

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, September 26, 2019

6:30 PM

Council Chambers

Members Present:

Mitchell H. Greenwald, Chair
Carl B. Jacobs, Vice-Chair
Thomas F. Powers
Terry M. Clark
Bettina A. Chadbourne

Staff Present:

City Manager, Elizabeth Dragon
City Attorney, Thomas Mullins
Asst. City Manager/IT Director, Rebecca Landry
Finance Director, Merri Howe
City Assessor, Dan Langille
Director of Economic Development and Special Projects, Medard Kopczynski
Asst. Public Works Director/Solid Waste Manager, Duncan Watson
Asst. City Manager, Rhett Lamb
Public Works Director Kurt Blomquist

Chair Greenwald called the meeting to order at 6:30 PM.

1) Acceptance of Donations - Parks, Recreation and Facilities Department

City Manager Elizabeth Dragon stated the city has three donations, which total \$1,347.83 and staff is asking that these monies be used for the Human Rights Committee collaboration with the Keene International Festival. The donations are from Savings Bank of Walpole in the amount of \$1000.00, the Cheshire County Literacy Coalition in the amount of \$247.83 and Fenton Family Dealerships in the amount of \$100.00.

Ms. Dragon went on to say the city conducted its second annual International Festival this past Saturday and event attracted over 800 attendees from the Monadnock region and the city was able to showcase cultural diversity in our community.

Councilor Clark made the following motion, which was seconded by Councilor Powers.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to accept donations in the amount of \$1000.00, \$247.83 and \$100.00 and that the donations be used for the Human Rights Committee collaboration with the Keene International Festival.

2) **79E Community Revitalization Tax Relief Application for 112 Washington Street**

Director of Economic Development and Special Projects, Medard Kopczynski addressed the committee next. Mr. Kopczynski stated there was a thorough presentation at the council meeting on this item. He explained under the 79E program, the Council might provide qualifying properties tax relief for improvements made on the property for a period of time. Mr. Kopczynski introduced Josh Gorman, applicant for this item. It was noted the period of improvements could be between zero to five years.

Mr. Josh Gorman of 85 Park Avenue addressed the Committee. The Chairman noted the applicant's project meets all the required criteria but the applicant has chosen not meet three criteria – the first one is in reference to creating a full time job – he stated he has no guaranty of this as his wife plans on running this entity with some help. The second is in reference to developing green building codes – he noted he has made several energy saving improvements but was not sure if he has met the green building code. The third is to include public art.

Mr. Kopczynski went over the criteria:

- **Enhances Downtown economic vitality**
- **Improves a culturally or historically important structure** – Mr. Kopczynski stated there is demonstration that these structures that meet this criteria.
- **Promotes the preservation and reuse of the existing building stock**
- **Promotes efficient design, safety, and greater sense of community consistent with the Comprehensive Master Plan**
- **Increases energy sustainability through reduced emissions**

Mr. Kopczynski noted this is not a one to one relationship but what city council deems appropriate in determining whether it is one year or five years.

Councilor Jacobs stated at the last PLD session the Heritage Commission referred to a barn tour they had been a part of and the applicant's barn was on that tour and had indicated to the improvements that have been made which would make it a more viable property.

Ms. Dragon called the committee's attention to the Council's Resolution included in the committee's packet, noting it includes nine criteria which are considered to determine if an applicant qualifies for 79-E and to determine the tax relief period. She added that five of the nine criteria have been met by this applicant.

Councilor Clark stated he was in support of this request and added this is one of many in the city of Keene that are in need of rehabilitation. He questioned why the State does not allow an expanded version of what is before the committee tonight for regular homeowners without having to meet such strict criteria.

Councilor Jacobs asked for clarification on the consideration for the timeframe. Ms. Dragon explained the timeframe is the Council's discretion and the criteria listed on page 2 of the Resolution are intended to be a guide – she noted there was one application that met all five but that does not mean the application before the committee is any less worthy.

The Chairman asked for clarification on the missing criteria. Mr. Kopczynski indicated there is an item in the zoning code, which relates to green building implementation. He noted what is outlined in the committee's packet is whether this building could meet one of the criteria in the zoning code but added staff has not evaluated as to whether this building would meet any of those criteria. He further stated some of the green building rating systems do not necessarily require one meet the energy codes (some do and some do not). They are more concerned about the overall impact on the environment by the building's operation. He further stated Mr. Gorman would receive under any of the green rating systems a lot of mileage because he is restoring and reusing an existing building.

Chair Greenwald stated he wanted to encourage this project and encourage others to do the same. Mr. Gorman stated he has made many energy conscious changes with this building but did not want to expand on some things like creating a full-time job, adding in public art – he stated these are not things he wanted to commit to. Being owner occupied is another item he has not included as this property has not been owner occupied since the early 1900's – but felt he met the other criteria.

Councilor Jacobs noted staff seems to be agreeing to the five-year term. Ms. Dragon stated staff is not recommending any timeframe and the recommendation in the packet is a carryover from the prior application.

Councilor Powers felt these types of projects should be encouraged; it is encouraging economy for the area and is also attractive.

Councilor Powers made the following motion, which was seconded by Councilor Jacobs.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the structure proposed for redevelopment located at 112 Washington Street is a qualifying and historic structure as defined by RSA 79-E; that the structure is not within a currently defined Tax Increment Financing District; that the structure is not a residential property subject to an election for tax assessment relief under the low income housing tax credit program of RSA 75:1-a; that the proposed rehabilitation cost estimates exceed the threshold amount of \$75,000 and constitutes substantial rehabilitation; that at least \$5,000 of the total rehabilitation cost is devoted to energy efficiency in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation; that the proposed rehabilitation is consistent with the City's Master Plan; and that the proposed rehabilitation provides the following public benefits as required by Resolution R-2018-33:

1. It enhances the economic vitality of downtown areas;
2. It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located;
3. It promotes the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation;
4. It promotes efficient design, safety, and a greater sense of community in a manner consistent with the Keene Comprehensive Master Plan; and,
5. Results in an increase in energy sustainability in conformance with the City adopted greenhouse gas initiatives as determined by a home energy score of at least six, and demonstrated carbon emission reduction of at least 10.

Therefore, the Committee recommends that the Application for real property tax relief on any assessed tax increment resulting from the substantial rehabilitation of the qualifying structure be granted for a period of 5-years beginning with the completion of the substantial rehabilitation as determined by the City's Community Development Department, and conditioned upon the property owner granting to the City at the time of substantial completion a covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for the period of the tax relief, to be recorded at the Cheshire County Registry of Deeds at the cost and expense of the property owner.

Chair Greenwald thanked Mr. Gorman for completing this project, as it is a demonstration project as well for the city. He also thanked city staff for all their assistance with this project.

3) Relating to an Appropriation of Funds for the Solid Waste Fund

Asst. Public Works Director/Solid Waste Manager Duncan Watson stated when staff puts together the budget they try to forecast what revenue and expenses would be for the upcoming year. He noted at times the activity in solid waste division is more than what was anticipated and this is the reason for the item before the committee tonight. He explained the disposal revenue and revenue from sale of commodities was higher which caused expenses to be higher as well. He noted this Resolution is an accounting exercise to balance the budget.

Chair Greenwald clarified this is not costing the taxpayer anything as well as users of the transfer station – Mr. Watson agreed.

Councilor Powers noted this is for the budget that closed this past July and asked whether staff has been able to predict what it will be for the upcoming budget. Mr. Watson stated he does not see any up or down trend in the market.

Councilor Jacobs made the following motion, which was seconded by Councilor Clark.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2019-35.

4. Economic Development Plan

Chair Greenwald stated this is a plan that was worked on by an independent committee with exceptional staff support. Mr. Kopczynski stated

Mr. Kopczynski read into the record a portion of the Committee Chair's letter:

We began by reviewing the plan issued by the 2016 committee. A number of recommendations are in the process of implementation. Several were the basis of action plans by the City Manager and are in place (a number of different convergences on things like the unified development code, consolidation of the fourth floor, how land development is done). Significant goals that emerge from this report:

- *Implement an outreach-marketing program, while supporting existing businesses to expand the local tax base and providing living wage opportunities. Urge Council to set aside money for Economic Development and branding projects.*
- *Continue and expand the close working relationship between the City and Keene State College, River Valley and Antioch University.* Mr. Kopczynski stated there is an exciting synergy happening in this respect, noted to the new program that has started at the Cheshire Career Center, and working its way through the local colleges with partners from industries eventually providing for employment opportunities. *Work to assure the success of the KSC / River Valley / Cheshire Career Center collaboration.*
- *Support and expand the presence of internships. Encourage employers to implement programs to subsidize college loan debt as an employment incentive.* Mr. Kopczynski stated the committee found that collaboration was necessary to work with employers and employees to work within the City of Keene to increase Keene's labor force.
- *Identify, promote and utilize incentive programs from the State and Fed Government.*
- *Create and implement efforts to promote Keene as a cultural, recreational, and tourist destination. Support downtown Economic Development programs.* This item has been stepped up by the Manager and Council with events such as Radically Rural.
- *Support the installation and expansion of high-speed internet. Plan for installation of conduit any time a street is excavated.* The plan is for staff to develop a plan for this item.
- *Promote diversity as a means to workforce growth.* Diversity and culture are paramount in the committee's mind.
- *Work to develop and expand the airport. Promote the development of public transportation.*

This concluded Mr. Kopczynski's presentation.

Toby Tousley of Washington Street commended the work that has gone into this item. He indicated he would like to offer some criticism about the issue with the airport and noted he does recognize the airport has been a “thorn” in the city’s side for quite a while but felt this should be expanded as part of this plan.

Ms. Landry in response to Mr. Tousley’s comment stated there is a study that is happening at the airport to figure out where people are spending their transportation dollars to provide services and expand the existing services at the airport.

The Chairman the read into the record the individuals who were part of the Economic Development Committee:

Councilor Mitchell Greenwald, Mayor Kendall Lane, Councilor Gary Lamoureux Councilor George Hansel, Tim Murphy, Phil Suter Southwest Region Planning Commission, Greater Keene Chamber of Commerce, Jack Dugan Monadnock Economic Development Corporation, Joseph Walier Walier Chevrolet, Jordan Benik People’s Linen, George Foskett BHG Masiello Real Estate, Bill Hutwelker BHG Masiello and Swanzey Selectman Keith Thibault Southwestern Community Services, Chris McIntosh Clark-Mortenson Insurance, Rebecca Hamilton Machina Arts, Elizabeth Dragon City Manager, City of Keene, Melinda Treadwell President, Keene State College Dominic Perkins Savings Bank of Walpole

Frequent Guests, Chris Coates- County Administrator- Rod Bouchard, Assistant County Administrator Medard Kopczynski, Staff Liaison, Director Economic Development, Initiatives and Special Projects.

Councilor Chadbourne made the following motion, which was seconded by Councilor Jacobs.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends adoption of the Economic Development Plan.

5. Request to Purchase City Property - 160 Emerald Street/Ashuelot Rail Trail

Asst. City Manager, Rhett Lamb and Public Works Director Kurt Blomquist were the next two speakers. Mr. Lamb stated he is before the Finance Committee to report back from the Bicycle Pedestrian Path Advisory Committee. He handed the committee several maps of the property located at 160 Emerald Street. Mr. Lamb stated the Bicycle Pedestrian Path Advisory Committee (BPPAC) spent quite a bit of time on this item and ultimately recommended the city retain this property recognizing that only recently it was confirmed the city owned this property. This land area is north of Davis Street, he also noted to the Shaldhu property, which is a narrow finger of land (improperly labeled on the map). The property Mr. Tousley is interested in is located on the west side at the intersection of Emerald Street where the property widens to a Y.

The BPPAC wants to make sure the city does not have any future use for this property. The Committee felt this could be an area to locate an information kiosk, a location for food trucks, green space area etc. There are interesting things happening on Emerald Street – arts corridor. The Committee did recognize the applicant has been using this property for a while. The committee suggested a lease of some kind should the council approve such a recommendation.

Mr. Tousley addressed the committee next. Mr. Tousley stated as much as he would like to purchase the piece he had originally proposed he would settle for the piece he was parking on. He stated the proposed area the BPPAC is referring to has approximately 100 feet in addition to the portion he is referring to. He felt the trailhead is counterproductive to what the city is proposing (having people drive to this area) and then getting on the path.

Mr. Tousley stated the bike path exists because of the beautiful downtown. He referred to the numerous tenants, which include a variety of businesses that occupy his building. He also noted to the fact that his is the only building that has a solar array. However, these businesses are in jeopardy because of lack of parking and added the bike path has already eliminated most of the street parking. Mr. Tousley added even if he was to get a lease for this parking he is afraid the city would someday take that away as well. He indicated what he is providing for on Emerald Street is everything the city envisions for its economic plan.

He referred to the risk he took with Tim Pipp when he initially got started and he is now the owner of Beez Tees. Mr. Tousley noted he has put in place items 1 and 2 outlined in the Economic Development Plan but stated he was concerned about parking and pointed out the area he is referring to is the ignored end of Emerald Street where parking has already been eliminated without any consideration given to his business.

The Manager stated Mr. Tousley makes a compelling argument as the city is looking to support existing businesses. She added it is easier to support an existing business than to bring in new ones. She indicated the council has a difficult task as the Bicycle Pedestrian Committee has a put in a lot of work, the work that they are doing is amazing, and it is an important part of this community. The Manager asked whether there is a compromise here – she was not sure what that was but it was worth considering.

Councilor Jacobs clarified the portion Mr. Tousley is proposing to purchase is the portion he is already using. Mr. Tousley agreed. He stated his original request to the State was a triangular piece from about six to eight feet from the bike path. Mr. Lamb noted the red outlined box on the map is based on aerial photography of the area Mr. Tousley has paved.

Councilor Clark suggested an easement – to sell the area that has already been improved to the petitioner with an easement for use of anyone who uses the trailhead. Mr. Lamb stated the BPPAC did bring up the issue with a trailhead but this was not part of the consideration as there is city parking that already exists in the vicinity.

Councilor Powers asked the City Attorney whether a lease versus an easement would be more prudent under these circumstances. Attorney Mullins stated a lease negotiated between the Manager and the petitioner would be appropriate and a lease could entail many options. The Councilor stated he is not inclined to sell the property at this time but would like to see Mr. Tousley continue doing what he is doing and solve some of the issues he is facing.

Councilor Jacobs stated he is in favor of selling the property as this type of issue has come forward in the past where an individual owns the building but the city owns the land and when the owner wants to make improvements to the building there is this negotiation that happens.

Mr. Blomquist stated this is an instance that happens often on city owned property in the right of way where people start using the property and as time goes by there is an assumption made about ownership of property.

Councilor Chadbourne stated she feels like Mr. Tousley made a compelling argument and felt there is enough buffer around the trailhead to accommodate any future vision the Bicycle Pedestrian Path Advisory Committee has and felt both can be accomplished. Chair Greenwald felt it was important to consider the recommendation from the Committee.

Councilor Clark stated an option for the petitioner and the city to be able to use this property needs to be considered. The property is paved and is being used but did not feel it needs to be sold at this time.

Chair Greenwald asked if a lease is being considered why the area could not be expanded. Councilor Clark stated there is greenspace and if the city starts encroaching on greenspace it is going to start losing its luster. Mr. Tousley stated he does not intend to take any of the greenspace away – just the area that is being used right now. He further stated with the expansion of Keene State College they do not have enough parking in the area and if this is turned into parking, it will not be for trailhead use it will be for college parking. He reiterated his fear of someday losing this area of parking with the city providing no notice to him. If it was a lease, he asked for a long-term lease.

Councilor Chadbourne stated she respects the recommendation from BPPAC but would not want to expand this area more than what exists right now. She felt a pocket park or a trailhead could be accomplished in the given area and as has been pointed out by staff there is parking elsewhere in this vicinity and people can always walk to this trail from that location.

It was clarified by staff Mr. Tousley plows this area currently.

The Chair asked for the Manager's input. Ms. Dragon stated what she is hearing is that Mr. Tousley is not opposed to a lease as long as it is a long term lease and felt this might

be a good compromise and this was also one of the recommendations from the Bicycle Pedestrian Path Advisory Committee.

Councilor Clark made the following motion, which was seconded by Councilor Powers.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends the City Manager enter into lease negotiations with Mr. Tousley.

Councilor Jacobs noted if the city in the future plans to sell this portion of land Mr. Tousley be provided with the right of first refusal. Staff agreed.

6. Acceptance of Donations - Holiday Sponsorship Program

Ms. Dragon stated this item is in reference to accepting donations and sponsor families for the holiday season. Natalie Darcey from Human Services coordinates the effort. Staff is looking for authorization from council to accept donations for the 2019 sponsorship program.

Councilor Powers made the following motion, which was seconded by Councilor Jacobs

On 4-0 vote, the Finance, Organization and Personnel Committee recommends the City Manager be authorized to accept donations associated with the City's 2019 Holiday Sponsorship Program.

Councilor Clark was not present for this vote.

The meeting adjourned at 7:43 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker

Additional edits by,
Terri M. Hood, Assistant City Clerk