

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

AUGUST 5, 2003

A meeting of the Planning and Economic Development Committee was held on Tuesday, August 5, 2003 at 7:45 p.m. in the Aldermanic Chamber

Chairman Brian S. McCarthy presided.

Members of the Committee present: Alderman Scott A. Cote, Vice Chair
Alderman Timothy B. Nickerson
Alderman Lori Cardin

Members Not in Attendance: Alderman Kevin McAfee

Also in Attendance: Alderman-at-Large Steven A. Bolton
Alderman-at-Large Paula I. Johnson
Alderman Robert A. Dion
Mike Lowe, Planning Board Liaison
Katherine E. Hersh, Division Director, Community
Development

COMMUNICATIONS

From: Roger L. Houston, Planning Director
Re: Planning Board's Unfavorable Recommendation – O-03-193

MOTION BY ALDERMAN NICKERSON TO ACCEPT AND PLACE ON FILE
MOTION CARRIED

UNFINISHED BUSINESS – RESOLUTIONS

R-03-197

Endorser: Alderman Brian S. McCarthy
ADOPTING A “DEVELOPMENT PROGRAM” AND “TAX INCREMENT
FINANCING
PLAN” FOR A TAX INCREMENT FINANCING DEVELOPMENT DISTRICT
UNDER
RSA 162-K AND NRO 2-741, COMPRISED OF LAND IDENTIFIED AS TAX
MAP 43,
LOT 66, APPROXIMATELY 1.2 ACRES, LYING EASTERLY OF MAIN

STREET

ON THE NORTHERLY SIDE OF THE NASHUA RIVER

MOTION BY ALDERMAN NICKERSON TO RECOMMEND FINAL PASSAGE

ON THE QUESTIONAlderman Johnson

I have some reservations about this, and I have talked to Mr. Manoian about this. I also asked Mrs. Anderson if she could come up with some pros and cons about TIF. I have read some information from an article and paper, and I know it has been done in other communities. It doesn't mean it works in every community. It is a boondoggle, and I guess part of my concerns are first of all no one can prove to me that this is not going to cost the taxpayer a dime. There are no guarantees. The other concerns I have that the Conservation Committee voted for an unfavorable recommendation. I went back and did some research and I went into look at our wetlands ordinance too because this is affecting the wetlands. It is affecting the Nashua River and it is affecting the Nashua River Canal. That is part of my problem – it is right in our wetlands ordinance, which I believe several members past and present helped write this wetlands ordinance. Some of the other concerns are that I am listing that the apartments are going to be \$375,000 to buy an apartment. That part of downtown – I know we are saying we want to get it out of a depressed area, but whether it is our plan really we are going to have \$375,000 apartments on one side of the railroad tracks as we might say and on the other side we have homeless people. We're going to start moving the homeless people down to the riverside walk.

There are a lot of concerns here. I feel that this has been moved very quickly. I have to ask myself why has this been moved very quickly through different committees. I see signs on the building that says why some of it has been moved very quickly – the signs weren't there prior to July 5th, but all of a sudden they appeared and then all of a sudden everything started moving very quickly here. Now it is sitting before us. I would like something like this to have sat and we had a really good conversation about TIF. I wanted to see something from our CFO regarding TIF, but the city end of it is how it will affect us pros and cons in one way. I know bond council can't tell us, but I want to hear something here. To me this is a very fast moving operation here. We have campaign headquarters down there and I have reservations about this – a lot of reservations about this. I am not going to give a stamp of approval especially when the Conservation Commission says no it is wetlands. We have to wait for DES now to come in and give us an answer. I am just not 100%v satisfied to build a river walk.

I also want to know what will it cost us with police on the riverfront? Are we going to be moving crime around here in the City? There are a lot of answers and questions that have not been addressed here. I think it is only right for us as a Board to get all of these answers before we move something through a committee. This is the way I stand here. I came here purposely tonight to speak on this because I felt so strongly about this piece of legislation that is moving too quickly through a committee. I think this should be held for a while and given a chance to

have Mrs. Anderson and anybody else in the city that talks about the tax revenue and it says tax revenue coming in here, but apartments aren't going to give us the tax base we need it is the industrial – bringing in industry that will give us more that we need. I just want to see the figures on how they figure they will be selling all of these apartments and that they are definitely going to be sold and that nothing will be hitting out taxpayers. Thank you.

Alderman Cote

I respect and appreciate a lot of the concerns that were raised by Alderman Johnson, but I am not sure how they actually relate to the TIF package. The issue of the Conservation Commission providing a negative recommendation is understood, but that was actually dealt with in terms of the Planning Board and Zoning Board's decision on this project. Actually at this point it is somewhat mute. The State DES however is an issue that still has to be dealt with, and the project can't necessarily move forward until that is in fact dealt with, but what this legislation here provides us is the opportunity to be able to set up this area to work under this program should the project move forward so I am not really certain of the connections that you are referring to. I understand your concerns about the issues of some of the homeless people down in that area and some of the economically depressed businesses and so forth that are in that area, and it is my understanding that the intent of this legislation is to in fact try to change much of that. It is one way that municipal government can get involved in that effort.

The TIF program is actually something that is very easy to understand and easy to get your arms around. The numbers that were provided to us I believe are very conservative in terms of the value that will be generated there, but they also don't represent the normal escalator that will occur every year when our tax base increases, which will provide an offset towards any other concerns that may be raised in terms of the amount of money that is necessary to pay off the river walk. I see this as the right thing to do. I have my concerns about the project and those concerns have been expressed I think in the right forums, but I think in the long run providing an economic mechanism like this through municipal government to improve a blighted area is the right thing to do. It will in the long run pay off benefits that will far exceed what Mr. Manoian has explained to us at this point in time. I guess my concern is that I don't understand some of the connections that you are making to it because I don't see that they are necessarily relevant and I do believe that the project in and of itself will have to get those final approvals before it can move forward, and won't necessarily impact what this legislation is before us.

Alderman Nickerson

A couple of months ago we actually had a pretty thorough discussion of this program at one of the PEDC meetings. During that discussion I believe there was a comment made, and Alderman McCarthy if you could confirm or deny this, this hear is just setting up the district, however, there would need to be a following resolution or action by this Board to actually approve the plan for this site. Is that correct?

Chair McCarthy

That is the legislation that is before us this evening I believe we passed the ordinance to set up the district.

Alderman Nickerson

That is right. Thank you.

Alderman Johnson

I just wanted to read some of this information – I guess my concern centers around this whole piece of legislation because it is all one piece interacts with the other piece and connects with the other piece so it is not just one little piece to set up the district. A tax increment finance district works like this – tax money raised from the original value of the land slated for development still goes into the general fund, but any additional tax money raised after the property is developed goes to a special fund to pay for a bond that is covering a related public improvement. My concern is are we going to be able to 100% guarantee that this bond when we take it out it will never be hitting the taxpayers for them to foot this bill. That is one of my concerns. There is really – Mr. Manoian says there is no guarantee but he hopes that we will be able to make sure that the taxpayers won't pay this bill.

Chair McCarthy

I guess my reaction to that is that if we did this as a public amenity like we do most of our public amenities there would be an absolute guarantee that every penny of it would be paid for by the taxpayers. Here we have a case where in all likelihood none of the burden of it will be born by the taxpayers, but in fact by the value that is created by the creation of the amenities and the associated development project. I guess frankly I think – I don't think this is being rushed through. I think we have had it before this committee for months, and I have sat through numerous discussions of TIFs both on this particular one and in general over the years, and I think they are, as Alderman Cote said, the right way to do this kind of development. If I looked at that specific site in terms of the concerns that were expressed by the Conservation Commission I have – if it were somewhere else on the river I would probably agree with them, but on this particular site where the soils are heavily compacted and do not function as wetland soils, where the site itself may or may not have other items under the soil that frankly the river would be better off not having next to it I can't reach the conclusion that anything else is a better way to go. The project itself is good. The economics of it are good or the developer would not have undertaken the risk of building the building and trying to market it. The amenities that we will wind up with are completely in keeping with what we have planned for decades and as Mr. Manoian said we left the provision for that walk 20 years ago when we rebuilt the bridge on Main Street. This is completely consistent with all of our planning and all of the actions this Board has taken in the downtown and I think it is absolutely the right way to go on this particular property. There are very few impacts that this development will have that we don't have already. It will

generate a tremendous amount of new taxes. It will, as Alderman Cote pointed out, generate significantly more taxes in years after the first one, all of which will go into the general fund to offset other expenses. I absolutely think this is the right thing to do on that site.

Alderman Cote

I just want to follow up on one more comment. It really comes down to a decision where you need to decide whether you want to do something or do nothing and see if somebody else has a better idea. I think to do nothing in that area where it has been such a concern and such a priority for this Board to make improvements down there – to do nothing would be the wrong thing. The hard fast guarantee that you are looking for I kind of equate it to the efforts and the commitments that we have made on the high school projects. We cannot sit here and guarantee that every graduating student from Nashua Senior High School will graduate with a 4.0, but it is worth doing. Although the monetary value is significantly different between the two projects it is something that is worthy of doing. There is an element of risk associated with that, but I think that our staff has been conservative in their estimates – I believe wholeheartedly conservative in their estimates and it will prove that this will probably be one of the single most major economic impacts that the city has made in a long time in an area that truly needs it. Just my opinion.

MOTION CARRIED

UNFINISHED BUSINESS – ORDINANCES – None

NEW BUSINESS – RESOLUTIONS – None

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NEW BUSINESS – ORDINANCES

O-03-193

Endorser: Alderman-at-Large Steven A. Bolton

ESTABLISHING A PROCESS FOR REVIEWING CITY DEVELOPMENT

PROJECT

APPROVALS SUBJECT TO CONDITIONS

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MOTION BY ALDERMAN COTE TO HOLD O-03-193 IN COMMITTEE

ON THE QUESTION

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Chair McCarthy

Before we take a vote on that I would actually like to ask the endorser a question. Could you go over again exactly what happens after the issuance of conditions by the Planning Board? I may have misunderstood.

Alderman Bolton

The Board of Aldermen, Board of Education, Joint Special School Building Committee, whichever the appropriate board is, holds a public hearing, which is advertised, then that board votes to go forward with the project subject to those conditions or votes not to go forward with the project subject to those conditions. In either event it is not a question of overruling the Planning Board and I think there is a misconception there that it is talking about overruling the Planning Board – it is not overruling the Planning Board. If you don't accept the conditions you don't have an approved project and you are back to the drawing board – you have to submit a new plan to the Planning Board or you abandon the project altogether or you do something else.

Chair McCarthy

I must admit that my first reading of it lead to that same misconception.

Alderman Bolton

That is one of the things I would hope to make clearer.

MOTION CARRIED

Chair McCarthy

Are there any items held in committee that anyone wishes to take up at the moment?

Alderman Bolton

It may be of interest to note that R-03-212 although not passed has apparently had the desire affect since I think action has been taken and enforcement action is pending as regards to that problem. I am very pleased with that.

Chair McCarthy

Mrs. Hersh do you want to give us an update?

Kathy Hersh

The Legal Department and Code Enforcement did go to court last Friday and the Judge decreed a certain schedule for construction of the building – apparently they are going to come back with an amended plan – not for the building for the wall – an amended plan for the wall and once that gets approved then there is a certain schedule for them to construct that wall.

Chair McCarthy

Are there any questions? Thank you.

I'm looking at our held in committee, and I am confused. I thought we had passed the ordinance

that we needed to pass on the TIF, but we have one held.

Alderman Nickerson

That was my question during the committee.

Chair McCarthy

Mrs. Hersh do you know why?

Kathy Hersh

Quite honestly I was thinking that we had already passed this part too, but I am looking at it seeing that it says school board and county commissioners must be given the opportunity to meet with the Board of Aldermen prior to the public hearing, and so that was only done on July 21st and 23rd. If that is the criteria for establishing a district at all I guess we have it.

Alderman Cote

Shall we take action to move it out of committee?

Chair McCarthy

I would like to yes.

MOTION BY ALDERMAN NICKERSON TO TAKE FROM THE TABLE O-03-171
MOTION CARRIED

O-03-171

Endorser: Alderman Brian S. McCarthy
ESTABLISHING A TAX INCREMENT FINANCING DEVELOPMENT
DISTRICT UNDER
RSA 162-K AND NRO 2-741, COMPRISED OF LAND IDENTIFIED AS TAX
MAP 43, LOT 66,
APPROXIMATELY 1.2 ACRES, LYING EASTERLY OF MAIN STREET ON
THE NORTHERLY
SIDE OF THE NASHUA RIVER

MOTION BY ALDERMAN NICKERSON TO RECOMMEND FINAL PASSAGE
MOTION CARRIED

HELD IN COMMITTEE

R-03-212

Endorsers: Alderman-at-Large Steven A. Bolton
Alderman Kevin McAfee

DIRECTING THE MAYOR AND CITY DEPARTMENTS TO TAKE IMMEDIATE
APPROPRIATE
ENFORCEMENT ACTION CONCERNING PROPERTY LOCATED AT 449
AMHERST STREET

O-03-155 (Amended)

Endorser: Alderman Brian S. McCarthy
REVISING THE CRITERIA FOR ENCROACHMENT INTO THE
CONSERVATION
ZONE OF THE WATER SUPPLY PROTECTION DISTRICT

DISCUSSION

ADJOURNMENT

MOTION BY ALDERMAN NICKERSON TO ADJOURN
MOTION CARRIED

The meeting was declared adjourned at 8:02 p.m.

Alderman Scott A. Cote
Committee Clerk