

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

OCTOBER 2, 2002

A meeting of the Planning and Economic Development Committee was held on Wednesday, October 2, 2002 at 7:00 p.m. in the Aldermanic Chamber

Chairman Brian S. McCarthy presided.

Members of the Committee present: Alderman Scott A. Cote, Vice Chair
Alderman Kevin McAfee
Alderman Timothy B. Nickerson (arriving at 7:05 pm)
Alderman Lori Cardin

Members Not in Attendance:

Also in Attendance: Mike Lowe, Liaison, Nashua City Planning Board
Andrew Singelakis, Nashua Regional Planning
Commission
Katherine E. Hersh, Div. Dir., Community Development
Division
Alan Manoian, Deputy Manager, Downtown Programs Michael
Diane Wingerter, Mine Falls Park Advisory Committee

DISCUSSION

A discussion ensued between the committee members and the Nashua Regional Planning Commission regarding water supply protection.

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Chair McCarthy

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Just by way of background there are two projects – there is a group that looks at LCHIP projects for the city to apply for, and there were two that bubbled up to the top for this year’s round of applications, which resulted in the four resolutions that are in front of us. I suspect we will hear in some detail about those.

Kathy Hersh

There are two funding sources, but the first funding source that we are talking about is LCHIP – the Land and Community Heritage Investment Program. We applied last year to LCHIP, and we were awarded funds that assisted us to purchase land in the northwest conservation area, which

is up near Pennichuck Pond (Director Hersh referred to a map to show where the land was purchased).

LCHIP has two opportunities here. They have \$6 million, and they split that fairly evenly into two pots of about \$3 million each. One pot is for applications for natural resource protection and the other pot is for historic resource protection. They have two separate committees and they have encouraged us to apply to both of those. They felt that we would not be competing against ourselves to apply for both of them. That is what we did.

I'm going to talk for a couple of minutes about the natural resource application and then Alan and Michael Diane have been working on the historic resource application, and can talk about that.

As I said before this is for the acquisition of 101 acres of land adjacent to the land that we purchased as a city last year with LCHIP and the DES water supply funding. We are basically using the same process. We are applying for \$500,000 of LCHIP funding, \$250,000 of DES water supply funding, and then the other \$250,000 is proposing to come out of the conservation fund. That is basically the proposal. The application is due October 16th. It goes through a process, and we will know sometime in the wintertime whether or not we have been successful with this application. Apparently from what we understand the round this year is very competitive. There are many, many communities that are submitting for one or the other or both of those funding sources. Do you have any questions about the natural resource application?

Alderman McAfee

If we acquire through the LCHIP it would only be for passive recreation at the most?

Kathy Hersh

Yes. There are requirements. There are limitations on the uses of land if you use the LCHIP money or the DES money. Between the two, it really limits you severely. There is really no building on the site. Last year we had talked about possibly putting a ball field on some of that land that we did acquire, and active recreation fields like that would not be acceptable on that site. It does say that you can – it has a statement that says unless it is associated with passive recreational use so for example I am not sure that if you asked to do an environmental center for example what the answer would be on that.

Alderman McAfee

Some of that land that we would be acquiring, that 101 acres, is fairly high and dry.

Kathy Hersh

Yes.

Alderman McAfee

Since there is very limited active recreational facilities in that northwest quadrant could we take a piece off and have the Park & Recreation Department buy a piece – 25 –30 acres that we could use for active recreation, and not fund it through the LCHIP?

Kathy Hersh

That is a very good question. I also thought about maybe we could buy like 90 acres with the LCHIP, DES, and then use other ways of kind of doing what you are saying – we couldn't come up with it because all of the funding sources are all conservation oriented so it wasn't working. George Crombie and I have gone back and forth on this a number of times because he has some other ways – other things that he has been looking at from the standpoint of funding this type of thing – we have been really looking hard to do exactly what you are saying. We haven't come up with it yet. This is not all of the land that is out there. There is another piece out there that is actually high and dry that may be appropriate for that at some time in the future if we were able to find the funding.

Alderman McAfee

Do we have a willing seller?

Kathy Hersh

There is always a willing seller if the price is right. For 101 acres there has to be a willing seller.

Alderman Cardin

Is there local match required on this?

Kathy Hersh

The local match would be – with the kind of fund we are doing we are using the DES and the conservation fund money to match the LCHIP and we are using the LCHIP and the conservation fund money to match the DES Money. The local money would be the conservation fund.

Chair McCarthy

Is there anything else on this portion?

Alan Manoian

First of all I would like to beg your pardon for my somewhat less than professional attire tonight.

We just spent the last two hours out in the tree street neighborhood hand delivering promos and notices about the downtown master plan open houses and community sessions that are happening next Tuesday and Thursday – there is a plus – I got a plug in too. Please pardon my very casual appearance.

Six years ago this very month we launched the city's initiative – the Community Development Division to bring about the revitalization of Railroad Square, which as everyone knows and acknowledges is one of the more challenged sections of our downtown. The whole thrust of our methodology and approach was to use modest sums of public investment and showing true public commitment and dedication to changing the area, and hopefully thereby leveraging private investment in Railroad Square because this is what came to a grinding halt unfortunately in the early '90s and mid '90s in Railroad Square where you saw so much private investment happening in the rest of the downtown it simply was not happening in Railroad Square.

We set out starting 6 years ago to change Railroad Square – to change the economics of it, change the dynamics of it. We have done a lot of good out in Railroad Square and a lot of things have changed in Railroad Square for the better. We need to take the next step in continuing those efforts. We saw an opportunity at this time by making very good use of the Land and Community Heritage Investment Program, which is the LCHIP program – the state program. I know we started out a couple of years ago with discussion about should we go after a good conservation land piece first or maybe try to do a historic structure in the city, and a couple of years ago it was really determined to go after that first project with land. Back then a couple of years ago we decided that we have two very significant railroad structures in Railroad Square. Nashua is known for our railroad heritage. That is what made us great and the second largest city in the state. We had two unique properties down there one being the 1860 Nashua and Lowell Railroad freight depot, which is the railroad building that sits right up on Canal Street where the Cattleman's is now and any number of fascinating things that go in and out of there every six months. It is a building that really is absolutely precious architecture, and is today frankly in great danger that the building is deteriorating quickly and coming apart.

The other great opportunity is what we today know as the Goodale's bike shop building. This is actually the 1866 Nashua and Lowell Railroad Car House. Beyond that the foundation that it site upon – if any of you ever have the chance to get in the back of that building – you will notice that there is a boating arch that goes down into the Nashua River – always a fascinating enigma as a historian/a preservationist – why would that boat arch be there? The building is built not on the river, but in the river literally. An intriguing structure and a very important key stone location. Frankly it is right at the very center – the focal point of our riverfront promenade we would like to incorporate down there as well as being one of the key buildings in Railroad Square.

In order to go forward with this LCHIP program you need to have a willing building owner that wants to do something. This is where the buildings get a little more complicated putting the deal together. The freight depot will not happen – the owner said we are not prepared to go forward at this time. As it so happens Brad Hill has vacated this building and is going into his new establishment on Broad Street – the building goes on the market. As you know we have worked

very hard through the years when we have a vacancy in this downtown the Community Development Division gets involved immediately, and try and work with these folks to make sure the right thing is coming to our downtown to compliment. Of course we got right to Brad to say what will you put in this building now – this very, very important structure. They had a lot of people that were interested in it, but the important part though folks was to make sure that this building becomes a people generating place again. We don't want to see it become an office that closes at 5:00 at night and goes dark. We need it to be a dynamic place on the riverfront. Brad could have sold it several times, but Brad is a true Nashua citizen that has a sense of civic obligation to a point. He was absolutely willing to work with us. We have worked with Brad and Mark Prolman of Prolman Realty, Dan DeSantis and I, new Economic Development Department, to get directly involved in this real estate deal of putting together a deal that will work for all of us. Dan and I have worked very hard in the last few months to find some real estate developers that would be interested in not only just going into that building and fixing it up and doing something, but really looking at the whole riverfront. The issue with this is that it is not just that building – it is the entire riverfront parcel – it goes almost down to what is Margarita's today so it is not just the structure – it is that whole riverfront. In the summer, we launched an initiative and hired (this is great that we do this now as we didn't do these things in the old days) we in fact commissioned a comprehensive design plan focusing on this building, the freight depot, railroad square in general, the Laton Hotel, but really looking at this in a comprehensive fashion to see how this building fits into it.

We worked with SAS Design a fantastic urban designer – *Alan Manoian referred to a handout with pictures, etc.*—On page 30 it shows the riverfront, and it shows not only that building being restored, but further down is where we have a boardwalk running along that wall – what is now the parking lot of the bike building being open – probably not for the riverfront, but riverfront access, and then at the end of that parcel, heading down toward Margarita's the east end where it sort of bumps out – we are talking about new construction on the riverfront – new residential units in downtown. We want to work with someone who will not just look at the bike shop, but look at the whole parcel and say we need someone to do something grand. We have worked very hard in this city to prepare for greatness and great projects, and this is a huge strategic opportunity. We can't lose this one. So we have our plan that we went around with to developers. I ran across a great firm down in Massachusetts who are interested in doing this up in Nashua. Thus, we get these folks all together to sit down with Brad Hill, his commercial realtor, and his attorney. We get the firmness that we all get them together, do you magic folks – let the private sector now do its magic – we have done our part to facilitate it. In fact, they have come to an agreement. It appears that the property will be sold. They are actually meeting today to execute the P&S. You see how we've been following this – is it going to happen or not – with real estate deals as you all know the rule is they fall apart 6 times before it happens.

Nonetheless, here we are today, and what we have proposed is this from the city end – for the developers to come in and restore this building, find a proper restaurant/a retail tenant for it that will be in keeping with the riverfront to work with us as we go forward with the riverfront parcel and developing a boardwalk as well as an open area, and to go forward in doing a new residential development there. We said okay folks we'll do this, what else are you going to do as

an incentive so that we can make this great thing happen for the city – the LCHIP program – round 4 is happening now – we said we are going to very aggressively and professionally go after the maximum amount for historic preservation grants – this round is half a million dollars. We are in fact submitted a proposal for a half million dollar grant - an LCHIP grant that will go towards the restoration of the façade of this historic structure, which by the way has been greatly bastardized and destroyed its original – it is completely gone and wiped out. In order to do this though we have got to get the preservation easement – it is private property. We cannot get LCHIP money to restore someone's private property. We have to have public control of it. Much as you do a public easement over a piece of land or riverfront we are doing a façade easement on the building meaning it will be the city's legal responsibility to get the grant money, and we will get the grant money (I am writing a very, very good grant), and we will actually execute a legal instrument whereby we have a legal easement over that façade. The money then will go for the restoration of the façade and then frankly for a period of a term of ten years we as the city are going to have to make sure the façade stays in good shape, that new tenants who might come in and say I don't like that historic thing I want to rip that down that we say "no" because that is the people's historic façade now. This is the concept. I actually brought with me – just so you get a sense of it – a historic image of what I am talking about ... tape inaudible – speaker stepped away from the microphone ... You can get a sense here of the original ... tape inaudible ...

This is the project. You can see how this one was complicated. It was a real estate deal and there were several parties involved, but we feel very confident now of going after this grant. It will be the first grant that LCHIP does in terms of historic preservation here in Nashua. I think that they are very interested in doing a good grant like this is the second largest city in the state. We believe this will actually be the new model project for downtown. This will set the new standard for the next few years of how projects should be done, how new development should be done in this downtown, and that we can really do it in a team approach – if the public sector and private sector work in this way we can actually deliver great development projects. The folks I think at LCHIP are very intrigued with the whole process. They really want to see that this project is a catalyst for economic development, that there are cross benefits to it, and this building hits every one. It is a cultural resource project because the railroads absolutely shaped out culture and the culture of New Hampshire in a profound way. We introduced that culture to the state. We were the first railroad in the state and this is the site of the first railroad depot.

It touches on frankly environmental and conservation issues. Why? It sits in the river. This is frankly a river project as much as it is a historic preservation project. It will get our folks back onto the river with the boardwalk. It is obviously an architectural preservation project. It is a very unique structure built immediately after the civil war, which makes it very old and rare. It literally hits – they want to see those cross categories, and this one hits them all. Then they want to see – will this bring economic development – folks this is the definition of downtown economic development. It will serve as a model I think for the program. We are going forward. Applications must be submitted October 16th. We're in very good shape. We attended a workshop last night up in Auburn, NH and feel quite confident about it. The same issues are applicable though – we have to match 50% of this grant if we get it. Of our 50% match, half of

that has to be cash. Kathy, Dan and I are having some pretty heavy discussions right now about if in fact we got the \$500,000 we would have to come up with \$125,000 in cash. We are talking right now with the developers that it is possible for the private developers to kick in some of that in kind contribution because they will be doing work on their whole building anyway. We hope perhaps to use some CDBG money. We worked very hard at getting Railroad Square qualified as a CDBG area – urban blighted area – this building gets right to the heart of bringing that area back. Perhaps we might be able to make use of a \$200,000 grant we worked very hard with Senator Gregg in getting us this for downtown historic preservation projects. The work continues, but this is one folks that we have to go for the prize on this one. The whole exercise is beneficial. I think we have a great probability of getting this grant.

Michael Diane Wingerter

I think Alan said it all, but if you have any questions please feel free to ask.

Alderman McAfee

More comments than questions. I was born and raised here in this town, and ever since I was a little kid and even long before I was born – the waterways in Nashua were to be stayed away from. That is what makes buildings like this so rare because there are so few buildings that were ever put up on the waterways. My mother knew I was down by the Nashua River when I came home because she could smell me. It flowed colors from Fitchburg to Leominster. You could tell what color they were dyeing the fabric because it just flowed. It was incredible. I also remember the charterhouse. You know they have the bar downstairs – it looks over the – I saw rate. This was only about 20-25 years ago. Within that time things have really changed. I think you are doing an excellent job. I know on every project you will raise the bar a little higher. There aren't many to preserve just because the waterways were to be stayed away from.

Alan Manoian

You are quite right. There is a unique one where we have a boating arch built into the building and we have a couple of folks that have approached us recently – some entrepreneurs who are starting to say we would like to think about doing a nice little marina right down the Nashua River and having boating around there again. You can picture this building becoming this very hip, new restaurant, and you have this boardwalk and this boating marina there and the arch and little boats going right into the building. People will be saying this is Nashua? That building I think is going to become a very important focal point and model for what can happen on the riverfront for these structures.

Mike Lowe

How far up the river can we go?

Alderman McAfee

Mine Falls.

Kathy Hersh

Mine Falls damn. It is wonderful. I have been there.

Alderman McAfee

It has been tried before. I think Rocky Lafiard when he redid the mill yard put an excursion boat – it might have been premature at the time, and now it might work.

Alan Manoian

I think this is a good project. LCHIP has been very successful, but they have concerns even though because a lot of political things are going to be changing in the state, and I think they really are looking to Nashua to do a good large project – Nashua the fact is folks Nashua is not recognized as a hotbed of historic preservation. We're not in this state. We are seen as the place that – I always think of the great editorial after we got the Money Magazine designation – the Concord Monitor said we cannot allow the Nashuaization of the rest of New Hampshire – meaning when they see Nashua they think this is the place that they have obliterated their history – tax free shopping and malls and all this stuff and progress. I think this is going to be important for our reputation even at the state level to show that we have still wonderful historic resources and most importantly they will be a crucial part of our future economy. We want people to know that is Nashua.

Alderman McAfee

The history that Nashua has is that it is a blue-collar town. It is not like Portsmouth with the big merchants and the big mansions. The majority of the people here are blue-collar workers.

Alderman Cote

I think the only comment that I would have is that I think this is a much better approach than what was originally being envisioned when you came before the Capital Improvements Committee some time ago, which was with a significant request to try to buy the building yourself and try to do something with the waterfront. I think this is the right approach and the right way to do that because I don't think the city needs to be involved in the real estate enterprise business, but I think this is certainly an opportunity to influence that. It is the right approach.

Kathy Hersh

I just wanted to comment on a little bit of the involvement of a number of people in LCHIP and in the determination of the project. Somebody had hit upon it. The Conservation Commission has

looked at different open space opportunities and priorities for several years, and there has been a group of people that have been part of all of those discussions, and have really documented the open space that exists – the important spaces that we have preserved and we've put together criteria to rank the ones that do exist and what is important and why we would want to preserve them and opportunities to preserve them. Both of these projects are part of comprehensive long-range planning that has been going on for length of times – a number of years. The first project up in that Pennichuck Pond area is something that has been going on for a number of years. If you recall back last winter there was a piece of legislation that passed the Board of Aldermen to take \$9,000 out of the conservation fund to be used as stewardship money for both the Audubon and the Forest Society. That was used to leverage the donation of 80 acres of land in this same area to Audubon with a conservation easement to the Forest Society, and we have been involved in all of those discussions. We have been working very hard to put those things together to look for those opportunities. I want to especially thank Michael Diane who has worked tirelessly on this and other open space and issues for a number of years. As a member of that committee she offered to help with the historic resource application, and that is very important to us.

Alderman Cardin

I would like to find out a little bit more about the local match and the money that you talked about – private money, CDBG money, other city funds, etc. Could you review that again for me?

Alan Manoian

Yes. It really is the challenging part. I know there are pools of funds for conservationists, but when it comes to historic preservation projects this is something that the city has not dedicated money towards being used for strategic opportunities like this. We are going after a \$500,000 grant. Of course, the 50% match of that will be \$250,000. Of that \$250,000 50% of that can be in kind contributions, which it will be – we will be able to easily demonstrate that we have done a lot of things with regard to the in kind contributions. The other half of that is \$125,000. If we get the \$500,000 we propose trying to identify a number of sources to make that happen. It seems to me that the CDBG mechanism would be the appropriate one because it is in the very area and it is about the work of what CDBG is about. The issue though frankly as Kathy brought up – this is a timing issue right now. That money has not been dedicated for this project. We know that those hearings don't even start taking place until this coming spring and July 1 is for those funds to be used. How then do we integrate it into this proposal? That is something I need to have some discussions about over the next few days. The other opportunity frankly is to use the contingency – if the project comes together and we can get the approval perhaps of the Board of Aldermen to in fact do that. The other part that is intriguing is the private developers themselves. They will be expending a large sum of money in redoing the whole interior of this building and a lot of other physical work around the property. If we're in a situation where perhaps we need an extra \$50,000 to fill this gap we feel quite confident that they would be favorable to entertaining that once they are – because we have done so much – they have expressed to us that if it comes to that it would be acceptable, but of course we would love it if

we don't have to do that. You see the intricacies of putting this deal together and the complexity and subtleties of it all. That is acceptable to the LCHIP program to do that so we will pursue that very aggressively.

We were just awarded a \$200,000 grant from working with Senator Gregg to be dedicated to this type of work, but of course it is \$200,000 and we have a lot of other wonderful things we want to use that on. It is very precious. We would not like to have to use all that fund on just one building, but perhaps a portion of it again could be put together and used. These are the number of sources where we feel that we could put together \$125,000 to do that. The other scenario here is frankly they will have over 100 applications submitted – they have \$6 million - \$3 million for conservation stuff, \$3 million for preservation – you start breaking these numbers down – will they actually give us the half million dollars? I went to the workshop last night and it was brought up very frankly that in the past what has happened is the grant that you requested – it happens to us often with federal grants that you get a little less, but still okay. We've talked with the developers and frankly even if we get \$300,000 or \$250,000 the project goes forward and they are most thankful. In a funny kind of way maybe we won't get everything we want and all we really need for a matching grant is probably \$75,000 in cash. Isn't that funny where bad news will be good news when it comes to that? That frankly is the scenario that I feel comfortable even saying here today because of the political realities and everything that I have learned through my life – I think that we might be closed in the end with probably being granted around \$300,000, and I feel very confident we would be. I think as a city it will be – we all worked together very hard on downtown. This is the model project. I think the political will is there for us to say we can put it together and come up with that match – it is that important. That is the scenario right now.

Alderman Cardin

Thank you.

Chair McCarthy

Are there any other questions? Thank you. What is the timing on the Board taking action on the grant applications?

Kathy Hersh

The application for DES was submitted October 1, 2002 for the 101 acres out in the northwest conservation area for \$250,000. What we did is we put in that application that the Conservation Commission had approved the expenditure of the conservation fund for that purpose and that we approval of the Board of Aldermen was pending. That is how we submitted it. The application for LCHIP is due October 16, 2002. Clearly we don't want to wait a long time before we get this through, but understanding the Board's timing and process we will submit it probably with the same language unless there was some – I hadn't thought about the fact that it was going to Infrastructure, which it is logical that it would go to Infrastructure I just hadn't thought of it. I

thought the timing would be that it would be back next week on the 8th, but if it doesn't get back we will put the same language in.

Chair McCarthy

I think it was referred to the Planning Board also.

Kathy Hersh

The Planning Board meets this tomorrow night.

Alan Manoian

If I might, the folks at the LCHIP program understand they are working with people in communities and towns. The whole tone of last night was folks we are not so rigid as long as – the 16th is really just getting a good proposal in, and even if you said forthcoming will be a letter of support that is fine. I want to commend them for the way they work with communities and the people. They understand that we are people out here and we are trying to work together so as long as we sight you will be receiving this shortly that is fine. That is all they want to know for the 16th.

COMMUNICATIONS – None

UNFINISHED BUSINESS – None

NEW BUSINESS – RESOLUTIONS

R-02-101

Endorsers: Mayor Bernard A. Streeter
Alderman-at-Large Fred Britton
Alderman Brian S. McCarthy
Alderman Kevin McAfee
Alderman Timothy B. Nickerson

AUTHORIZING THE ACQUISITION, FOR CONSERVATION PURPOSES, OF APPROXIMATELY 101 ACRES OF LAND LOCATED OFF DEERWOOD DRIVE ADJACENT TO THE CITY'S NORTHWEST CONSERVATION LAND

MOTION BY ALDERMAN MCAFEE TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Cote

R-02-101 is also assigned to Committee on Infrastructure, Planning & Economic Development

Committee and the Nashua City Planning Board, but you want to move it out?

Chair McCarthy

Yes.

MOTION CARRIED

R-02-102

Endorsers: Mayor Bernard A. Streeter
Alderman-at-Large Fred Britton
Alderman Brian S. McCarthy
Alderman Kevin McAfee
Alderman Timothy B. Nickerson

AUTHORIZING THE MAYOR TO APPLY FOR AND ACCEPT A GRANT FROM THE NEW HAMPSHIRE LAND AND COMMUNITY HERITAGE INVESTMENT PROGRAM AND/OR A GRANT FROM THE NEW HAMPSHIRE DEPARTMENT OF ENVIRONMENTAL SERVICES WATER SUPPLY GRANT FOR THE PURPOSE OF ASSISTING IN THE COST OF ACQUISITION, FOR CONSERVATION PURPOSES, OF 101 ACRES OF LAND OFF DEERWOOD DRIVE ADJACENT TO THE CITY'S NORTHWEST CONSERVATION LAND

MOTION BY ALDERMAN MCAFEE TO RECOMMEND FINAL PASSAGE

MOTION CARRIED

R-02-103

Endorsers: Mayor Bernard A. Streeter
Alderman-at-Large Fred Britton
Alderman Brian S. McCarthy
Alderman Kevin E. Gage

AUTHORIZING THE ACQUISITION OF A PRESERVATION RESTRICTION ON A HISTORICALLY SIGNIFICANT BUILDING ON MAIN STREET

MOTION BY ALDERMAN NICKERSON TO RECOMMEND FINAL PASSAGE

MOTION CARRIED

R-02-104

Endorsers: Mayor Bernard A. Streeter
Alderman-at-Large Fred Britton
Alderman Brian S. McCarthy
Alderman Kevin E. Gage

AUTHORIZING THE MAYOR TO APPLY FOR AND ACCEPT A GRANT FROM THE NEW HAMPSHIRE LAND AND COMMUNITY HERITAGE INVESTMENT

PROGRAM FOR THE PURPOSE OF ASSISTING IN THE RESTORATION OF
A HISTORICALLY SIGNIFICANT BUILDING ON MAIN STREET TO
ACQUIRE A PRESERVATION RESTRICTION AND TO ASSURE THAT THE
RESTORED FEATURES ARE MAINTAINED

MOTION BY ALDERMAN CARDIN TO RECOMMEND FINAL PASSAGE
MOTION CARRIED

NEW BUSINESS – ORDINANCES - None

DISCUSSION

ADJOURNMENT

MOTION BY ALDERMAN NICKERSON TO ADJOURN
MOTION CARRIED

The meeting was declared adjourned at 8:00 p.m.

Alderman Scott A. Cote
Committee Clerk