

A regular meeting of the Keene City Council was held Thursday, July 20, 2017. In the absence of the Mayor, the meeting was called to order by the City Clerk at 7:00 PM. Roll called: Janis O. Manwaring, Robert J. O'Connor, Terry M. Clark, Randy L. Filiault, Thomas F. Powers, George S. Hansel, Gary P. Lamoureux, Stephen L. Hooper, Bettina A. Chadbourne, Philip M. Jones and David C. Richards were present. Carl B. Jacobs, Bartolmiej K. Sapeta, Robert B. Sutherland and Mitchell H. Greenwald were absent. A motion by Councilor Jones to appoint Councilor Richards as the temporary Chair was duly seconded. The motion passed with a unanimous vote in favor. Councilor Jones led the Pledge of Allegiance. A motion by Councilor Jones to accept the minutes from the July 6, 2017 regular meeting was duly seconded. The motion passed with a unanimous vote in favor.

ANNOUNCEMENTS

The Chair announced the Fiscal Policies Workshop was rescheduled to August 1, 2017 at 6:30 PM. He also reminded the Council that August 3, 2017 would be the last meeting prior to the summer break. The August 17, 2017 City Council Meeting will be canceled as well as the August 9 and 10 and August 23 and 24 Committee Meetings. The Committee meeting cycle will begin on August 30 and 31 followed by a City Council meeting on September 7, 2017.

PRESENTATION – TOOLS FOR KEENE'S ECONOMIC TOOLBOX: THE COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE (RSA 79-E) & ECONOMIC REVITALIZATION ZONES

The Chair recognized Rhett Lamb, Assistant City Manager/Planning Director, and Dan Langille, City Assessor, for the presentation. This presentation is about 2 tools from the economic toolbox that came out of the Economic Development Action Plan. The tools are the Community Revitalization Tax Relief Incentive (RSA 79-E) and Economic Revitalization Zones; both are State programs set up for communities to encourage investment in private property and economic activity. The programs require local involvement and can work in tandem in a comprehensive economic development strategy.

Mr. Langille explained that the 79-E is a temporary property tax relief program that seeks to encourage investment in "downtowns" and to rehabilitate under-utilized buildings in these areas. The temporary tax relief may be allowed up to 5 years for substantial rehabilitation. For new residential units, the tax relief will increase by another 2 years. The affordable residential unit projects and historic structures will add an additional 4 years to the benefit. The qualifying properties would need to be in designated areas and must provide a public benefit. The qualifying properties would be in or in close proximity to downtowns, town centers or village centers and would be on the State or National Historic Places Registry. The City has the opportunity to add restrictions as to what is an eligible structure, such as age, condition, occupancy and use.

The public benefit could be to enhance downtown economic vitality, or to enhance culturally or historically important structures. The benefit also extended to promoting preservation and the reuse of existing buildings, or promoting development of the downtown and/or increase residential housing in downtown. The City can also add additional criteria to the public benefit.

79-E may be used to replace existing structures, but cannot be used to develop vacant land. All applications must be approved by the governing body and will require a public hearing. The relief only applies to work that occurs after the application is approved.

Mr. Langille continued there are other communities in NH which have adopted 79-E. The communities are: Allenstown, Belmont, Berlin, Claremont, Concord, Derry, Durham, Exeter, Farmington, Franklin, Goffstown, Greenfield, Northumberland, Hampton, Hillsborough, Hooksett, Hopkinton, Laconia, Lebanon, Lisbon, Marlow, Moultonborough, Nashua, Newmarket, Peterborough, Pittsfield, Rochester, Somersworth, Stratham, Warner, Winchester and Wolfeboro. They are not all communities actively using 79-E. Of the 13 NH cities that have adopted the statute, only Manchester, Dover, Portsmouth and Keene have not.

Mr. Langille referred to some examples of how 79-E has helped in other communities. In Exeter, the New Sea Dog Brewing Co. Restaurant has qualified for 9 years of tax relief. It is anticipated an investment of \$1.4 million with about \$10,000 relief annually. This property is located in the Historic District. In Somersworth, the 44 Market Street Rehabilitation has qualified for 7 years of tax relief. It is a pub-style restaurant with 2nd floor apartments. In Newmarket, the old mills have 3.5 years of tax relief. The rehabilitation created 120 residential units with a combined commercial and retail space of 35,000 square feet. The pre-construction assessed value is \$1.8 million. In Concord, the Smile Office Building has 5 years of tax relief. It has been transformed from a 2 story building into 5 stories consisting of 100,000 square feet of commercial space and 50,000 square feet of residential space. This is an investment of \$26 million.

Mr. Lamb went on to explain where Keene may apply 79-E. He continued Keene has been using a variety of tools for many years like the Tax Increments Financing District and the CDBG program. The areas outside of the existing Tax Increments Financing District would be ideal due to the way the use of the TIF and 79-E. The areas determined to be qualifying properties are in the underutilized areas, areas ripe for redevelopment, the extension of downtown, as well as areas in need of historic preservation.

Mr. Lamb outlined policy considerations that the Council should think about. When infrastructure needs to happen in order to have development, then TIF is appropriate. The TIF builds the infrastructure to make the investments necessary to have development. The areas that have infrastructure currently with roads and utilities then 79-E is appropriate in that area. The 79-E gives the increment back to owner to re-develop the property. The tax break occurs for a temporary time.

In response to a question as to whether 79-E can be applied to more than one geographic area; Mr. Lamb stated it is an open question at this point. Recalling when the Mayor referred back the Marlboro Street Ordinances to be considered as part of the "downtown", Mr. Lamb noted the current thinking is to expand the downtown to this area. He continued the definition of what is our "downtown" may also change to be consistent with our Comprehensive Master Plan and other planning documents. In areas in and around the downtown it will be easier to apply the 79-E. And if we try to stretch this to other areas not connected to the downtown or areas that are not

developed, the City would need to rely on other types of programs outlined in the Comprehensive Master Plan such as a neighborhood activity centers or village activity centers.

In response to the question what are we trying to incentivize; Mr. Lamb noted the City should be focusing on business growth and job creation. These are the types of investment in our community that will benefit everyone and not just taxable value to the City. The Kingsbury property is a great example where there is a premium on redevelopment because of the circumstances of that property.

With respect to using 79-E for housing if it is related to the downtown area, such as Water Street or Dunbar Street, which are close enough to the downtown, but are only residential in nature; research to date has not found a community that has done exclusive residential neighborhoods, but that does not mean that it is not possible.

As mentioned by the City Assessor, criteria and policies will need to be developed for the 79-E process. Issues such as application standards, and whether or not there are thresholds that owners would need to clearly identify such as job development or square footage of the amount of change that is taking place. Also the period of the tax relief will need to be established by the City Council.

Mr. Lamb went on to discuss Economic Revitalization Zone. This statute was created to stimulate economic redevelopment by expanding the commercial and industrial base, jobs creation and increase tax revenues. The zone with a contiguous boundary that has within it: unused or underutilized industrial parks or vacant land or structures previously used for industrial, commercial, or retail purposes. The designation is completed by the City.

A business would apply for the ERZ Tax Credit. \$825,000 is designated statewide annually for ERZ Tax Credit. The maximum credit a business would be \$240,000 over a 6 year period. To qualify a business must: create at least 1 new full-time (35 hours/week) job; be physically located in the ERZ; and make investment and create a job within a calendar year. The more jobs they create the more of a credit they will receive. Once an ERZ is created the City is hands off and it is between the State agency and the business owner.

In New Hampshire, there are 200 ERZ's in 66 municipalities. Keene currently has 2 ERZ's: Black Brook Corporate Park and Black Brook North Park and adjacent properties. Swanzey has an active ERZ program.

Councilor Clark noted that the Black Brook is in the ERZ, and inquired if someone would be able to take advantage of more than one program, 79-E and ERZ. Mr. Lamb responded that he did not see any reason why both programs would not be able to operate cooperatively. 79-E is completed locally while ERZ is completed by the state.

Councilor Jones asked about ERZ getting private companies, such as gas companies, electric companies, etc., they all put an incentive package. Mr. Lamb stated they will need to do more research if it is something that can be done.

Councilor Hansel commented about the importance of both of these programs to encourage businesses to come to the area.

The Chair referred this presentation to the Planning, Licenses and Development Committee.

COMMUNICATION – JAMES GRIFFIN – SPEEDING CONCERNS – KEY ROAD

A communication was received from James Griffin requesting the installation of a speed hump on Key Road to address a problem of drag racing on Key Road. The communication was referred to the Municipal Services, Facilities and Infrastructure Committee.

COMMUNICATION – JOAN ROELOFS – SPEEDING CONCERNS – BEAVER STREET

A communication was received from Joan Roelofs requesting the installation of a speed hump on Beaver Street to respond to speeding concerns. The communication was referred to the Municipal Services, Facilities and Infrastructure Committee.

MSFI REPORT – GOOSE POND DAM IMPROVEMENTS – PRELIMINARY DESIGN CONCEPTS – PUBLIC WORKS DEPARTMENT

Municipal Services, Facilities and Infrastructure Committee report read recommending the City Manager be authorized to do all things necessary to implement the Goose Pond Dam Improvement Project as presented. A motion by Councilor Manwaring to carry out the intent of the report was duly seconded. The motion passed with a unanimous vote in favor.

MSFI REPORT – DEPARTMENT PRESENTATION: POLICE RECRUITING AND HIRING – POLICE DEPARTMENT

Municipal Services, Facilities and Infrastructure Committee report read recommending the report from the Police Chief be accepted as informational. The Chair filed the report into the record as informational.

MSFI REPORT – DEPARTMENT PRESENTATION: SCIENCE AND EQUIPMENT TROUBLESHOOTING REQUIRED TO OPERATE AND MAINTAIN WASTEWATER SYSTEMS – PUBLIC WORKS DEPARTMENT

Municipal Services, Facilities and Infrastructure Committee report read recommending the Public Works Department presentation be accepted as informational. The Chair filed the report into the record as informational.

PLD REPORT – KEVIN DREMEL – REQUEST TO USE CITY PROPERTY – KEENE MUSIC FESTIVAL

Planning, Licenses and Development Committee report read, recommending the Keene Music Festival be granted a street fair license to use downtown City rights-of-way for purposes of conducting merchant sidewalk sales, as well as use of City property on Central Square, Railroad

Square, and designated parking spaces on Main Street to conduct the Keene Music Festival on Saturday, September 2, 2017 from 9:00 AM to 10:30 PM. In addition, the applicant is permitted to close off a portion of Railroad Street, from Main Street to the westerly entrance of the Wells Street Parking Garage, and a portion of Church Street from Main Street to the entrance of the Vision Financial parking lot. This permission is granted subject to the customary licensing requirements of the City Council, submittal of a signed letter of permission from City Tire for use of their property, and compliance with any recommendations of City staff. In addition, the petitioner is granted use of the requested parking spaces free of charge under the provisions of the Free Parking Policy. The Petitioner agrees to absorb the cost of any City services over and above the amount of City funding allocated in the FY 18 Community Events Budget. A motion by Councilor Jones to carry out the intent of the report was duly seconded. The motion passed with a unanimous vote in favor.

PLD REPORT – PEG BRUCE/KIWANIS CLUB OF KEENE – REQUESTING PERMISSION TO DECORATE LIGHT POLES ON THE CENTER MEDIAN OF MAIN STREET

Planning, Licenses and Development Committee report read, recommending the Keene Kiwanis Club be granted permission to decorate the City light poles in the center median from the flag pole to the roundabout with LED lights from mid-October to early April, 2018. This permission is granted subject to the signing of a revocable license and indemnification agreement and the furnishing of a certificate of liability insurance in the amount of \$1,000,000 naming the City of Keene as an additional insured and that the Kiwanis Club assume responsibility for the maintenance of the lights during the display period. A motion by Councilor Jones to carry out the intent of the report was duly seconded. The motion passed with a unanimous vote in favor.

PLD REPORT – RON ROBBINS/KEENESNORIDERS- REQUEST TO USE CITY PROPERTY

Planning, Licenses and Development Committee report read, recommending the KeeneSnoRiders be granted permission to use the following locations on City property for a snowmobile trail: the right-of-way along the north side of Krif Road from Krif Court to Winchester Street; City property identified by tax map numbers 911-26-015, 909-04-012, 909-03-210 and 707-02-009; the crossing of Winchester Street at Krif Road; and, The crossing of Production Avenue approximately 200 +/- feet south of NH Route 9. As well as access to the Class VI Portion of the Old Gilsum Road starting approximately one mile from the Gilsum Town Line and going north, (“Premises”) for the following purpose: for a snowmobile trail, and under the following conditions:

Said use shall commence on December 15, 2017, and expire on March 30, 2018, and is subject to the following conditions: the signing of a revocable license and indemnification agreement; and the submittal of a certificate of liability insurance in the amount of \$1,000,000, naming the City of Keene as an additional insured.

In addition, the KeeneSnoRiders, Inc. will be responsible (including cost) for the installation and maintenance of all signage/markings, which will be in accordance with Snowmobile Trail Standards published by NH Department of Resources and Economic Division of Parks and Recreation; that all signage/markings installed shall be removed from the City right-of-way and

City property when there is no longer any snow cover, no structures, including buildings, shelters, lights, displays, walls, etc. shall be permitted with the City right-of-way or on City property; no parking of motor vehicles or trailers and no catering servicing activities of any kind shall be permitted within the City right-of-way or on City property; grooming shall not extend outside the right-of-way of Krif Road, snow windows shall be groomed to provide adequate sight distances and a gentle sloping approach at all road and driveway intersections; no part of the City Street (paved surfaces) may be used by off-highway recreational vehicles (OHRV) or their operators for any purpose, other than direct crossing; and that KeeneSnoRiders, Inc. shall be responsible for the repair of any damage (including costs) and the City right-of-way and property shall only be used when there is snow cover. A motion by Councilor Jones to carry out the intent of the report was duly seconded. The motion passed with a unanimous vote in favor.

PLD REPORT – LAND USE CODE UPDATE PHASE II - PLANNING BOARD/PLANNING, LICENSES AND DEVELOPMENT COMMITTEE

Planning, Licenses and Development Committee report read, recommending the City Council move forward with phase 2 of the Land Use Code Update including an RFQ for the creation of a Unified Development Ordinance and the development of a Form-Based Zoning District in the downtown. A motion by Councilor Jones to carry out the intent of the report was duly seconded. The motion passed with a unanimous vote in favor.

FOP REPORT – ACCEPTANCE OF DONATION – SUMNER KNIGHT CHAPEL – PARKS, RECREATION, AND FACILITIES DEPARTMENT

Finance Organization and Personnel Committee report read recommending the City Manager be authorized to do all things necessary to accept a donation of \$264.00 and that the money be used by the Parks, Recreation and Facilities Department. A motion by Councilor Powers to carry out the intent of the report was duly seconded. The motion passed with a unanimous vote in favor.

FOP REPORT – CLEANING SERVICE CONTRACT – PARKS, RECREATION AND FACILITIES DEPARTMENT

Finance Organization and Personnel Committee report read recommending the City Manager be authorized to do all things necessary to execute a contract with S.J. Services, Inc. for custodial services at multiple City facilities. Funds are available from Accounts: 01328, 01329, 01335, 11000, 10000 and 08006-62201. The base amount of this contract (not including floor care) is \$77,964.00 with a second year option at the same pricing. A motion by Councilor Powers to carry out the intent of the report was duly seconded. On showing of hands, 11 Councilors were present, 8 voted in favor and three opposed, the motion carried. Councilors Clark, Filiault and Richards voted in opposition.

FOP REPORT – BANKING SERVICES CONTRACT - FINANCE DEPARTMENT

Finance Organization and Personnel Committee report read recommending the City Manager be authorized to do all things necessary to negotiate and execute a banking services agreement with Mascoma Savings Bank to provide general banking services to the City for five years, with a two

year extension at the City's sole option. A motion by Councilor Powers to carry out the intent of the report was duly seconded. The motion passed with a unanimous vote in favor.

**FOP REPORT – AIRPORT ENGINEERING, PLANNING & ARCHITECTURAL SERVICES
– CONSULTANT SELECTION – PUBLIC WORKS DEPARTMENT**

Finance Organization and Personnel Committee report read recommending that DuBois & King Inc. be designated as the City's Airport Engineer of Record for various projects and other technical support at the City's Airport. A motion by Councilor Powers to carry out the intent of the report was duly seconded. The motion passed with a unanimous vote in favor.

**FOP REPORT – MONADNOCK FAMILY SERVICES/MONADNOCK COMMUNITY
SERVICES CENTER PROPERTY – PUBLIC WORKS DEPARTMENT**

Finance Organization and Personnel Committee report read recommending the City Manager be authorized to do all things necessary to develop and execute a purchase and sale agreement with Monadnock Family Services/Monadnock Community Services Center for the property at 11 93rd Street for \$38,000. A motion by Councilor Powers to carry out the intent of the report was duly seconded. The motion passed with a unanimous vote in favor.

**FOP REPORT – DEPARTMENTAL PRESENTATION: BEHIND THE SCENES – IT
DEPARTMENT**

Finance Organization and Personnel Committee report read recommending the acceptance of the presentation of “behind the scenes” from the IT Department as informational. The Chair filed the report into the record as informational.

FOP REPORT – HANGAR LEASE - AIRPORT DEPARTMENT

Finance Organization and Personnel Committee report read recommending the City Manager be authorized to do all things necessary to assign the current land lease agreement of Carl B. Thomas and Betty L. Thomas to Christopher J. Norton. A motion by Councilor Powers to carry out the intent of the report was duly seconded. The motion passed with a unanimous vote in favor.

CITY MANAGER COMMENTS

The City Manager thanked the IT Department for their “behind the scenes” presentation. It was interesting on how they keep the City safe from the standpoint of intrusion and making the computer systems continue to operate. The City Manager went on about the revitalization of the Downtown area. There are 3 more trees that will need to be removed in front of Citizen's Bank next to Timoleon's. The process that will occur would be to remove the trees and to remove the curbing to put in pavers, pending no issues are found. Conversations with property owners will occur. The City Manager went on to the needed repair of crosswalks with a similar style in front of City Hall, pending the cost.

MORE TIME

More time was granted by the Chair for: Paula Sousa – Overnight Parking on Middle Street.

ORDINANCE O-2017-10: RELATING TO CHAPTER 102 - ZONING ORDINANCE –
ACCESSORY DWELLING UNIT

A memorandum was received from the Acting Health Director along with Ordinance O-2017-10. The memorandum was filed into the record. Ordinance O-2017-10 referred by the Chair to the Joint Planning Board/Planning, Licenses and Development Committee.

FOP REPORT AND ORDINANCE O-2017-12: RELATING TO PERSONNEL
PROCEDURES – PERFORMANCE BONUS

Finance, Organization and Personnel Committee report read recommending the adoption of Ordinance O-2017-12. The report was filed as informational. Ordinance O-2017-12 was read for the second time. A motion by Councilor Powers for adoption of the Ordinance was duly seconded. On a roll call vote, with 11 Councilors present and voting in favor, the motion carried. Ordinance O-2017-12 declared adopted. Councilors Jacobs, Sepata, Sutherland and Greenwald were absent.

FOP REPORT AND RESOLUTION R-2017-12: RELATING TO THE REALLOCATION OF
BOND PROCEEDS FROM THE FY 15 REHABILITATION PROJECT (90249)

Finance, Organization and Personnel Committee report read recommending the adoption of Resolution R-2017-12. The report was filed as informational. Resolution R-2017-12 was read for the second time. A motion by Councilor Powers for adoption of the Resolution was duly seconded. On a roll call vote, with 11 Councilors present and voting in favor, the motion carried. Resolution R-2017-12 declared adopted. Councilors Jacobs, Sepata, Sutherland and Greenwald were absent.

ADJOURNMENT

At 8:06 PM, there being no further business, the Chair adjourned the meeting.

A true record, attest:

City Clerk