

ADOPTED

City of Keene
New Hampshire

COLLEGE CITY COMMITTEE
MEETING MINUTES

Monday, October 23, 2017

4:00 PM

2nd Floor Conference Room

Members Present:

Darryl Masterson, Co-Chair
Bart Sapeta, Co-Chair, City Councilor
Bettina Chadbourne, City Councilor
Phil Jones, City Councilor
Dick Berry
Chris Cusack
Paula Jessup
Kelly Ricaurte
Dottie Morris
Marcia Kayser
Bryanna Weigl

Staff Present:

Tara Kessler, Planner
Kim Schmidl-Gagne

Members Not Present:

Robin Picard
Joshua Jarvis, Alternate

1) Call to Order

Co-Chair Masterson called the meeting to order at 4:04 PM and roll call was conducted. Katheryn Glosser, a student majoring in journalism at KSC attended as a guest.

2) Approval of Minutes – September 25, 2017

Ms. Kayser noted a correction on page 5, where it states, “Ms. Kayser reported that the Inclusiveness and Diversity Subcommittee discussed...” should be corrected to state, “Ms. Kayser stated that in her opinion there should be some framework to do some problem solving after a crisis, for healing purposes”.

Mr. Cusack noted a correction on page 5, second paragraph, last sentence the word, “exiting” should be changed to “exciting”.

Councilor Chadbourne made a motion to adopt the minutes from September 25, 2017 as amended. The motion was seconded Mr. Berry, which carried unanimously.

3) Informational Presentation on NH RSA 79-E Community Revitalization Tax Relief Program

Ms. Kessler began the presentation providing a brief overview of the state law NH RSA 79-E and what would be available to the City if this law was adopted. She explained that 79-E

is a temporary property tax relief program that seeks to encourage investment in “downtowns” and to rehabilitate underutilized buildings in these areas. Ms. Kessler noted that 79-E was not a grant opportunity.

Ms. Kessler provided the following statutory limitations with respect to RSA 79-E. NH RSA is a temporary tax relief incentive that is adopted and administered at the local level, by the municipality. The RSA allows a community to grant up to 5 years of tax relief for substantial rehabilitation of an existing, qualifying building. A municipality may choose to allow for extensions to this relief period for specific types of projects. For example, a community may add up to 2 years of tax relief for new residential units; up to 4 additional years of tax relief for affordable residential units; and/or up to 4 additional years of tax relief for historic structures.

Substantial Rehabilitation is defined by the RSA as rehabilitation costs that equal either a minimum of 15% of the pre-assessed valuation or \$75,000, whichever is less. A community may choose to establish higher thresholds for what is considered Substantial Rehabilitation.

For a structure to be eligible for this tax relief, it must be located in an area designated for 79-E. The RSA states that 79-E can be applied only to downtowns or town centers. In addition, the proposed rehabilitation must be proven to provide at least one of the following public benefits. However, a community may choose to define the public benefit differently than the RSA.

- Enhance downtown economic vitality
- Enhance culturally/historically important structures
- Promote preservation and reuse of existing buildings
- Promote development of downtown
- Increase residential housing in downtown

This tax relief cannot be applied to the development of vacant land; however, it can be used to projects that replace existing structures. All applications for this tax relief must be reviewed and approved by the City Council. A public hearing will take place on the application following its submission. The tax relief would only apply to work that occurred after the application was approved.

Ms. Kessler noted that 79-E was only available in designated areas and that the City would have to determine where 79-E should occur. The NH state statute specifically states that 79-E must occur in downtowns, town centers or village centers. Mr. Berry asked how downtown was defined. Ms. Kessler replied that the statute noted that the area must be designated as a downtown via the Zoning Ordinance, or the City could designate these areas in its Master Plan. Ms. Kessler said that one of the goals of 79-E was to encourage revitalization of underutilized areas and also to encourage historic preservation.

Co-Chair Masterson asked what the City of Keene has typically designated as downtown. Ms. Kessler referred to a map indicating that the Central Business District, is Keene’s primary downtown district and this consists mostly of Main Street from the roundabout to Central Square. She reported that there were recently three new zoning districts adopted in the Marlborough Street corridor. The three new zoning districts are Residential Preservation, Neighborhood Business and Business Growth and Re-Use. She explained that the intent statements of these zones refer to them as extensions of the downtown so that these areas would be potentially eligible for 79-E.

Ms. Kessler stated that 79-E was an application based process and if this was adopted in the City of Keene, the applications would be submitted to the City Council. The City would then need to develop criteria for which the City feels there is a public benefit demonstrated. Each

application would be reviewed on a case by case basis in order to make sure that it is a qualifying structure, located in the designated area, providing a public benefit and has an appropriate tax relief period.

Ms. Kessler noted that there are limitations with 79-E when replacing an existing structure. She explained that this may occur when it has been determined that a building has no cultural or historical significance and is decided that a new structure would provide more of a public benefit.

Ms. Kessler referred to a map indicating the areas in the downtown area where 79-E might apply. She indicated Central Square on the map and referred to the red area on the map that is the downtown TIF District (Tax Increment Finance District). Councilor Jones stated that there is a conflict in that these districts are reliant on the increment in the taxable value of properties to go back into TIF to make improvements to the TIF. Ms. Kessler stated that if 79-E is adopted in the TIF area it would be in conflict because it would be putting a hold on that incremental increase on value for a period of time and property would not be contributing to the TIF. She stated that the TIF for the most part is located in the Central Business District.

Ms. Kessler reported that there were currently 32 communities in New Hampshire that have adopted 79-E. She noted that many of the communities have not processed any applications. Ms. Kessler reported that 9 of the 13 cities in New Hampshire have adopted 79-E with the exception of Manchester, Dover, Portsmouth and Keene.

Ms. Kessler provided examples of the communities that have adopted 79-E. These examples include Exeter, Somersworth, Newmarket and Concord. Ms. Kessler reported that in all of the examples she provided, the developer/owners are quoted as stating these projects would not have been possible without 79-E.

Ms. Kessler stated that a good location for 79-E seemed to be in the proposed Business Growth and Re-Use Zoning District, and Neighborhood Business Zoning District. She noted that these areas were located along the Marlboro Street corridor and significantly underutilized areas.

Ms. Kessler said that some of the questions the community will have to ask are as follows:

- **Where should it be applied in Keene?**
 - What is the impact of overlapping with a TIF district?*
 - Can it apply more than one geographic area?*

- **What are we trying to incentivize?**
 - Residential/Commercial Development*
 - Rehab of Historic Structures*
 - Multi-family housing verses single family*

- **What review criteria should apply?**

Councilor Chadbourne asked what the City Council would be determining with 79-E. In addition, she asked if a multi-family home could be converted back to a single family home or vice a versa. Ms. Kessler replied that the City Council would be determining if a structure is a qualifying structure, if the proposed work provides public benefit, and the tax relief period granted to a property owner. She explained that the City Council would adopt the program at the local level, establish the criteria and hear the applications locally. Ms. Kessler stated that she would

need to check with the City Attorney to find out if a home could be converted back to a single or multi-family.

Councilor Jones stated that he has researched the legislative process on 79-E and the answer to Councilor Chadbourne's question about going from a two-family to single family residence, is that the application must meet certain criteria. He stated that there are two criteria that must be met. How does it benefit the community? Does it increase the rate of variables?

Ms. Kessler said that it was important for communities to determine there is a public benefit and that the value of the improvement is going to give the community a return that is significant enough to warrant relieving a tax increase for a period of time.

Ms. Kessler reported that 79-E has been introduced to the PLD, placed put on more time and will come back before the PLD in November for further discussion.

Councilor Jones stated that the maximum tax relief parameters are set by the state. Councilor Jones asked if these perimeters are set in place once the zone is created or if they are created on an individual basis. Ms. Kessler replied that the perimeters are created when the City Council establishes 79-E.

Co-Chair Masterson asked if the applicants had to ask for the number of years of tax relief. Ms. Kessler replied that she believed the applicants request the period of relief, however, she will have to confirm this answer.

Co-Chair Sapeta stated that there seemed to be some overlap with neighborhoods that the Neighborhood Revitalization Subcommittee is dealing in regards to the parameters of 79-E. He asked Ms. Kessler if she aware of any neighborhoods that are beyond that boundary that are close to the college in need of investment. Ms. Kessler replied that she was could not answer that question. Co-Chair Sapeta asked if the CCC could recommend to the City Council to extend those zones. Ms. Kessler replied that the statute requires 79-E to take place in a downtown area. She explained that the City of Keene adopted the three new zones as an extension of the downtown and the challenge would be looking beyond those areas to be considered a downtown area. Councilor Jones stated that the zone could always be amended.

Mr. Cusack asked how 79-E would be used in a Residential Preservation District. Ms. Kessler replied that it would have to show public benefit. In addition, she said that it would be a lot harder in the Residential Preservation Zone to determine the public benefit when trying to convert from a multifamily to a single family home. Mr. Cusack said that he questioned the fairness of 79-E for private property housing.

Ms. Kessler reminded the CCC that the City Council has yet to define the parameters of 79-E and that there would be a public hearing at which members could attend.

The CCC thanked Ms. Kessler for the presentation.

4) Subcommittee Updates

a.) Neighborhood Revitalization

Co-Chair Sapeta reported that the Neighborhood Revitalization Subcommittee has not met since the last CCC meeting and would provide an update at the next CCC meeting.

b.) Inclusiveness & Diversity

Ms. Kayser reported that Inclusiveness and Diversity Subcommittee has not met since the last CCC meeting and would also provide an update at the next CCC meeting. Ms. Schmidl-Gage distributed copies of the Keene College City Commission Report and Recommendations to the CCC for review for the next CCC meeting.

5.) New and Other Business

Councilor Chadbourne reported that there was a Resolution before the City Council that deals with immigration and Keene being a sanctuary city. She noted that this was on more time and was in the process of being vetted by the City Attorney.

In addition, Councilor Chadbourne reported that Councilor Mitchell Greenwald brought a Resolution to the City Council that stated Keene is a city that supports diversity and does not tolerate hate crimes or bigotry. She reported that this Resolution was passed unanimously and that she would bring a copy to the next meeting.

Co-Chair Sapeta asked the CCC to review both drafts of the recommendations from the Neighborhood Revitalization Subcommittee and the Inclusiveness and Diversity Subcommittee for the next CCC meeting. The CCC agreed to have a final copy from both subcommittees available in December.

Ms. Glosser stated that she was doing a story on the immigration and refugee proposal for KSC TV. She asked Councilor Chadbourne if she would be willing to sit down for an interview. Councilor Chadbourne replied in the affirmative and provided Ms. Glosser with her contact information.

Ms. Kessler reminded the CCC that President Treadwell and Mayor Lane will be at the next CCC meeting.

The CCC agreed to make a decision at the next CCC meeting if a CCC meeting would be held December.

Councilor Jones requested that someone from KSC attend a CCC meeting to look at the capital plans for KSC due to all of the changes that have occurred at KSC. Ms. Schmidl-Gagne stated that the best time would to set-up a meeting of this nature would be in the spring.

6.) Next Meeting

The next meeting will be held on Monday November, 27 2017 at 4:00 PM and the location has yet to be determined. Ms. Kessler and Ms. Schmidl-Gagne stated that they would work together to coordinate meeting space and then email the location to the CCC members.

7.) Adjourn

Hearing no further business, Co-Chair Masterson adjourned the meeting at 5:23 PM.

Respectfully submitted by,
Jennifer Clark, Minute Taker

Reviewed and edited by Tara Kessler, Planner