

BUDGET REVIEW COMMITTEE

March 21, 2016

Public Hearing

A public hearing was conducted by the Budget Review Committee for the full Board of Aldermen on Monday, March 21, 2016, at 6:30 p.m. in the Aldermanic Chamber.

Alderman-at-Large Richard A. Dowd, Chair, presided.

Members of Committee present: Alderman-at-Large Lori Wilshire, Vice Chair
Alderman-at-Large Brian S. McCarthy
Alderman-at-Large Michael B. O'Brien
Alderman Sean M. McGuinness
Alderman David Schoneman
Alderman Ken Siegel

Also in Attendance: Alderman Benjamin Clemons
Alderman Don LeBrun

**AUTHORIZING THE MAYOR AND CITY TREASURER TO INCREASE THE
BOND AUTHORIZATION FOR ROAD AND TRAFFIC IMPROVEMENTS ON
AMHERST STREET BETWEEN CHARRON AVENUE AND DIESEL ROAD AND ISSUE BONDS NOT TO
EXCEED THE AMOUNT OF ONE MILLION FOUR THOUSAND DOLLARS (\$1,004,000)**

As provided for in NRO 5-28, Mayor Donchess and Mr. Stephen Dookran, City Engineer, gave a brief explanation on Resolution R-16-010.

Mayor Donchess

We sponsored legislation last term to bond \$550,000 for this project which received unanimous support but after that we put this out to bid a couple of times and we could not get a bid for the budgeted amount at that time. Now we have increased the bonding authority to \$1 million roughly and the total project cost will include \$550,000 which has previously been accepted by the Board of Aldermen and now \$62,000 in the companion legislation R-16-011. In general the project is designed to solve a significant traffic problem on Amherst Street near the Whole Foods at Charron Avenue to eliminate the necessity for the jug handles for the movement of traffic so that more traffic can be handled with ease and so that people will not have to make the very difficult maneuvers that are now required, for example, coming out of Charron Avenue. We want to make it easier for people.

Mr. Stephen Dookran, City Engineer

The project begins about 450' west of the Charron Avenue Intersection and Amherst Street in order to allow to develop a separate right turn onto Charron Avenue. As you approach Charron Avenue we start the work back about 350' on Charron Avenue towards Amherst Street. The westerly jug handle will not be eliminated completely. We would alter the traffic patterns there to have two left turns out of Charron Avenue. There would be one dedicated left turn and one dedicated to left and right. As you move down towards the other jug handle that will be eliminated completely allowing for lefts onto the plaza with Whole Foods on the full left from Amherst Street into the plaza with Aldi's. In the same way left is out of those plazas will now be accommodated. That's the biggest change we will see in that area. We will continue down and finish the work up at Diesel Road. I would be happy to answer any questions.

Alderman Schoneman

Has the scope of the project changed between what was designed before and what is designed now?

Mr. Dookran

No, there are no changes.

Alderman Schoneman

I'm curious then why the cost estimate was as far off as it appears to be.

Mr. Dookran

The initial amount I think was around \$1 million and that was an estimate provided by a firm that did the planning of the area and I don't think they considered how complicated it was. As you get into the design you see more and more what you are dealing with. There are utilities that have to be relocated and dealing with the traffic and the accesses to the plazas. It was only after we got the bids that we got a true estimate. The original planning project budget was developed at a planning stage.

Alderman Schoneman

So we have bids in-house now that can complete this job within the scope of the prices listed here, is that correct?

Mr. Dookran

That's correct.

Alderman Schoneman

Have you chosen someone yet?

Mr. Dookran

Yes, we had two bidders and the low bidder was \$1.4 million and the high bidder was almost \$1.9 million.

Alderman Schoneman

So we are going with the \$1.4 million?

Mr. Dookran

That's correct.

Alderman Schoneman

The original cost estimate was about \$1 million and now we are at \$1.4 million.

Mr. Dookran

No, you have add on top of that construction, what it costs for construction phase services and we have counted in contingency just in the event that we run into more unknowns. The Overall cost for construction is \$1.655 million.

Alderman Schoneman

The contribution from the local businesses was how much and are we contemplating possibly raising it?

Mr. Dookran

Yes. The original contributions were \$445,000 and they are now adding another \$62,000. Those two numbers don't include the original amount that they paid for the design engineering of \$105,000. So, the total contribution is \$612,000.

Alderman Schoneman

The City of Nashua received the benefit of that design engineering, is that what produced this design?

Mr. Dookran

The City of Nashua has always experienced traffic problems and growing traffic issues and yes, their contributions will have been addressing those traffic problems.

Alderman LeBrun

The two right hand turns coming out of Charron Avenue, and then you are going to have the right hand turn in the left lane is going to come down to a light to go into Whole Foods, you are only talking about a distance of about 350' there. You've got people coming out of the wrong lane trying to get over there then you are going to have a problem.

Mr. Dookran

It's what the engineers came up with. You have two right turns like you do today and you no longer have to deal with the traffic that is trying to get over to the jug handle because now those rights will be making their rights when you have the east bound traffic on Amherst Street stopped.

Alderman LeBrun

But you now have the opposite problem. Instead of going through the jug handle you said that they would be able to come down to the light and make a left hand turn to go into Whole Foods so you have the opposite problem.

Alderman Dowd

There are more lanes now. There's a special turning lane to get into Whole Foods that doesn't block the two lanes that are going through on Amherst Street and there's also a right hand lane for turns into the Aldi. There are four lanes and the traffic coming out of Charron that wants to go into Whole Foods I don't think it's going to be that drastic.

Alderman Siegel

If I might address Alderman LeBrun's concerns, because this came up at the prior term and also before the Board of Public Works, just so you know that because traffic engineering felt there was enough queuing depth, which is really the issue, when the right turn is happening that light is green and the other light is red and there won't be an on-flow of traffic. If what you are concerned about is the short distance that you have to cross to get into that turn lane, they addressed that by saying there was enough queuing depth that that is not a problem and

that because the light is against the traffic coming in there won't be swinging against active traffic flow.

Alderman McCarthy

I would suggest though that on Charron Avenue we have some signage that indicates that you need to be to the left most right turn lane if you are headed for Whole Foods. I think people will get used to it quick enough.

Alderman Siegel

I believe that you are probably correct, that's my personal opinion; my intention was only to share what the explanation was last term. I'm sure we are going to have to massage this a bit.

Mayor Donchess

Another mitigating factor is that right now in that little stretch between Charron Avenue and the Whole Foods area you've got a bunch of that traffic are people that have turned right from Charron with the intention of actually going west. Those people would no longer be in that section of road because they will now be able to make a left hand turn so a good portion of that traffic will be eliminated.

Alderman Clemons

The jug handle to the north end is not changing to a two-way; it's still a one-way so if you wanted to get to say Burger King or one of the offices behind there would you have to make a U-turn?

Mr. Dookran

Yes you would.

Alderman Clemons

But if you were coming from Charron Avenue you could not go straight across though, you would have to take a right and then a U-turn.

Mr. Dookran

Yes.

Alderman McCarthy

No because when you make the left turn coming out of Charron Avenue you can get into the jug handle that access Burger King.

Alderman Dowd

There is an entrance off of Amherst Street.

Alderman Clemons

I know that there is a fire access or something in between where Ruby Tuesday and Whole Foods is now but that's closed right now. I don't know if the property owner closed that or if the city put that gate up but that's something that should probably be looked into because that would help to ease that flow over there.

Mr. Dookran

There is some history of the emergency access. When the plan was first put together for Ruby Tuesday's that emergency access was required because the neighborhood back there complained about cut through traffic and then when it got opened up the neighborhood started using it so they never complained after that. However, when Whole Foods came back they had to conform to the original requirements of the plan and therefore they closed it again. I understand that there are discussions about seeing if it can be opened up again.

Alderman Clemons

I think that is something that should be figured out before the construction is done on this.

Alderman Dowd

The Planning Board's stipulation said it had to go back to the Planning Board to have that opened up. We've already discussed that as part of the project.

Alderman O'Brien

Charron Avenue is a major fire lane for fire apparatus response out of the airport station, is there going to be a new light there with the Opticon System that exists right now to assist the fire department and is that included in the price? When the construction is going on is consideration given to that particular station house so for east bound response, if the fire company chooses to go through that construction site?

Mr. Dookran

All of the intersections have Opticon's and if it has to be redone it will be redone. We will contact that fire house to find out what their needs are and provide for those needs.

TESTIMONY IN FAVOR – There was none.

TESTIMONY IN OPPOSITION – There was none.

TESTIMONY IN FAVOR – There was none.

TESTIMONY IN OPPOSITION – There was none.

The public hearing was declared closed at 6:48 p.m.

Alderman Dave Schoneman
Pro-tem Committee Clerk

BUDGET REVIEW COMMITTEE

MARCH 21, 2016

A meeting of the Budget Review Committee was held Monday, March 21, 2016, at 6:49 p.m. in the Aldermanic Chamber.

Alderman-at-Large Richard A. Dowd, Chair, presided.

Members of Committee present: Alderman-at-Large Lori Wilshire, Vice Chair
Alderman-at-Large Brian S. McCarthy
Alderman-at-Large Michael B. O'Brien
Alderman Sean M. McGuinness
Alderman David Schoneman
Alderman Ken Siegel

Also in Attendance: Alderman Benjamin Clemons
Alderman Don LeBrun

PUBLIC COMMENT - None

NEW BUSINESS – RESOLUTIONS

R-16-010

Endorsers: Mayor Jim Donchess
Alderman Richard A. Dowd

AUTHORIZING THE MAYOR AND CITY TREASURER TO INCREASE THE BOND AUTHORIZATION FOR ROAD AND TRAFFIC IMPROVEMENTS ON AMHERST STREET BETWEEN CHARRON AVENUE AND DIESEL ROAD AND ISSUE BONDS NOT TO EXCEED THE AMOUNT OF ONE MILLION FOUR THOUSAND DOLLARS (\$1,004,000)

MOTION BY ALDERMAN MCGUINNESS TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Schoneman

We have an authorization already for \$550,000, is that correct.

Chairman Dowd

Yes.

Alderman Schoneman

So this is going to increase; it's not an increase of \$1 million, it increases it to \$1 million. I was hoping that perhaps the Mayor or Mr. Dookran – I know there are two companion pieces here. My question is in the beginning we were getting roughly half of the money from the businesses located nearby and now it's no longer half. I am wondering if someone asked them for that.

Chairman Dowd

I was at that negotiation with the Mayor. We knew that they were totally strapped with the amount of money they were giving us initially. We had conversations with them and we were able to get them to donate an additional \$62,000 and that's stretching their limits to the max. The project has a substantial private

partnership, which if we had to this project ourselves it could have happened in less than a year we would be paying for the entire amount so this is a great opportunity to have this public/private partnership and have \$600,000 plus paid for by private funds.

Alderman Schoneman

When this initially came up these businesses were paying 50% and the question was asked if the price goes up, and a lot of times the price of these things do go up, if they would be willing to contribute to stay in the 50% partnership. While get the third is good, I never liked the idea that we advocate on behalf of folks like these and tell everyone at home how strapped those folks are and assume that the folks at home aren't strapped. I saw the diagram and I think it's a good improvement to the area but I don't want to let it go with the implication that folks at home aren't strapped too and that any kind of fairness or any kind of good deal requires that it be good for everybody and I would have hoped that when they came in and said they were going to do the 50% that that would have continued to this point.

Chairman Dowd

When the initial pricing was done they had a hard time coming up with the half. We actually weren't sure that they would come up with anymore but after negotiating with them in the Mayor's office we were able to get another \$62,000. I can tell you that the Mayor and myself thought that we got as much as we could get from a private partnership and we had to move this meeting up because we want to get the construction started and we wanted it to come before the full Board tomorrow night.

Alderman Siegel

I am in favor of this because I think this is an excellent example of a public/private partnership. I am sensitive to what my colleague, Alderman Schoneman is saying, however there is no magic 50% - 50%. The city is reaping a substantial benefit to resolve a problem that's been long standing so not only are we enabling a business which is going to be of significant tax paying business but we are solving a fairly significant problem in doing it with a pretty hefty contribution from the businesses involved. There is a certain point that you can say fairness but there's also a certain walk away point that says okay, I need to be fair as a business too so we will do nothing; which is entirely within the scope of the decision that they could make. It's a heck of a lot of money for a private business to put out for something like this.

Alderman McCarthy

I would echo much of Alderman Siegel's comments. When we looked at doing impact fees, the state actually allows us to take from the developers for development; it has to do with proportional use of the roadways that are being built and maintained and if you look at the traffic on Amherst Street the new businesses certainly do not constitute 50% of the traffic load, they are simply the last guys to get there and therefore the straw that broke the camel's back. That doesn't mean they have to bare the entire cost of doing that; they are entitled to develop their properties. I would also point out that what you are looking at is a bunch of very undervalued lots right now that will have businesses on them. This is a \$400,000 uplift in the bond cost which will work out to be about \$30,000 a year us which will probably be offset by the tax revenue that we will see on those properties. In one sense we are just financing it on behalf of the private industry anyway and they will ultimately bear the freight for it.

Alderman O'Brien

I totally support this project, I think it's something that is definitely going to add better traffic in that area but my question is I guess this is a one shot fee basically charged to the businesses for them to contribute to this type of project. I wonder if we may in the future take a look at that when we negotiate with businesses and maybe come up with some form of a payment plan if a business cannot afford the 50% that is being requested at a particular time.

Alderman Schoneman

I think it's a good project. My only point was when this was sold in the beginning and I know it was last term; it was sold as they are coming in to give us 50%. Maybe the answer to that in the future is not to claim a percentage but just to say we are donating "X" amount of money because that would solve the issue and then the city would understand that if the costs go up then it's largely borne by the city.

Chairman Dowd

The cost increase was a couple of things. It was one, when they did the initial planning the companies involved in that type of construction were struggling for getting jobs and by the time it came to go out to bid they weren't struggling. The other thing was that they planned to do a lot more of the work during the day and they are still doing daylight work but then we told them they had to shift to night because of the traffic on Amherst Street. It affected the bid and the Mayor and his staff went through every line item on there to see where we could cut the cost and it's a project that will be fully completed and get all of the main points done and wherever costs could be saved they were saved.

Alderman McCarthy

Just to address Alderman O'Brien's point, I don't know if we have ever done multiple year payments for new contributions but what we have done in the past, particularly for D.W. Highway, is to have a fund for general improvements and make people who are building or get people to donate to that fund before the camel's back breaks so that when it does, everybody who is on the camel has put something in to buy a new one. I don't know that we have one for Amherst Street because I don't know that we anticipated that much more development there but I actually think we are getting a pretty good deal on this. Even if that lot stayed empty, at some point in the future we would be doing improvements to that because just the increased traffic that comes from the restaurant communities is going to get that to be a failure very soon.

Alderman Clemons

This is an investment that benefits both the city and the private developers but particularly in the sense that doing these improvements is going to increase the value of those properties thereby increasing that tax revenue that we get from them. I think it's a win/win.

Alderman Schoneman

Again, my complaint was only that it was touted as being 50%, it was sold that way. In the future let's just not sell it that way. I fully realize the benefit and it's a good project.

Alderman McGuinness

We could not have as a city force a contribution; this is largely a voluntary contribution. As Alderman McCarthy said, these folks have every right to develop their properties. It was probably the art of persuasion to get these folks to contribute; there was no obligation as far as I know. I think it was very good negotiations on the part of those involved and just as a reminder, we can't force anybody to contribute to these things.

Alderman LeBrun

I totally support the project and it's long overdue and I think it will benefit the area. My concern is always are we sure we are doing it the proper way so that we don't have to come back in five years and find out we did something wrong and have to redo it.

Chairman Dowd

It's been well studied.

Alderman McCarthy

I will just point out that we often can force developers to put in contributions. Much smaller than the ones we can get with sugar.

MOTION CARRIED

R-16-011

Endorsers: Mayor Jim Donchess
Alderman Richard A. Dowd
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman Don LeBrun
Alderman Sean M. McGuinness

RELATIVE TO THE ACCEPTANCE AND APPROPRIATION OF UP TO AN ADDITIONAL \$62,000 FROM THREE PROPERTY OWNERS AS CONTRIBUTIONS TOWARD THE ROAD AND TRAFFIC IMPROVEMENTS ON AMHERST STREET BETWEEN CHARRON AVENUE AND DIESEL ROAD

MOTION BY ALDERMAN MCGUINNESS TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Chairman Dowd

I assume there are no questions on this one because this is where we get the free money.

MOTION CARRIED

PUBLIC COMMENT – None

REMARKS BY THE ALDERMEN

Alderman Schoneman

There is no free money, it comes from somewhere; it's a resource that is spent once and then it's gone and while I am glad to accept and I do so gratefully and I appreciate the nature of your comment, I just want to be clear.

Chairman Dowd

Yes, that was probably the wrong terminology, it was meant to mean contribution. The original plan that these contractors had was to spend a certain amount of money just to get an exit out of their current development and it was just going to make things ten times worse on Amherst Street and when we talked to them they volunteered to take the money that they were going to spend and put it towards this and then we were able to get money from the other businesses in the area. We got just about every penny that we could get.

Alderman Schoneman

Whether we got every penny or not is fine but for what we did get I think the city should be grateful and I am grateful.

Alderman LeBrun

Why did Aldi put their sign up literally out on Amherst Street when that area is going to be renovated and they are only going to have to move it anyway?

Chairman Dowd

Where their sign is located is already in the plan, everything is going to be built around it and it's not going to interfere.

POSSIBLE NON-PUBLIC SESSION

ADJOURNMENT

**MOTION BY ALDERMAN SIEGEL TO ADJOURN
MOTION CARRIED**

The meeting was declared closed at 7:07 p.m.

Alderman Sean M. McGuinness
Committee Clerk