

CITY COUNCIL AND FRIENDS OF SOMERSWORTH (FoS) WORKSHOP

JUNE 3, 2013

Mayor Spencer opened the workshop at 6:00 p.m.

Members of FoS present: Emmett Soldati, Chair; Madeline DeSantis; Elizabeth Miller; Patty Rooney; Nora Molloy; Doug Watson.

Members of City Council present: Martin Pepin; Jennifer Soldati; Marcel Hebert; Jon McCallion; Coty Donohue; David Witham; Robin Jarvis; Dale Sprague.

City employees present: City Manager Bob Belmore; Economic Development Manager Christine Davis; Dave Sharples, Director/Planner; City Clerk Diane DuBois

Also present: Mayor Matt Spencer

Emmett Soldati wished to give an introduction on where the FoS have been since we started the public/private partnership. About a year ago in February, they drafted a public/private partnership with the City Council, the idea being to come up with some solutions for the Hilltop School building both for funding whether through grants working with the City, or other means of fundraising working with the community. They were also looking at what kind of programming will occupy the building.

Mr. Soldati added that since then they have been very busy. Their biggest task was forming a 501-3(c) non-profit organization, which took a lot of time. They had to concentrate on what their mission was, and establish that in the community. They had a very robust schedule of events which started last year with the "Hidden Treasures" event. Alongside that, they have worked very hard to work with organizations and businesses that might be allies for the kind of programming they want to see at the Hilltop School building.

Mr. Soldati said the final component they worked on is trying to look at financing and fundraising opportunities as best they can. They have sent people on their board to grant-writing workshops and have networked with other grant-writers they know who have donated their services to them. They have explored a lot of different fundraising opportunities and are continuing to do that. They have also been looking into Hilltop School as a building itself, trying to pull together the pieces of what the City knows about what the building needs at a minimum, what it needs at a maximum, and what the potential prices might be for the improvements. As an organization with no track record, no capital, and no current programming, they cannot write a grant for a large sum of money that may be required. They started floating around ideas about how they might get this project off the ground and how to approach the City and work with the City to make this possible. They met a number of times with City Manager Belmore and

Finance Director Smith about what funding mechanisms they could use to try to cover the ground to move forward with any kind of project. They need to know what the codes are, what it would cost to get the building up to code, and also get some studies done.

Mr. Soldati said the proposal they sent around to all the Councilors was that they are at a place where they cannot go much further with grant writing, they cannot go much further with researching the building. He feels there is a lot of knowledge the City has on the building itself based on previous studies done. They feel the best solution would be to have a formal study done to come up with some kind of number that they could talk about going out to bond or financing that type of project. Otherwise, they are just going in circles, going back and forth with other funding opportunities. The long term plan is that they could then, as a non-profit, use their resources and the fact that they are well-connected in the community to finance the program long-term. It is very clear that given the state of the building now a non-profit organization isn't going to get it up and running.

Mr. Soldati said that besides the different events you have seen us hosting and planning over the next year, they have done a very good job of maintaining strong relationships with both individual artists, organizations and businesses in the area that have given them a degree of seriousness that they would like to be a paying tenant of the building. They have done a lot of research to determine how they can make this building work to capture revenue. They have had discussions with several organizations who have expressed an interest in the building.

Councilor Jarvis said she would like to get more information in regards to their thoughts about what their needs are. ED Manager Christine Davis said she looked at the study that was done in the past regarding possible uses for the building. There were 15 different possible uses for the building with the costs broken down for each use. She spoke with Mr. Soldati about proposing a modified study using some of the information from the past and updating it. Some of the information is standard.

Mr. Soldati said they are not at a stage where they are looking at exploring different possibilities with the building. They are in a position where they are ready to start occupying it and programming it if they have a building that is up to code. They are asking to have a targeted study done. They do need the building to be operable.

Councilor Witham said he understands where we are at in terms of being ready to move forward but needing to have a building that can be occupied. It is his understanding that the heating system is one critical element, also a sprinkler system, and he wonders if there is anymore environmental assessment that needs to be done on the building. Before a company will come in and install sprinkler systems, they want to make sure there is no asbestos or lead paint. Those things would probably have to be abated before they could install the system. That is the biggest unknown, and he would like to know where we are in terms of an environmental assessment of the building. Maybe that has been done and he is unaware of it.

Councilor Witham said the City is in ownership of the building and we have partnered with FoS. The City has money in a capital reserve account in an effort that was championed by Councilor Soldati, so we have some capital at our disposal to do some of the work.

Mr. Soldati said this raises a good point. He knows that a lot of the questions have already been addressed. There is one specific floor that has asbestos tiles on it, and they know a fair amount of the abatements that have been done. As a non-profit organization they are not in the position to take the next steps and they feel this is where the torch needs to be passed on.

Councilor Pepin noted that when you are determining what is needed for a sprinkler system, it depends on what type of activity is in the building. He wondered if they have had anyone come in to give them an estimate on what a sprinkler system would cost. He is looking for detail on what things are going to cost, which part of the building they are planning for rehabilitation, or basically what their plans are.

Councilor Pepin said that if the City were to have the building torn down, it would cost money and he would rather spend the money on the rehabilitation of the building and having it be functional. That is the way he would like to see it go if at all possible, but he does not want it to be a burden on the taxpayers.

Councilor Soldati said she would like to start with the “givens,” the things we know.

- They have \$38,000 in the capital reserve fund.
- The only hazard that exists in the building is asbestos in the floor tile in room 10.
- The lead was abated years ago when it was still being used as a school.
- She was under the impression that a sprinkler system was not necessary if you are only using the first and second floors.
- There is a lot of information contained in studies that have already been done.

Mr. Soldati indicated it depends what you are using it for and how many people will be in a room. The FoS felt it would be more feasible to do the whole building at once rather than doing things piecemeal.

Ms. Molloy said what they would be looking for is a modified version of one of the pieces that exists in the WarrenStreet study. In looking at the studies, she tries to find the one that is the most similar to what they plan to do. She is not qualified to know that if what she thinks she is reading is really what it is, so they are operating on a big assumption.

Ms. Molloy said she feels the building needs about \$350,000 worth of work which would include the heating system, sprinkler system, and possibly some electrical and plumbing work. Regarding the sprinkler system, they did meet with Don Bliss when he was the Interim Fire Chief. They walked through the whole building with him and it was his recommendation that it did make sense to do the entire building at once. In order to make

any investment to the building worthwhile, it seems like it should all be done at once to generate the most revenue possible.

Ms. Molloy said they are trying to put some real numbers together so they can balance out what will make it work.

Councilor Jarvis said there are three options for coming up with the money. One is bonding, the other is from the taxpayers, and the third is to bring in a private investor. Probably the most feasible would be the bond. She is not sure what everyone's feelings are about this.

Councilor Pepin said his feeling is that somewhere along the line you need to get an architect to come in. That will give you the figures on what things would cost, which is what they are looking for. We would then know what has to be done and where we are going. Without that, we are spinning around in circles.

Mayor Spencer inquired about what the FoS experience has been with Yankee Thermal Imaging, stating that was supposed to be a cost saver.

Mr. Soldati replied it was a good service and they gave them a good price, but at this time it didn't make sense. For example, you would not put energy efficient windows on a building that doesn't have heat.

Mr. Soldati said that as an organization of community members, they have done a lot of work researching the codes, taking professionals and contractors up to the building, etc. As best as a non-profit organization focused on arts and culture can know, they know as much as there is to know about the Hilltop School building. At the end of the day it is the City's building, and they feel City Departments know what it will take to bring the building up to code and determine what the environmental problems are, etc. The FoS have done a lot of that legwork but now they have hit a roadblock. Now they have potential tenants and potential future ways of raising money and writing grants, but none of that means anything until they have a building they can put people into. They do have a small amount of money they can use if they need to hire an architect that won't affect taxpayers.

Councilor McCallion applauded all the work the members of FoS have done. He also worked very hard on the Economic Development Committee so the building wouldn't be torn down. One of the ideas they floated early on was that if it did go to a public/private partnership there might be ways to get some outside funding. He feels they need to have a tenant that is willing to make a commitment and perhaps build out the space they will occupy in lieu of paying rent for one year. He said that he feels we cannot ask the taxpayers to pay the bill to get this done.

Councilor Soldati said she believes Finance Director Smith has said that somewhere between \$84,000-\$89,000 of City spending raises the tax rate by ten cents. She also knows for a fact that there are over 200 followers of FoS. She personally does not have a

problem with asking the taxpayers to spend ten cents. They need to not close doors on the funding. She has heard from a lot of people that they are really anxious to see this happen.

Councilor Witham said he believes this is going to take some level of commitment from the citizens of Somersworth in terms of expenditures. Like any decision they make as a City Council, it will not be universally accepted. The bottom line is we have committed \$38,000 and the only way he sees anything happening there is if the City contributes in some way. What he does need to see is a return on our investment when there are tenants in the building.

Councilor Witham said he tends to agree with Councilor Pepin that the next step probably needs to be taken by the City to contract with an architect or fire protection engineer to come in and develop a specific set of plans. We can then go out for proposals, because we would then know what things are going to cost. We are lacking a specific plan right now. One thing that is different now than when WarrenStreet started is that there are more specifics on the Friends of Somersworth's end.

Councilor Witham said the other reality is that the City owns the building and he doesn't envision there ever being the votes on Council to tear the building down or sell the building, so the City is "married" to doing something with it to at least keep it in reasonable shape. That is the position we are in.

Councilor Jarvis said it sounds to her like everybody is headed in the same direction, but wondering how we get there. Clearly we need an architect or an engineer to know what we are even looking at financially. She feels that perhaps a City staff member could coordinate with the FoS to work on this because without this part we will not be going anywhere.

City Manager Belmore said there are a couple of things you need to keep in mind. One is the capital reserve fund and needing the vote of the Council to release those monies so that he can work with staff to get someone to come in and look at the building, and he believes this would also need to go through a site plan review. What would also help us is if the FoS had something down in writing about potential tenants and what their phase one plans are. Then we would have something to go on to develop an RFP process for professional services. We could find out how we can get it ready for final occupancy, because we would also need a Certificate of Occupancy.

City Manager Belmore indicated they did have a discussion with bond counsel. If the Council decides it doesn't want to use General Fund money, perhaps we could use other money to get phase one up and running, such as proceeds from the sale of Sunningdale. If we do go the route of a bond, that is a complex issue that we would have to spend more time talking about. He doesn't want to open that can of worms right now, but if Council decides that is the way they want to go, if we are going to use public funds with a public bond, Council is going to have to express the purpose of economic development which could include this public/private partnership for capital improvements through a bond

mechanism. The Council would have to have a public hearing and make that determination.

Councilor Soldati asked the City Manager about the Fund Balance. She knows we have typically used it to offset taxes but we also know that is a slippery slope. She wondered if taking a chunk of the Fund Balance is possible. She indicated that if we used \$300,000 we would still be within the percent we have to maintain in the Fund Balance.

Councilor Donohue said we are getting a lot accomplished through this meeting, but it sounds like there is still a lot of work to be done on both ends. He suggested setting up a special committee with some Councilors and key staff members and some FoS board members to streamline the process of drafting up resolutions, etc.

Councilor Jarvis said between the Finance Committee and the Economic Development Committee, we need to put in a request for a vote from the full Council to release some of that money so the City Manager can then have City staff put out an RFP to get an architect or engineer in the building. This would start moving something forward.

Mayor Spencer asked the FoS if they have looked at any private investors.

Mr. Soldati said when he got involved with the FoS two years ago the mission was coming together about bringing arts and culture into Somersworth. There were these offshoots that there is a lot of economic development that comes with arts and culture but that our community and surrounding communities want and need that. They have looked through various channels for organizations they have felt partnered well with their mission. In a best-case scenario there might be an anchor tenant that would come in and be willing to put some money up front for this project. He doesn't know if that necessarily exists with the kinds of organizations they think are going to be really important for this community building. In keeping with their project and what they think the community wants for this building, he feels they have found the right channels to find the artists and cultural groups that would be interested. A lot of them are non-profits and cannot afford a lot of money.

Councilor Witham said in his mind what is next is that he thinks a resolution needs to be drafted by the appropriate City Council committees to release funds for professional services. Before we can fund anything, we need to know what anything is. The work that the FoS has done to solicit a group of interested parties to occupy the building is a huge step. That will be very helpful to an architect or engineer that looks at the building. The work that has been done up to this point is extremely valuable. The WarrenStreet study will be very useful to whomever looks at the building.

Councilor Soldati said we have the WarrenStreet Study, and she hopes we will not be duplicating efforts. The City needs to rely on staff to work with the FoS so we are not doing the same study over again.

Councilor Pepin said the difference between what the WarrenStreet Study says and what an architect does is an architect will deal with specifics about wiring, plumbing, etc. That would all be spelled out and also the costs would be spelled out.

Respectfully submitted,

Diane M. DuBois, City Clerk