatfield noted that the \$378,000 amount is probably not the best estimate of the permitting revenue, it will be discounted from that amount. Mr. Walsh responded that it could be but, either way, the permit has to be paid one way or another - either the developer pays for it or it's paid out of the TIF into the city's general fund.

Questioning demolition, Councilor Hatfield asked about the brick building behind the Employment Security building. Mr. Walsh responded that the Employment Security building is actually two separate buildings that are "glued" together - the building out front with the blue panels was built in 1958 and the building in the back was constructed in 1923 as federal revival architecture and is a remnant from when the site was used as a girls school. Councilor Hatfield asked if the city or developer will have to go through any process to be able to demolish a building of that age and history. Mr. Walsh explained that they will go through the city's normal and customary demolition and review process which is the forty nine day process.

Councilor Hatfield wonders what staff's response is to the concerns that Concord really needs workforce housing and how its felt that a building of this size, this location, and high end units is a good move at this time. Mr. Walsh would suggest that Concord needs all types of housing for all income levels. Based on how the housing market is today, he's seen some estimates where NH in general was underbuilt by somewhere between 15,000 to 20,000 units over the last eight years. He noted that there are projects going on elsewhere in the city that are creating affordable housing units north of downtown and projects that have been done already in downtown. Councilor Hatfield indicated that there is a difference between affordable and workforce. She pointed out that there are those who may not qualify under income requirements under affordable but who also may not be able to afford this building. Mr. Walsh replied that housing is in short supply for every income level within the community. He feels that Concord building more housing at all income levels would be good for the community. Mr. Dolben added

that there are probably a number of residents that may perspective be in this new building that already live in Concord and when they move out of where they currently reside, it will create a vacancy that will become that workforce housing at that lower rent level.

Referencing offsite improvements, Councilor Hatfield inquired as to who decides where those will be and what there will be. She asked if it would be a public process. Mr. Walsh explained that this project has to go through Planning Board site review process; plans will show anticipated offsite improvements that will have to be built by that. He pointed out that the rendering that Council has been provided by Mr. Dolben shows plaza space in front of the building - there's a good chance that this might end up being a public space constructed by the city in which they would work with staff as well as through the planning process to come up with a design for that space.

Councilor Hatfield asked what would happen to the project if the Planning Board did not approve 125 units. Mr. Walsh replied that they would likely re-evaluate the project at that point and options to move forward.

Councilor Keach indicated that he is surprised at the lack of participation that the company has brought to the table during the process. He noted that a lot of the questions being asked tonight should have been asked and answered prior to this. Referencing Mr. Dolben's other projects, Councilor Keach asked if this was typical. Mr. Dolben doesn't feel that they have been absent in the process and have been working hand in hand with staff. Councilor Keach clarified that he meant it in regards to community outreach. Mr. Dolben responded that it was the timing and how this came together indicating that normally it would be in the site plan review process with the Planning Board. He stated that they haven't gotten there yet noting that they have been before the Design Review Committee several times as a courtesy for them to review the concept because, in order to put a financial model together to see if the project is feasible, they had to see what the city is likely to approve. Mr. Dolben indicated that they have been doing this work in the background trying to understand what can be built, what can the market support, and what they think is needed. They haven't really come to what he calls a community outreach phase because without the city's support, the project is not going forward.

Councilor Werner noted that there seems to be a lot of concern about parking and the loss of parking around this area. He asked if these concerns could be

addressed. Mr. Walsh indicated that there is a surface lot currently at the site with approximately seventy spaces. He explained that, when the city acquired this property in October 2014, they made a decision to operate this lot on an interim basis as public parking. The intention of project was never to buy the property for the purposes of operating a surface parking lot; they just did it on an interim basis because it helped the city deter inappropriate behavior at that property and raised money for the parking fund which was struggling at that time. He stated that members of the Parking Committee can attest that a strategic plan has been launched for the parking system and one of the things they were trying to do is improve how public parking is managed in downtown. He noted that one of the big components of this is revisiting many long term lease agreements that exist in the parking facilities which are inefficient and cause waste in the system. He doesn't necessarily feel that it's a supply problem in downtown but how its managed.

Councilor Coen asked if Mr. Dolben currently had any other properties in Concord. Mr. Dolben replied that they currently operate Pembroke Place and Penacook Place. Councilor Coen inquired whether these properties are luxury apartments. Mr. Dolben responded no indicating that they are more in a workforce category. Councilor Coen inquired as to how many units are in each. Mr. Dolben responded that there are approximately 150 in each.

Councilor Herschlag noted that there is an anticipation that the potential difference between what they have into the project and what they are going to put into the project are fixed costs - there's nothing fixed about those at this moment and are only potentially fixed costs if they move forward with this agreement.

In regards to value engineering, Councilor Herschlag asked if this would be a payment in kind as opposed to actually putting cash into the project. Mr. Dolben explained that this is a process they use in their industry where they would take an architect's design to see if they can substitute products or building materials that would be less expensive and more cost effective to try to bring the overall project cost down but still have it perform at the level which they require it to perform.

Referencing Penacook Place, Councilor Herschlag stated that there have been some issues with police involvement and his recollection is when this project was built it was with the understanding that it would be for young professionals. He feels that they are not clearly seeing this in this location. He pointed out that, built within the agreement, there would be no subsidies of any sort allowed. Councilor Herschlag asked for reassurances that this new building would be managed in a

manner so they wouldn't see the issues that are being seen in Penacook Place. Mr. Dolben stated that as a professional landlord, they do best practices for admitting residents into the community - they do background checks, prior landlord checks and all the credit checks. They are currently maintaining over 17,000 units and sometimes there are situations where people get through the filter. He feels that they manage this process well because they want to maintain their reputation. With respect to Penacook Place, Mr. Dolben indicated that they didn't build the project they acquired it from the original developer. He noted that they have tried to be as diligent as they can to keep the property up and in the best condition that they can. In regards to downtown, he expects to see a different demographic with much more affluent residents.

Councilor Champlin asked if staff anticipates any redevelopment scenario for the Employment Security property that keeps the seventy space surface lot. Mr. Walsh responded no stating that, if its Council goal to maximize the highest and best use of the real estate, he does not see a scenario in which a surface parking lot is preserved in perpetuity. Councilor Champlin asked, if Council doesn't vote to support this project and another developer comes before them, whether it is anticipated that those spaces will be gone in that redevelopment as well. Mr. Walsh responded yes indicating that he anticipates any developer working on this property will want to maximize the highest and best use of the site and, to do so, he doesn't anticipate that the surface parking lot would remain.

Councilor Kretovic indicated that they have had a number of projects within the city in the past two years that they expected were going to come in at one cost and they came back at ten or twenty percent more when they went out to bid. She asked what happens if Mr. Dolben goes to buy materials with their value engineering and it costs more and there is a larger gap. Mr. Dolben responded that if they get to the point in which they find this to be the case, they have two choices: abandon the project or come back and find a way solve the problem. He pointed out that the good news for the city is that they don't spend any of this money other than the time and effort put in until he proves that the project works and they put it into escrow.

Councilor Todd thanked Mr. Walsh for his effort and time working on this project. He thinks this project emanates from the Council's decision to purchase this property which was once owned by the state and not generating any revenue for the city because it was exempt from that. He stated that, once they started on that path, they could have anticipated some kind of scenario like this coming along

because any developer or property owner can tell you that not every project goes exactly as one anticipates it will from the very start. He pointed out that they are now in this situation and, if this deal does not work out, they still have the issue before them of moving forward with some kind of project so that they can generate revenue from this piece of property. He noted that there was a concern that this property would continue to exist with another entity where they would not see any tax revenue from the property. Councilor Todd asked why this is a good project for Concord. Mr. Dolben replied that this is a unique opportunity to create a landmark in the city and, long term, he feels that this is going to be a successful building. Historically, he is fourth generation in a family business, they are long term holders and he believes in this location long term.

Councilor Todd asked why Mr. Dolben believes in this location long term. Mr. Dolben feels that the city needs a building like this to provide housing to people who want to, as they have seen in almost every major metropolitan downtown, live, work and play in the same place. He indicated that the generation coming out of college right now and going into the workforce don't want to drive their cars very much - they want to live downtown, be in an efficient house and feels that this location in the city really provides that unique opportunity to create this. The struggle for the project has been economics but he feels that if they can solve this problem, this is going to be a homerun project.

Mayor Bouley noted that twelve years ago there was the feeling that they would take anything that came along and the city offered all types of incentives over the years to do projects. He stated that they have come a long way in those twelve years and feels that the city is a shining gem. He asked why they need to offer incentives anymore if this is the case. Mr. Walsh agreed that Concord has come a long way but, at the end of the day, there are math problems and if Council wants this particular project the math doesn't work on it. He noted that incentives have always been controversial in development projects. He stated that the project will not happen unless the city is involved.

Councilor Nyhan stated that he was against the project when it was first pitched eighteen months ago and, since this time, he is somewhat of a convert. He likes this project a lot and is comfortable with it if it moves forward or if it doesn't go forward. Where he stands now is what has been summarized - that it has math problems and, without a \$3.5 million investment from the city, the project is not going to move forward. He can't help but think of all the other projects that are competing for the same dollars that could be investments elsewhere within the city. What sums it up for him is that there are math problems and he has not had one

person that has approached him that is in favor of this. He is going to end up voting no for this project this evening because of the math problems; if it was less than \$3.5 million he would feel more comfortable.

Councilor Kretovic quoted a statement made to her by former Mayor Veroneau - "you never make a bad decision but you make decisions based on what you see at the time". She stated eighteen months ago they saw a big hole in the housing market for their community and, especially downtown, it was weighted far differently for affordable housing versus a mix of housing. Her thoughts for the whole community is that they have a significant housing problem but what has changed here is that they do have a hundred or so units in the downtown now and she is not sure what they envisioned eighteen months ago is the same as what they envisioned today. She has not heard anybody in the community say that this is a project that they support. It isn't just the \$3.5 million, she is looking at the time and the energy she invested while at Concord 2020 to help them get a \$4.71 million federal grant to do the downtown and they are turning it around and giving it to a private company. She indicated that there isn't a public benefit here; the benefit is that they add to the housing but it has to be at this threshold. They can't just feed the downtown, they have to feed the other areas within the city. She stated that the decision they make today is the one that they live with and today she is not supporting this effort.

Councilor Hatfield agrees with Councilors Nyhan and Kretovic. She feels that not only does this have a math problem but has just heard that the stars have to align and she is worried that they won't. She feels that 125 units of luxury priced housing is not what Concord needs right now. She is very concerned with gentrification and a feeling that downtown is not accessible for some.

Councilor Herschlag has not heard from anybody that thinks they should be spending \$3.5 million and feels that its important to point out that if they go through with the agreement, its \$4.6 million that they will have into the project. He thanked Mr. Walsh and Mr. Dolben for their time and effort. He feels that its a fantastic project but its about the rest of the community. He is not as concerned with this project being a luxury project but what he can't get around is the contribution that the city would be making. He is not be able to support this project at this time.

Councilor Coen noted his support of this project. He is looking at the marketing aspect of this project. He doesn't feel that there is a lack of affordable housing within this central area noting that this area is heavily subsidized. He feels that they

should want to create a viable area with all sorts of economic situations and not to eliminate luxury homes or apartments in one area.

Councilor Keach noted his support of this project. He is a little discouraged that some have attempted to turn this into a referendum about affordable housing. He noted that there is surely a need for that but he is not sure it should be this developer's responsibility to provide that. He pointed out that a \$2,000 a month luxury apartment is not exactly a luxury apartment; a decent average two bedroom in the city currently is \$1,200 to \$1,300. He feels that Concord is evolving into a city where that's what the economy demands and they shouldn't be punishing developers for providing this service or that level of housing.

Councilor Kenison is supporting this project. She stated that she represents Ward Six and knows that there has been a lot of concerns about this project. She feels that she is on the Council to make the best decisions she could as to what comes before them and not make a political decision. She's been very upfront with her constituents as to where she stands; she likes to be fair and likes people to know where she's coming from. She believes that the city needs all kinds of housing and feels that there is a demand for this type of housing. She stated that when they did the complete streets they had a vision for going further south and making this a very attractive place to be. She indicated that this type of housing will bring business to the city because they'll be eating at the restaurants and using the retail establishments. She pointed out that the downside in not supporting this project is that they are going to continue to have this building, continue to maintain it, and continue to hope that some day somebody will come along with a project.

Councilor Champlin noted his support of this project. He agrees that Concord needs all kinds of housing and that there is a dire shortage of housing within the city. He stated that they also want to provide places for people to live that can either retire to that spot or who can move on to be a homeowner. He agrees 100 percent that they need workforce housing and has worked, in his capacity on the board of CATCH Neighborhood Housing, to try to make this possible. He also feels that there needs to be housing for more high income people to live. He feels that they need to find alternatives to homeowner property taxes to run the city; this project, for a city investment that is less than what they spent on Capital Commons, is going to return a much higher rate of return in terms of property taxes. He would like to see \$625,000, down the road, in property tax revenue from a commercial project rather than putting it on the backs of the people who are living in their homes. He stated that they know, as Councilors, that the cost of doing

business continues to increase and feels that they should be looking for more commercial developments like this project to broaden the tax base and to increase revenues that don't come from individual homeowners.

Councilor Werner has heard from constituents that support and don't support this project. He feels that this is an opportunity that they can't afford to pass up - the investment on the front end is worth the outcome in the back end. He believes that the economic vitality of the city will be enhanced, the economic opportunity will continue to grow, and he doesn't see any reasons why this precludes a concentrated effort to make sure they have a variety of housing in the city to serve all of their citizens needs across the income spectrum. He stated that he will be supporting the project.

Councilor Kretovic indicated that she has had conversations with realtors and construction builders for homes who have said that this scale is too large and don't believe that the community or downtown can support 125 luxury units. What she would like to see out of this is that they go back to the drawing board and come back with something different.

Councilor Bouchard noted that she is excited about the concept but her concerns with this project has to do with fairness and putting money into a project where there are other housing units going up in the greater Main Street area in which they haven't put public dollars into. She agrees with Councilor Kretovic's statement in regards to going back to the drawing board and coming back with something that both the developer and the city can afford.

Councilor Todd sees both sides of this. He noted that if they didn't want to see themselves in a predicament like this they shouldn't have bought the property in the first place. He pointed out that a significant amount of time has been put into working on this so far. He stated that this is a situation of are you taking a risk or a gamble. He doesn't want to gamble with taxpayer's dollars. He's heard all the concerns that people have had and feels that they have legitimate concerns. He noted, from his understanding, that the way this is structured is that the \$3.5 million is not going to need to be expended by the city unless there's a determination that this project is actually viable and going forward as has been described and presented to them. If this happens, he thinks that the long term picture is that they are going to get a lot more back from this than that investment of \$3.5 million. Is it ideal - no. He stated that he is almost not liking the concept of the city buying property anymore because of instances such as this. He pointed out that others

have brought up the fairness issue of investing \$3.5 million with this particular company on this particular property and what about all the other companies that might want to do a project. He stated that he doesn't see the city owning any other pieces of property in which they are going to get involved in a situation like this. He is going to be hesitant with the city purchasing property because they get into these types of situations and it makes it difficult for everyone and makes it hard to explain to the public. He is going to support this project because the way he is looking at it is it's the \$3.5 million but they are not expending that unless the project is a go; if the project is a go, he see's this as a good long term investment for the city and the downtown.

Councilor Grady Sexton stated that it's become very clear that the residents of Concord have lost faith in this project and she has as well for a lot of the reasons presented this evening. She is confident that economic opportunities will continue to grow and that projects will surface that will meet the needs of Concord and not require them to subsidize them. She will be voting against this project.

Councilor Matson is not going to support the project because she feels that too much is being asked of their community financially.

Councilor Keach moved approval. The motion was duly seconded and failed 6 to 9 on a roll call vote with Councilor Bouchard, Mayor Bouley, Councilors Grady Sexton, Hatfield, Herschlag, Kretovic, Matson, Nyhan, and Rice Hawkins voting no. Councilors Champlin, Coen, Keach, Kenison, Todd, and Werner voted yes.

Councilor Bouchard moved to not approve this item. The motion was duly seconded and passed 10 to 5 on a roll call vote with with Councilor Bouchard, Mayor Bouley, Councilors Champlin, Grady Sexton, Hatfield, Herschlag, Kretovic, Matson, Nyhan, and Rice Hawkins voting yes. Councilors Coen, Keach, Kenison, Todd, and Werner voted no.

Reports

42. Report from the Solicitor's Office regarding House Bill (HB) 480-FN, Sports Betting; together with communication from the New Hampshire Lottery.

Action: Mayor Bouley recused himself due to a conflict. He pointed out that Council had a presentation at the last meeting in regards to Keno and suggested that they do both at the same time.

City Manager Tom Aspell indicated that the request at the last meeting was for

Keno and whether or not Council was interested in putting Keno in the process again. He explained that this item is for the same type of process.

City Solicitor Jim Kennedy provided a brief overview explaining that the Legislature passed House Bill 480 on July 12th which states that the state is contemplating sports betting locations throughout the state. To the extent that this Council is interested in determining whether or not it wants sports betting in the city much like when they had a vote regarding Keno a few years ago, the same procedure applies to sports betting. He understands that the state is contemplating ten locations throughout the state and, before any of these locations can be determined, the locality has to have a vote of the city to determine whether or not such location would be allowed. Like Keno, he explained that it can get on the ballot two ways: by the vote of the City Council or by a petition of 25 or more citizens within the city. He pointed out that last time, with Keno, the Council held a public hearing on whether or not to have it on the ballot and ultimately Council determined, by vote, to have it placed on the ballot and leave it up to the citizens as to whether or not the city would have Keno in the city. The citizens denied this by vote on the ballot.

Councilor Keach moved to accept the report and set sports betting for a public hearing for a future date. The motion was duly seconded.

Referencing the third paragraph of the first page of the report, Councilor Champlin pointed out that there is language that is provided for the ballot which reads "shall we allow the operation of sports book retail locations within the city?" He questioned whether this is the mandated language. Mr. Kennedy responded yes. Councilor Champlin pointed out that it doesn't say anything about sports betting and he is sure that its an oversight by the Lottery Commission. He knows that there will be a lot of articles about this but guarantees that there will be voters that will not know what this is about. He won't oppose putting this on the ballot but feels that this is incredibly disingenuous and deceptive to the voter to require them to use this very vague language.

Councilor Werner questioned whether there would be two separate motions for sports betting and Keno. It was confirmed that it would be two separate motions.

Councilor Kretovic stated that she is in favor of the motion noting that it was pretty evident that their community wanted to weigh in on it and is more than happy to have them weigh in on it again.

Councilor Herschlag noted his agreement with Councilor Kretovic.

Councilor Herschlag moved to amend the motion to set the public hearing on sports betting at the September 9th meeting as opposed to a future date. The motion was duly seconded and passed with no dissenting votes.

The motion, as amended, passed with no dissenting votes.

Councilor Nyhan moved to set a public hearing at the September 9th meeting for Keno. The motion was duly seconded.

Councilor Champlin stated that the voters of the city resoundingly rejected Keno previously. He noted his frustration with the Lottery Commission and with having to place this on the ballot every two years until the desired outcome comes. He stated that if they put it on the ballot and the voters don't want it, they should trust the voters and consider that they have made up their minds.

Councilor Keach doesn't see any harm with asking voters every two years if their opinions are consistent to what happened two years ago. He feels that just because they made a decision once doesn't mean they shouldn't have an opportunity to revisit it.

Councilor Champlin asked if there is a mechanism for them to place it back on the ballot to pull out of Keno. Mr. Kennedy responded that there is no basis for this within the statute and staff can look into that. He noted that the power to create may also include the power to take away. He clarified that the Council has the right to put it on the ballot, the Council isn't required to put it on the ballot; it's a discretionary question for the Council.

Councilor Herschlag inquired whether Council is going to hold a public hearing for Keno also or just vote to place Keno on the ballot. Mr. Kennedy responded that there is a statutory procedure to put Keno on the ballot for a municipality; to the extent that Council votes to put this on the ballot, they'll have to follow that statute relative to whether or not it goes before the voters which he believes is the same procedure here.

Councilor Herschlag questioned whether they are voting to place Keno on the ballot tonight or voting to have a public hearing as to whether or not they are going to place it on the ballot. Mayor Pro Tem Bouchard responded that the motion is to

hold a public hearing on Keno at the September 9th meeting.

Councilor Werner noted that the interesting dynamic here is that, regardless of what Council does, the thresholds are so low for a voters petition with only twenty five signatures to place the question on the ballot noting that, in someways, their opinions are not that relevant.

Councilor Kenison doesn't understand why they would want to have a hearing to put this on the ballot stating that the voters said no. If they change their minds, she pointed out that they have an opportunity to request that it be placed on the ballot through a petition. She doesn't feel that they need to do this every two years.

Councilor Grady Sexton stated that as long as she is a Councilor she will vote to allow the public to be heard and to vote to put items on the ballot if they are asked to do so.

Councilor Coen hasn't had anyone speak to him in regards to Keno since it was last voted on. His difficulty is that it wasn't a citizen of Concord that asked Council to put this on the ballot but the Lottery Commission.

Councilor Rice Hawkins inquired if there were any outside expenditures on this ballot question from the last election. Councilor Keach replied that he doesn't believe that there is a mechanism to track this. Councilor Rice Hawkins noted that the reason she asked was because people often place items on a ballot and run campaigns around them. One of the concerns she would have is having it on the ballot every two years with organized groups or individuals promoting this.

Following brief additional discussion the motion to set a public hearing at the September 9th meeting for Keno passed with no dissenting votes.

New Business

Unfinished Business

43. Everett Arena Beer and Wine Service Initiative report from the General Services Director. (Report referred to the Public Safety Advisory Board at the February 2019 Council meeting) (Report from the Public Safety Board submitted)

Action: Councilor Nyhan moved to take this item off the table. The motion was duly seconded and passed with no dissenting votes.

Councilor Nyhan moved to disapprove this item. The motion was duly seconded and passed with no dissenting votes.

44. Ordinance amending the Code of Ordinances; Title II, Traffic Code; Chapter 18, Parking, Article 18-1, Stopping, Standing and Parking, Section 18-1-6, Parking Prohibited at All Times in Designated Places, Schedule I, by amending Schedule I to add / modify parking prohibitions on Nivelles Street; together with report from the Director of Redevelopment, Downtown Services & Special Projects. (Public testimony received) (Action table at the March 11, 2019 City Council meeting)

Action: This item remains tabled.

45. Ordinance amending the Code of Ordinances, Title IV, Zoning Code; Chapter 28, Zoning Ordinance, Article 28-2, Zoning Districts and Allowable Uses, Article 28-4, Development Design Standards, Article 28-5, Supplemental Standards and Glossary for the purpose of regulating development of solar collection systems; together with report from the Assistant City Planner. (Revised report submitted) (Supplemental ordinance and report submitted along with communication from the Conservation Commission)

Action: Councilor Bouchard moved to take this item off the table. The motion was duly seconded and passed with no dissenting votes.

Councilor Werner moved to set a public hearing on the revised supplemental ordinance at the September 9th meeting. The motion was duly seconded.

Councilor Keach felt that the report from Planning last time was a very unfair slanted version of events and he didn't feel that it presented facts in a way that he can develop an opinion or policy. He urged staff to present, in his opinion, something that's a little more fair and lays out all the options and not just their opinion of what they feel is best.

Councilor Coen noted his confusion with 45 and 45A, which was already approved, and inquired whether they are expecting 45A to be completed by September 9th. Mayor Bouley responded that they are two completely different things.

City Manager Tom Aspell inquired whether any more reports are expected in regards to this item. Councilor Werner responded that it depends upon the discussions that they have with city staff and other meetings that may take place between now and September 9th.

The motion passed with no dissenting votes.

- 45A. The Energy and Environment Advisory Committee Strategic Plan with a report from the Senior Planner

Action: This item approved as part of the consent agenda.

Comments, Requests by Mayor, City Councilors

Councilor Todd announced that the Penacook Village Association will be holding a meeting at 6:00 p.m. on Tuesday, October 1st at the Merrimack Valley High School Library on the subject of affordable housing. He noted that several guests will be present including Rosemary Heard, CATCH, and Dean Christon, NH Housing Finance Authority Director.

Councilor Hatfield thanked the City Manager for being responsive to an email that Councilor Champlin and herself received from Dick Lemieux raising concerns with parking in the bike lane on North State Street across from Blossom Hill.

Councilor Hatfield announced that the citywide community center will hold an event on childhood lead poisoning in NH on Wednesday, August 21st from 1:00 p.m. to 3:00 p.m. This event is organized by the city's health officer and Granite United Way.

Councilor Werner noted that the strategic plan for the 100 percent renewable energy goal has been delivered to the City Council as was promised when the resolution was adopted unanimously by the Council last July. He indicated that the report has been sent to the Planning Department and the Planning Board is likely to hold a hearing at some point this fall. He stated that this item and report will continue to be worked on with opportunities for additional public comment. He thanked the large number of people in the city that involved themselves in the project.

Councilor Werner noted that the request for proposal to place solar developments on city property has been released. He thanked all the individuals that were involved with this.

Councilor Coen moved to hold a public hearing in September to appropriate \$7,100 for a USGA golf course consulting service to come in and review the conditions of the Beaver Meadow Golf Course. He noted that the \$7,100 will help them move forward with keeping the condition of the golf course in good shape. He pointed out that the problem they are having is that the growth of trees is

shading the grass and affecting air circulation. He explained that the service comes in and does a complete analysis of the course and its conditions and gives recommendations to move forward so that they spend their money wisely.

Councilor Coen's motion was duly seconded.

Councilor Kretovic asked if it's envisioned that the city's arborist would also be part of this process. She pointed out that what this consulting firm would do is very similar to what the arborist has told them when he's gone out to remove trees.

Councilor Coen indicated that this is more than an arborist; they would be looking at the dirt, grass and everything at the golf course.

Councilor Bouchard inquired whether this is a request from the Golf Course Advisory Committee. Councilor Coen responded that it is.

The motion to hold a public hearing on this item in September passed with no dissenting votes.

Councilor Hatfield recognized the National Night Out event.

Mayor Bouley indicated that he participated in a ribbon cutting at the City Hall lobby and encouraged all to check out the effort by the group, Rolling Thunder, which is an organization that advocates for the POWs and MIAs. The lobby has a chair and flag in honor of POWs and MIAs.

Comments, Requests by the City Manager

Consideration of items pulled from the consent agenda for discussion

** Item 30 has been pulled from the consent agenda.*

30. Resolution authorizing the City Manager to enter into off-site improvement agreements regarding redevelopment to the former NH Employment Security Site; together with report regarding redevelopment of the former NH Employment Security site located at 32 South Main Street. (Pulled from consent by Councilor Hatfield)

Action: Councilor Hatfield moved to not accept this item. The motion was duly seconded and passed with no dissenting votes.

Consideration of Suspense Items

Councilor Nyhan moved to consider an item not previously advertised. The motion was duly seconded and passed with no dissenting votes.

Referral to the Public Safety Board

Sus1 Communication from Monique Scharlotte, Concord resident, expressing her concerns with the increased frequency of violent crime in Concord, the increasing opioid epidemic, and the expanding homeless/transient population.

Action: Councilor Nyhan moved to refer this communication to the Public Safety Board. The motion was duly seconded and passed with no dissenting votes.

Adjournment

The time being 10:28 p.m., Councilor Kretovic moved to adjourn the meeting. The motion was duly seconded and passed with no dissenting votes.

A true copy; I attest:

Michelle Mulholland

Deputy City Clerk

Information

Inf1. April 4, 2019 Heritage Commission Meeting Minutes.

Action: Information item received and filed.

Inf2. April 10, 2019 Conservation Commission Meeting Minutes.

Action: Information item received and filed.

Inf3. April 10, 2019 Trails Committee Meeting Minutes.

Action: Information item received and filed.

Inf4. April 17, 2019 Planning Board Meeting Minutes.

Action: Information item received and filed.

Inf5. April 25, 2019 Transportation Policy Advisory Committee Meeting Minutes.

Action: Information item received and filed.

Inf6. April 30, 2019 Architectural Design Review Committee Meeting Minutes.

Action: Information item received and filed.

Inf7. May 2, 2019 Everett Arena Advisory Meeting Minutes.

Action: Information item received and filed.

Inf8. May 2, 2019 Heritage Commission Meeting Minutes.

Action: Information item received and filed.

Inf9. May 8, 2019 Conservation Commission Meeting Minutes.

Action: Information item received and filed.

Inf10. May 8, 2019 Trails Committee Meeting Minutes.

Action: Information item received and filed.

Inf11. May 15, 2019 Planning Board Meeting Minutes.

Action: Information item received and filed.

Inf12. May 28, 2019 Traffic Operations Committee Meeting Minutes

Action: Information item received and filed.

Inf13. June 4, 2019 Architectural Design Review Committee Meeting Minutes.

Action: Information item received and filed.

Inf14. June 5, 2019 Transportation Policy Advisory Committee Meeting Minutes.

Action: Information item received and filed.

Inf15. June 13, 2019 Golf Course Advisory Committee Draft Meeting Minutes.

Action: Information item received and filed.

Inf16. June 25, 2019 Traffic Operations Committee Meeting Minutes.

Action: Information item received and filed.

Inf17. Memorandum to City Council from the Deputy City Solicitor re. Intent to Negotiate.

Action: Information item received and filed.

Inf18. Communication from Donna Soucy, Senate President and Stephen Shurtleff, Speaker of the House, regarding State of New Hampshire budget.

Action: Information item received and filed.

Inf19. Case Study - Energy Efficiency at Concord Citywide Community Center.

Action: Information item received and filed.

Inf20. July 10, 2019 and July 31, 2019 Executive Council Meeting Reports from Executive Councilor Andru Volinsky.

Action: Information item received and filed.