

**Minutes of the Board of Assessors
Meeting of January 27, 2005**

A meeting of the Board of Assessors was held on Thursday, January 27, 2005 in Room 208 at City Hall. Chairwoman Marylou Blaisdell called meeting to order at 4:30 PM.

Members Present

Marylou Blaisdell Dominic D'Antoni Kevin Moriarty

Assessing Staff Present

Jeanne Dunfey Cheryl Walley Elaine Wier

Others Present: David Lozeau, Alderman Ward 5, David Deane, Alderman at Large, James Tollner, Alderman at Large, John Parolin, Charles Hall, Andrew Nelson, Nashua Telegraph

Minutes of the Meeting:

MOTION BY Marylou Blaisdell to accept the minutes of the meeting held January 13, 2004.

SECONDED BY Dominic D'Antoni.

MOTION CARRIED unanimously.

Abatement Requests Presented:

See attached printout for approvals/denials.

Appointments: none

Old Business:

Chairwoman Marylou Blaisdell began by stating that the charitable exemption request of the Conway Ice Arena has been discussed for a while now and the Board would like to bring this to a close. She then opened the meeting up for public comment.

John Parolin introduced himself and stated he is a volunteer for the City on the Parks & Recreation Advisory Committee and the Ice Rink Commission. He said that as part of the lease with the City of Nashua there is a requirement that the rink at the end of the fiscal year distribute funds to the community. The irony is that it is unable to do so because of the impending taxes being levied against the rink. He said he wondered if anyone has suggested an agreement that this issue be reviewed in a year and that if the rink does not perform the charitable function of the lease that it would not be a charitable organization and the exemption removed. He said this would be a compromise. Chairwoman Marylou Blaisdell stated the Board is very much aware that if money goes to property taxes then it does not go to other organizations within the City. Dominic D'Antoni stated we need to determine if the rink is charitable as of 4/1/03 and then 4/1/04 and neither of those years has there been any contribution to the community. The intent is there but there has been no information that has been passed to this Board that shows that money has been given back to the community. He stated the City is leasing the land for \$1 a year. This is land that in the open market could be leased for \$35,000 a year. So the taxpayers have already given \$35,000 minus \$1 for rent and if the organization pays no taxes that is an additional \$57,000 the taxpayers will be giving to the Arena. The State of NH mandates that as of April 1 of a given year the organization needs to show that it is exempt for that tax year and he stated he has not seen that. The benefits the attorney has shown with regards to reduced rates for the high school, were based on rates of rinks in Hooksett and Salem with no mention of the rates of Skate III just 7 miles to the south. It doesn't make sense that he would not use Skate III as competition. As mentioned at a previous meeting Skate III rates are only \$10-15 higher per hour for high schools practice and games. He gave a hypothetical example that the Conway could charge \$300 an hour but if the competition charges only \$50 per hour the business will go to the competition. Dominic continued by saying that the Board has now been given information that any high school or organization which uses the Conway is being charged the same rates as Nashua High School. The high school in Amherst is paying the same rate.

Chairwoman Marylou Blaisdell advised she would like to state where she stands. My phone has rung from last meeting until last night considerably from people within City Hall and outside City Hall. This City has other organizations that I think mirror this somewhat in the type of image of helping youth in some type of athletic way, as does Conway. I think Conway was set up to be a charitable organization and to give back to the community and if you read the bylaws this is outlined specifically. The Board's whole issue, from the way I see it, is we feel very strongly that this mission must be

fulfilled and it must be shown you are doing charitable work if this organization is to have their property taxes exempt. We want to make sure that every citizen in Nashua can use that facility and it has been for the benefit of all citizens. This Board would be more comfortable if those programs offered were expanded so the greater population of Nashua can benefit. This Board would be more comfortable if we received in writing that you have in fact given money left over to organizations at the end of the year and if there is an individual who wants to use the Arena and for some reason they cannot pay for it and they would be charged a lesser rate. John Parolin said that in addition to the programs mentioned, the rink was made available to the Parks & Recreation Department over the course of the summer for camps they ran. Chairwoman Marylou Blaisdell said that her comment is that it is available to all people but at limited times. Charles Hall stated that the Arena would give back to the City with a grant type program similar to the Rotary Club. They would get together in October to determine where money would go and this money would be given back by the end of the year. That was our plan in 2004 but obviously we cannot give away money if we need it for taxes. He noted that they have built a second locker room for Nashua High School South for \$62 or \$63,000, so coupled with the first year start-up costs, the profit is minimal. They do have a \$1.2 million debt and they plan to pay down the debt as soon as possible. If we did not have a tax bill we would give back some money. Charles Hall continued by saying that Joseph LaPlante drafted an application for grants that people would need to fill out to receive a grant. A copy was made for each Board member and the files. We discussed procedures for issuing grants. He stated he had spoken with Jim Schultz, one of the owners of Skate III because I wanted to make sure that another sheet is needed and it would not adversely affect his business. He said that one sheet (ice skating area) would not affect his business but two sheets might. Charles Hall stated that the ice is all sold and there is no available ice to be rented out and we could use another sheet. It may or may not be attached to the same roof. Dominic D'Antoni then repeated that this Board is governed by State Statute and as of April 1, 2004, the Arena has not shown that it is charitable. Charles Hall suggested that a stipulation be made that if by a certain date we do not fulfill our mission then this exemption will be removed. Dominic stated we do not have that authority to make that stipulation, it is State law that dictates on 4/1 of any given tax year the organization must have already been charitable. He said that the Board received information that the Arena distributed booklets to different organizations, which contained 10 coupons each for free skating. He asked at what point is this charitable or advertising. John Parolin advised that this rink was sold out way before the doors opened. Advertising was not needed in this case. Dominic D'Antoni pointed out that there was \$20,000 spent on advertising as reported to the IRS. If advertising was not necessary what was this for. John Parolin said he did not know since he does not do the books.

Kevin Moriarty said he feels the whole situation is unique in NH. This is the only one that we have reviewed that has a private/public partnership. If the rink was to be built by the City, with the amount of spending the City has incurred and the budget issues, the rink wouldn't have happened. So this private/public partnership is unique and it is a benefit to the City. He said he questions whether the businessmen who donated the money would have donated it if they knew this facility was to be taxed. He said he witnessed high school students leaving the Arena and heading back to the high school after their physical education class, so he said the students are using it. He said the Spartans have come before us and after reviewing their information they did get an exemption, but more from a legal matter. He noted though that they are benefiting a small portion of the population. Then there is Holman Stadium. The public cannot even use it because it is leased to a semi-pro baseball team. The organization is trying to give back to the City. He said he thinks they deserve a chance. If they are given this exemption for a year, they have to come before us next year. My opinion is that it is good for the City and I think they deserve a chance. Alderman Deane said he wants to comment on Kevin Moriarty's comments. He said it is correct that if the monies were not put forth for the Arena in the form of donations, the Arena would not have been built. In another light the City lacked an ice rink after the close of the one by the Nashua Mall and we had an organization that came forward with the money needed to construct the facility. The City is not liable for full-time staffing, capitol improvements and other costs, but we have the facility to use. If you look at ice rinks that have been operated by cities, they fail miserably. You are in the business 365 days a year. You need people and you need to maintain it and pay operating costs. If you tax them then the monies would be distributed to the general fund and there would be no money left to fulfill their mission. He agrees that not everyone is using the facility and these costs are coming out of all the taxpayers' pockets and everyone makes up the difference but when we first started this project that is how it was explained to everyone. He said he does not remember when the Board of Assessors was included in these discussions. The City just looked at it and said it is a good deal, not thinking that the Board of Assessors needs to review it. He said he would give it a chance and if the charitable mission is not fulfilled then that should be looked at. John Parolin said there are other projects that people are contemplating, among those a pool. We have a unique situation. We have the ball rolling and if we take the air out of that ball it will roll away. Charles Hall said that when you get those phone calls tomorrow after people read Andrew's article in the Telegraph what they need to understand is that it was a parking lot before. We have benefited the area and it looks pretty nice. The DPW has said we are great neighbors. I hope that these people have been there before to see the phys ed class or 60 or 70 little toddlers learning how to skate or watch a

Nashua High School hockey game. If these people do their homework and spend time there, they will see that these people are always working doing things around the Arena.

Chairwoman Marylou Blaisdell advised she believes the Board has listened to months of discussion and read many things and she said that this does fulfill a need for the City. She advised she would propose that the Board of Assessors waive all taxes. We have the right to review this on an annual basis and if we find that the organization has not fulfilled this mission, we can address that.

MOTION BY Marylou Blaisdell to waive all taxes for the Conway Ice Arena.

SECONDED BY Kevin Moriarty.

ABSTAINED – Dominic D’Antoni

Alderman James Tollner addressed the Board saying that the Board’s patience is appreciated. He stated that when this was all set up and discussed, it was not taken into consideration that taxing the building was a possibility. We probably should have asked that question, so we apologize for that. He said he agrees to give these people the opportunity to fulfill their mission and he assures that this Arena would not have been built considering some of the projects the City is struggling with now. The people running this Arena are committed. Whether it is 6 months, 9 months or one year from now, if anyone has any questions, they are open to answer them honestly. He stated that as John Parolin pointed out, there are other plans that the City can benefit from and when we first started dealing with people making the donations they did not want to be in the public light and come to the meetings. Other people are willing to donate and they do not want an ongoing dialogue. They just want to donate the money and walk away. He thanked the Board again for their patience.

Dominic D’Antoni clarified with Chairwoman Marylou Blaisdell that this is a partial exemption and that those leased areas will be taxed. She agreed and said there is less than 2000 square feet of leased area so this bill will be minimal. Dominic then stated that he believes the land should be taxed and stated that according to State law (RSA 72:23), city and state owned land which is leased out must be taxed. Alderman Deane asked for a copy of this RSA and was provided one.

Chairwoman Marylou Blaisdell, was asked if this waiver of taxes was for 2003 or 2004 taxes. She answered the 2003 taxes are still in litigation and this waiver was for only 2004 property taxes for the Conway Ice Arena. The maker of the motion, Chairwoman Marylou Blaisdell, chose to revise the original motion. After a brief discussion by the Board, the following motion was made.

MOTION BY Marylou Blaisdell to grant a charitable exemption for the Nashua Ice Commission for 2004 property taxes on the Conway Ice Arena, with the exception of those spaces which are leased out within the Arena.

SECONDED BY Kevin Moriarty.

ABSTAINED – Dominic D’Antoni.

Transcribed by Cheryl Walley, Department Coordinator