

MINUTES OF THE FINANCE COMMITTEE
CITY COUNCIL CHAMBERS
April 11, 2024 – 4:00 p.m.

Committee Members present:

Councilor David A. Witham, Chair
Councilor Dennis Messier, Vice-Chair
Councilor Martin Pepin

Committee Member absent:

Councilor Kenneth Vincent

Administration/Staff present:

City Manager, Bob Belmore
Finance Director, Scott Smith
Director of Planning and Community Development,
Michelle Mears
Deputy City Clerk, Ammy Ramsey

Others Present:

Eric Chinburg, Chinburg Properties

Chair Witham called the meeting to order at 4:00 p.m.

APPROVE PAST MEETING MINUTES OF FEBRUARY 21, 2024

*Councilor Messier made a motion to approve the minutes of the February 21, 2024 meeting.
The motion was seconded by Councilor Pepin and passed 3-0.*

DISCUSS 200 MAIN STREET LLC (CHINBURG PROPERTIES) REQUEST TO WAIVE ALL CITY FEES ASSOCIATED WITH THEIR DEVELOPMENT PROJECT AND TO PROVIDE CITY SUPPORT IN OBTAINING GRANTS FOR THE PEDESTRIAN BRIDGE City Manager Belmore mentioned that Mr. Eric Chinburg is in attendance should there be any questions from the Committee. City Manager Belmore explained that Mr. Chinburg submitted a letter of request along with an application for the Community Revitalization Tax Relief Incentive Program (City Ordinance, Chapter 31), and a request to waive all City fees associated with the project including, but not limited to, application fees, permit fees, water/sewer connection fees and impact fees, as well as support in obtaining grant aid with the removal or rebuilding of the Main Street pedestrian bridge. Manager Belmore informed the Committee that the City does not have impact fees. The sewer connection fees are estimated at \$313,200 based on the conceptual plan that was presented. Water fees are what the City has to pay for based on the size of the meter and the line that needs to be installed. Councilor Witham inquired about the number of meters and if there will be a meter for each of the three buildings, and Director Smith stated that is how it is typically done. The building permit estimate is \$135,025 based on the \$15,000,000 submittal.

City Manager Belmore informed the Committee that previously with the former Hilltop School property, this Committee forwarded a recommendation to waive the Site Plan Fee to the Planning Board.

Councilor Witham inquired with City staff concerning the building permit fees and his concern with any associated costs for City staff to perform their necessary inspections and the City incurring any

costs for third party inspections. Manager Belmore stated that if the Planning Board finds that a third-party review is necessary the developer would cover those costs.

Councilor Witham also inquired with City staff concerning if the water and sewer connection fees have been waived for other development projects in the past. It was discussed that the former Hilltop School project fees were waived but the Terra Meadows project paid for the fees. Councilor Witham is not sure if it would be possible to look into the difference of the water and sewer use that were existing when the bleachery was operational and any new connections necessary, because he would like to waive some fees but doesn't favor all of the connection fees. Finance Director Smith mentioned that staff could research that however he does not believe there are records of use from the past operation , and the figures he provided were calculated using new construction only. Under the Ordinance, sewer connection fees are calculated providing a credit for prior use if it is an existing structure. Councilor Messier mentioned that the records could be difficult to find and also that there may have been direct discharge lines back when this property was first developed.

Councilor Messier expressed his concerns regarding the 11 years of tax relief and the project qualifying because the remaining building may not remain on the property and he would like to know what will be given for relief. He also mentioned several other development projects that have paid the fees that were required and he is not in favor of waiving all of the water and sewer fees as those fees help with the upgrades and maintenance of the treatment plant.

Councilor Witham mentioned that at the Planning Board meeting this project came up for conceptual review and the plan was to save the remaining portion of the mill. Councilor Witham granted permission for Mr. Chinburg to speak without objection from the Committee. Mr. Chinburg stated that they have looked at the structure of the remaining building and they will be saving that building. Mr. Chinburg also gave some history of the building and property since he has owned it concerning its condition and steps that have been taken up to this point. He also mentioned that he had requested that fees be waived because of the difficulty of the project and he would appreciate any help they can get.

Manager Belmore stated that Chinburg Properties did not request any help with the demolition but they would like assistance in applying for any grants that may be available for reconstruction of the pedestrian bridge. Mr. Chinburg stated that they would like to withdraw their request.

Councilor Pepin recalled the structural fire at 200 Main Street as he was one of the first firefighter responders at that time. He also would like to see something done with this property and he feels that we should do as much as we can to help with the development, but he also understands Councilor Messier's concerns as well.

Councilor Witham inquired with City staff concerning the tax relief that was recommended by the Economic Development Committee. Manager Belmore stated that the Committee recommend seven years pending information concerning the historical component of the property, and if it was determined that the property meets the criteria for National Register listing, it would qualify for the full eleven years as requested by the developer.

Councilor Witham mentioned that he appreciates the creative use of a number of existing foundational elements. He also understands the points that Councilor Messier had made, but he also believes that each parcel should be viewed differently as they all have different challenges. Councilor Witham supported the redevelopment of the 200 Main Street property. He supported the eleven years of tax relief, waiving the building permit fees provided that any third party costs are not passed on to the tax payers, and waiving the sewer connection fee based on a credit calculation of past use. .

Councilor Pepin mentioned that Mr. Chinburg has invested in the property and cleaned up hazardous material already and he feels comfortable waiving fees in order to help move this project forward.

Councilor Messier is in favor of the redevelopment of 200 Main Street and he added that this project will help the housing crisis and he feels that some negotiation is warranted.

Mr. Chinburg stated that they were ready to start this project a few years ago but it was delayed because they were in discussion with the Aclara property owners that would have potentially integrated the waterfront property, however, that did not come to fruition. Mr. Chinburg mentioned that they will continue to pay the property taxes that are currently being billed for the parcel and that the City's Chapter 31 Community Revitalization Tax Relief acceptance and timeframe is important because the property has been established as a historical site and he would appreciate the 11 years of relief, and he also believes it would be meaningful for loan and debt consideration. He also mentioned that the project is proposing 145 units which gives the potential of having 200 people moving in the downtown area visiting local establishments and growing the local economy. Manager Belmore also mentioned that the developers have agreed to authorize an easement to begin a river walk that the public will have access to.

It was also mentioned that the project is expected to be completed in approximately 18 to 24 months.

There was some discussion pertaining to the recommendation from the Economic Development Committee recommending seven years of tax relief, but since that meeting, City staff has received information regarding the eligibility for eleven years of tax relief.

Councilor Pepin made a motion to recommend to full Council to Vote to Approve the Community Revitalization Tax Relief Incentive Program Application (City Ordinance, Chapter 31) from 200 Main Street LLC (Chinburg Properties) for the Proposed Redevelopment Project of 200 Main Street for Eleven (11) Years. The motion was seconded by Councilor Messier and passed 3-0.

There was some discussion pertaining to the sewer connection fees and how the fees were calculated. The calculation was based on all new construction and it was determined that there was prior use that should be considered when making any calculation. Finance Director Smith suggested following calculations set forth by City Ordinance 8A.

Councilor Witham made a motion to recommend to full Council to Vote to calculate Water and Sewer Connection fees based on the applicable City Ordinances. The motion was seconded by Councilor Messier and passed 3-0.

Councilor Messier made a motion to recommend to full Council to Vote to waive Chapter 20, Building Code Fees provided there are no costs to the City for any Third-Party Review. The motion was seconded by Councilor Pepin and passed 3-0.

Councilor Pepin made a motion to recommend to the Planning Board to waive the Site Plan Application Fees. The motion was seconded by Councilor Witham and passed 3-0.

HILLTOP CHEVROLET'S (385 ROUTE 16 REALTY LLC) LOT LINE ADJUSTMENT OFFER FOR LAND TRANSFER TO THE CITY

City Manager Belmore informed the Committee that Planning Director Mears was contacted by Scott Lawler on behalf of Ron Currier and Hilltop Chevrolet (aka 385 Route 16 Realty LLC) to see if the City of Somersworth would be interested in obtaining an additional 2.25 acres. Mr. Lawler indicated that the land is unusable to Hilltop Chevrolet due to the stream that flows towards the City owned

property, the Oaks golf course, however he feels it may provide a desirable natural resource for the City. Manager Belmore also mentioned that Mr. Currier is willing to pay for the plan preparation and recording fees but would request a waiver for the lot line application fees. Finance Director Smith provided information from the assessing department indicating the Hilltop Chevrolet property's current assessed value is \$1,653,500, and the assessed value after removing the 2.25 acres would be \$1,637,600 which is a difference of \$15,900.

There was some discussion pertaining to the value of acquiring the property.

Councilor Messier made a motion to sponsor a Resolution to full Council to move forward with the lot line adjustment for the 2.25 acres of property being transferred to the City of Somersworth from Ron Currier and Hilltop Chevrolet (aka 385 Route 16 Realty LLC). The motion was seconded by Councilor Pepin and passed 3-0.

LIBRARY EXPANSION AND ADA ACCESSIBILITY GRANT ACCEPTANCE

City Manager Belmore provided the Committee with a memorandum confirming that the City has been awarded a grant through Senator Jeanne Shaheen's Office in the amount of \$500,000 to further the effort to improve accessibility at the Somersworth Public Library. The intent of the grant is that it will be utilized to finalize the design and prepare bid specifications for the project.

Councilor Messier made a motion to sponsor a Resolution to full Council to accept the Library Congressional Directed Spending Appropriation (Grant) . The motion was seconded by Councilor Pepin and passed 3-0.

City Manager Belmore stated that they have not received the paperwork pertaining to the grant so it will be on a future Council Agenda and he also informed the Committee of the next steps that will take place to complete the project.

REPORTING

No updates were reported.

MISCELLANEOUS

City Manager Belmore provided the Committee with a memorandum from Public Works Director Bobinsky regarding the signal configuration at the intersection of Blackwater Road, Indigo Hill Road, and High Street to see if modifications can be made to provide a dedicated left turn movement for Blackwater and Indigo Hill Road onto High Street. City staff discussed the request with Sebago Technics, the engineering firm that designed the CMAQ project signal improvements along High Street, and Sebago Technics worked with Electric Light CO to provide a scope of work and quote. Due to the age of the signal head hardware, Electric Light CO does not feel comfortable relocating the existing signal heads and provided a scope of work to upgrade the existing signals. The estimate for the work is \$30,000 along with Sebago's design cost of \$2,500, but this does not include police detail for flagging. Manager Belmore stated that funds can be used from the Municipal and Transportation Fund to complete this project. There was some additional discussion pertaining to the traffic signal upgrades.

Councilor Messier made a motion to sponsor a Resolution to full Council to upgrade the existing signals at the intersection of Blackwater Road, Indigo Hill Road, and High Street and sponsor a Supplemental Appropriation in the amount of \$36,000 from the Municipal and Transportation fund to pay for this project. The motion was seconded by Councilor Pepin and passed 3-0.

Finance Director Smith stated that City staff is in the beginning process of requesting quotes for electricity supply pricing available to the City because the current contract expires in November 2024. Considering the City recently established Somersworth Community Power in conjunction with the Community Power Coalition of New Hampshire, Director Smith inquired with the Committee if they would like to join the Somersworth Community Power Aggregation instead of having staff go through the process of requesting quotes for a new contract. The consensus of the Committee was to join the Somersworth Community Power Aggregation because that is what the Coalition does, i.e., provide electricity at a lower cost.

City Manager Belmore mentioned that a building permit has been submitted for a parcel on Coles Pond Road which is a private road and any issuance would require the governing body to vote to allow the building permit. In addition, the City would require a hold harmless agreement with the property owner because it is on a private road. There was some discussion pertaining to the authority for the Finance Committee to vote on this process and it was determined that it is within this Committees authority because the property's assessed value would be affected.

Councilor Pepin made a motion to sponsor a vote to approve the issuance of a building permit for the parcel on Coles Pond Road. The motion was seconded by Councilor Messier and passed 3-0.

ADJOURNMENT

Councilor Pepin made a motion to adjourn. The motion was seconded by Councilor Messier and passed 3-0. The meeting adjourned at 5:00 p.m.

Respectfully submitted,

Ammy Ramsey, City Clerk