

BUDGET REVIEW COMMITTEE

AUGUST 12, 2020

A meeting of the Budget Review Committee was held Wednesday, August 12, 2020, at 7:00 p.m. via teleconference.

Chairman Dowd

As Chairman of the Budget Review Committee, I find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic and in accordance with the Governor's Emergency Order #12 pursuant to Executive Order 2020-04, this public body is authorized to meet electronically.

Please note that there is no physical location to observe and listen contemporaneously to this meeting, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, I am confirming that we are:

a) Providing public access to the meeting by telephone, with additional access possibilities by video or other electronic means:

To access Zoom, please refer to the agenda or the City's website for the meeting link.

*To join by phone dial: 1 929 205 6099 - Meeting ID: 845 2242 0014
Password: 422796*

The public may also view the meeting via Channel 16.

b) Providing public notice of the necessary information for accessing the meeting:

We previously gave notice to the public of the necessary information for accessing the meeting, through public postings. Instructions have also been provided on the City of Nashua's website at www.nashuanh.gov and publicly noticed at City Hall.

c) Providing a mechanism for the public to alert the public body during the meeting if there are problems with access:

If anybody has a problem accessing the meeting via phone or Channel 16, please call 603-821-2049 and they will help you connect.

d) Adjourning the meeting if the public is unable to access the meeting:

In the event the public is unable to access the meeting via the methods mentioned above, the meeting will be adjourned and rescheduled. Please note that **all votes** that are taken during this meeting shall be done by **roll call vote**.

Let's start the meeting by taking a roll call attendance. **When each member states their presence, please also state whether there is anyone in the room with you during this meeting, which is required under the Right-To-Know Law.**

Alderman Jette called the roll and asked them to state the reason he or she could not attend, confirmed that they could hear the proceedings, and stated who was present with him or her.

The roll call was taken with 6 members of the Budget Review Committee present:

Alderman Richard A. Dowd, Chairman
Alderman-at-Large Ben Clemons, Vice Chair
Alderman Jan Schmidt
Alderman Ernest Jette
Alderman-at-Large Lori Wilshire
Alderwoman-at-Large Shoshanna Kelly

Members not in Attendance: Alderman-at-Large Michael B. O'Brien, Sr.

Also in Attendance: Mayor James Donchess
Deputy Attorney Corporation Counsel Leonard
Tim Cummings, Director of Economic Development
Alderman Skip Cleaver
Alderman Patricia Klee
Alderman Tom Lopez

ROLL CALL

Chairman Dowd

Present, and I can hear everyone and I am alone practicing social distancing.

Alderman Clemons

I am here, I can hear everybody, I am at home alone.

Alderman Schmidt

I am present, I can hear everyone and I am in the room alone.

Alderman Jette

Alderman Jette is here, I am staying safer at home, I can hear everyone and I am alone.

Alderman Wilshire

I am here, I am alone and I can hear everyone.

Alderwoman Kelly

I am here, I am alone, I can hear everyone and I am practicing social distancing.

Alderman Jette

Alderman O'Brien is not with us this evening because he's ill.

Chairman Dowd

And we also have several other members with us this evening, Alderman Cleaver, Alderman Lopez, Alderman Clemons, Alderman Klee. Did I miss anyone? Also in attendance is Deputy Attorney Corporation Counsel Leonard, Director Tim Cummings, the Mayor. I think I got everyone. Ok. Is there anyone that would like to provide any public comment at this point? Mr. Melville?

PUBLIC COMMENT –

Drew Melville Sorry about that, I had to unmute myself. This is Drew Melville; I am here with Peter Flotz as attorney for Melville Group. I am (inaudible) discussion tonight. I am with Melville Law, I am alone in a room here in Satellite Beach, Florida. I have been quarantining since March.

Chairman Dowd

Ok, thank you very much. Anyone else that would like – yes Bob?

Bob Keating 5 Coburn Woods. I am alone.

Chairman Dowd

Alright, anyone else for public comment? Alright - there being no objections I would like to suspend the rules to allow for the introduction of a communication that was received after the Agenda was prepared and presented at last night's Board of Aldermen meeting. It is from Treasurer Fredette. Did everyone get a copy? We are going to take that up this evening; there was some confusion about where that Legislation should have gone.

COMMUNICATIONS

There being no objection, Chairman Dowd suspended the rules to allow for the introduction of a communication that was received after the agenda was prepared and presented at last night's Board of Aldermen meeting.

From: David G. Fredette, Treasurer/Tax Collector

Re: Purchase replacement for one (1) 2019 Ford Police Interceptor Utility vehicle from FY2021 Capital Equipment Reserve Fund (CERF)

MOTION BY CHAIRMAN DOWD TO ACCEPT, PLACE ON FILE, AND APPROVE THE PURCHASE OF A 2020 FORD POLICE INTERCEPTOR UTILITY VEHICLE IN THE AMOUNT OF \$49,516.50 TO BE TAKEN FROM THE CERF ACCOUNT AND AWARDED TO MUNICIPAL VEHICLES OF MARLBOROUGH, MA, BY ROLL CALL

ON THE QUESTION

Chairman Dowd

This is a vehicle that in July a Police Cruiser was involved in an accident and it was totaled. Since it is not a normal replacement of a vehicle, it had to come back to the Board of Aldermen. So I am asking that we authorize this and then the contract for the new vehicle will be awarded at Finance next Wednesday. Any questions or concerns on that? Alderman Jette?

Alderman Jette

This request is because of an accident that occurred, unanticipated where a Police Vehicle was totaled? This is not, I remember that when we voted on the budget there was a motion to pay, I can't remember the number, a certain amount of money to the Police Department and to get that money, we took away from them a couple of vehicles. This isn't one of those vehicles?

Chairman Dowd

It isn't one of these vehicles and the Mayor has put some money in CERF to cover the cost of the vehicle. That was part of the Agenda last night actually. I think, I am not sure what Committee that went to but probably Finance. So the money is being put into CERF and then we are authorizing the money to come out of CERF. Finance next Wednesday will award the contract to Municipal Vehicles, Marlborough, Mass. Right now we just have to approve the motion that I just made. Any other concerns or questions? Seeing none, would the Clerk please call the roll?

A viva voce roll call was taken which resulted as follows:

Yea: Alderman Clemons, Alderman Schmidt, Alderman Jette, Alderman Wilshire
Alderwoman Kelly, Alderman Dowd 6

Nay: 0

MOTION CARRIEDUNFINISHED BUSINESS

MOTION BY ALDERWOMAN KELLY TO REMOVE FROM THE TABLE RESOLUTION R-20-028 AUTHORIZING THE CITY OF NASHUA TO ENTER INTO A MASTER DEVELOPMENT AGREEMENT WITH LANSINGMELBOURNE GROUP, LLC., BY ROLL CALL

A viva voce roll call was taken which resulted as follows:

Yea: Alderman Clemons, Alderman Schmidt, Alderman Jette, Alderman Wilshire
Alderwoman Kelly, Alderman Dowd 6

Nay: 0

MOTION CARRIED

- Discussion relative to the School Street parking lot

Chairman Dowd recognized Economic Development Director Tim Cummings.

R-20-028

Endorsers: Mayor Jim Donchess
Alderman-at-large Michael B. O'Brien, Sr.
Alderman-at-large David C. Tencza
Alderman Richard A. Dowd
Alderman Linda Harriott-Gathright
Alderman Patricia Klee

AUTHORIZING THE CITY OF NASHUA TO ENTER INTO A MASTER DEVELOPMENT AGREEMENT WITH LANSINGMELBOURNE GROUP, LLC.

Chairman Dowd

At this point in time, we are going to be discussing two items of business. One of them is going to be an appraisal, the other is going to be a planned communication from Attorney Leonard. So at this time we are going to go into non-public.

MOTION BY CHAIRMAN DOWD TO ENTER INTO NON-PUBLIC SESSION FOR TWO REASONS. FIRST, RSA 91-A:3 II (d) FOR THE PURPOSE OF THE CONSIDERATION OF THE ACQUISITION, SALE, OR LEASE OF REAL OR PERSONAL PROPERTY WHICH, IF DISCUSSED IN PUBLIC, WOULD LIKELY BENEFIT A PARTY OR PARTIES WHOSE INTERESTS ARE ADVERSE TO THOSE OF THE GENERAL COMMUNITY; AND SECOND UNDER RSA 91-A:3 II (l) CONSIDERATION OF LEGAL ADVICE PROVIDED BY LEGAL COUNSEL, EITHER IN WRITING OR ORALLY, TO ONE OR MORE MEMBERS OF THE PUBLIC BODY, EVEN WHERE LEGAL COUNSEL IS NOT PRESENT.

ALDERMAN JETTE SECONDED THE MOTION

Chairman Dowd

We will be coming back after the non-public portion to discuss the project in public. But right now, anyone that is not an Alderman or City Government is going to be put outside the meeting by Nashua CTV and we will bring you back as soon as we are done discussing the non-public. The motion has been made and seconded, would the Clerk please call the roll?

A viva voce roll call was taken which resulted as follows:

Yea: Alderman Clemons, Alderman Schmidt, Alderman Jette, Alderman Wilshire
Alderwoman Kelly, Alderman Dowd 6

Nay: 0

MOTION CARRIED

The Meeting came out of non-public and the regular meeting resumed.

Chairman Dowd

We are back in Public Session and we are discussing the Motion O-28-028 authorizing the City of Nashua to enter into a master development agreement with Lansing Melbourne Group LLC. We are just this evening going to ...

Alderman Clemons

Should we make a motion to seal the minutes?

Chairman Dowd

Oh sorry, you're right. Can I have a motion to seal the minutes of the non-public?

**MOTION BY ALDERMAN CLEMONS TO SEAL THE MINUTES OF THE NON-PUBLIC SESSION
MOTION SECONDED BY ALDERMAN SCHMIDT**

A viva voce roll call was taken which resulted as follows:

Yea: Alderman Clemons, Alderman Schmidt, Alderman Jette, Alderman Wilshire
Alderwoman Kelly, Alderman Dowd 6

Nay: 0

MOTION CARRIED

Chairman Dowd

So before we get started we are going to, this evening, listen to a presentation by Director Cummings. The City is soliciting inputs from this meeting, we are not going to take final action on this Motion this evening. It will come back to us at a later time, probably not too much later I would think. So with that being said, Director Cummings?

Tim Cummings, Director of Economic Development

Thank you, Mr. Chairman, and for the record, Tim Cummings, Director of Economic Development for the City. As just mentioned, the goal this evening is to make sure that we are marching down a path where we have consensus and we are going to be looking to solicit your input. I think it's only fair to make sure that we are being fair and equitable to the private sector as well as to the public sector in terms of trying to put a deal together and make sure we have consensus with all the various parties based off of the term. So my plan this evening is to, and I am going to start to share my screen if I may Mr. Chairman.

Chairman Dowd

Yes.

Director Cummings

So my plan this evening is to walk you through a PowerPoint Presentation I put together basically recapping where we were in April. I talk about what we've done over the last few months in terms of a status update and tell you what we have done to try to progress this project and then ultimately open it up for conversation so we can hopefully have a facilitated process that brings us to an approval. Before I continue, I know the Mayor would like to say a few words so if I could, Mr. Chairman, I'd like the Mayor to speak before I continue on.

Chairman Dowd

Mayor?

Mayor Donchess

Well thank you Mr. Chairman. I just wanted to give you a few thoughts and perspective on this project. You know, I live about walking distance from downtown, up Concord Street off to the left a couple of blocks. On a recent morning, I think it was post-COVID, I had gotten in my car and drove downtown, it was kind of early the sun was kind of still low to the sky and I see a young woman, casually dressed, blue jeans, walking a little black and white dog, you know, with the bag of dog waste. I've not seen that very often before and I have lived here, up here for a long time. I've seen more frequently now, there was a guy, you know, various people. What does that tell us? It just made me sort of kind of amazed, you know? The nature of the downtown is changing and it is getting better. We have people who want to live downtown now and who are living. So it's a living, breathing community; people walk their dogs. The trouble is there is not a lot of places to live especially for young people who are looking for a pretty nice apartment, not very big. It's difficult for them and there aren't many places. I mean we have Lofts 34 but those are bigger apartments. We've certainly got a lot of very valuable downtown residences there and I see them when I walk by there all the time. But those are 2 bedrooms, 3 bedrooms, you know, they are bigger units.

We, I think as a City, as a Board of Aldermen, Mayor, Board of Aldermen as a City Government, I think we share the value that we want downtown to be place of life and action and a place that people want to be. We've done a lot to, over many decades to try to make that the case. I mean we know for reasons that we can get into that all downtowns are very important to any City. I know from meetings with the U.S. Conference of Mayors, I mean every Mayor is focused on their downtowns; big cities, little cities, whatever, everyone is very focused.

One time, because downtown symbolizes the community and means so much to the image and the prosperity, the well-being of the entire and I once went to a design seminar, you know, two days where people presented various design issues to other Mayors and various design professionals. We presented the Riverfront and the Riverfront neighborhood. One Mayor was from Oklahoma I think, actually it was Colorado, a big city, bigger than ours with no downtown. His design problem was trying – and he was very committed, you know, because they didn't have a downtown, they just have a bunch of roads. They were trying to establish a downtown, but as he talked through this thing, very, very difficult to get a downtown if you don't have one.

It is our history, it is where the City started, it's where we have beautiful architecture. Now we have worked together in this vein both for a long time and recently. I mean we decided when COVID-19 hit that we would expand outdoor dining to help the businesses and to strengthen downtown in the face of a very difficult crisis. We worked together, we worked very quickly and we did that. Were there risks? Yes. Hadn't you been told, you know, there will be traffic disaster, it will be just gridlock from here to the highway if we close down a lane of Main Street, but we did it anyway because we understood the importance of it. Now I am sure you all have been down there since we did that, a major success, major success. My wife and I sit out there, in the outdoor dining say on Pearl Street. I am facing East Pearl in front of Stella Blu, you know sort of facing the west. Cars are going by slowly, a lot of people around, the tables are pretty full. It's almost like a feeling of joy come to me when that happens. All of a sudden, the whole feeling of the place is changed. It is much more pedestrian friendly, people like to be there, people who were never there before are there now.

Michael Buckley has said that we saved businesses down there; I am sure we did. We can build on this. We can build on this and through this project bring more people because we all know that what we need are more dog walkers down there. We need people to actually live there and patronize, who don't just drive in. This is what we need, this is what the businesses need. Now we are going to talk about a different alternative that we have developed in response to the concerns of some of the neighbors and there's other alternatives we can propose. But I believe that this is a moment of truth. I mean I was there the day that Ed Brice walked into City Hall, sat down in the Mayor's Conference Room, the one we have now and we had nothing. We had no Clock Tower, no Cotton Mill, no Lofts 34, nothing, these mills were dying. Algorex just had dead storage where Clock Tower is, you know, windows falling out. And he said, we can qualify you for a HDAG Grant which I was aware of at the time, HDAG was Housing Development Action Grant. The program was ending, but we can qualify. And I said, well the City is too affluent and he said, well we can use the neighborhood, the demographics of that census track which is still the poorest census track in the State of NH. Really? Really? That, I will never forget that moment, because Ed Brice is smart and knew HUD, he understood the strategy, he knew what to do and he changed the course of Nashua's downtown on that day.

We worked with the Senate, with Senator Rudman we worked later with John Stabile, with Bernie Streeter, I can get through the whole story, but we got two successive HDAG Grants, \$23 million dollars and we converted a decrepit, dying mill into the first downtown housing in decades. I believe we are at that moment again. Why? Because we know that the conversions work, we know that the conversions work but those are easier projects to do for various economic reasons. The Historic Tax Credit being a big part of it. This is the first time, like Ed Brice's visit to City Hall; this is the first time someone has ever come in and said, I can build quality housing from the ground up, in a central business district without a Government Subsidy. I can do that. No one in over 100 years has been able to accomplish that. If we do this project, it will be the first. We can create a new day for Nashua's downtown. This will be the first of many projects and we can make – as much as we have seen Nashua improve, the downtown through our joint efforts, we can see more improvement, we can see more people. We can make it more pedestrian friendly, a place where people really want to come and live and enjoy themselves; a part of our City that will boost the entire community.

We can talk about the economics of it and how this will grow the tax base and all that. But really more important is just improving the quality of life and changing and improving the character. Now we have talked about affordable housing, this is of course an issue. But the City is equally committed to developing more affordable housing just two blocks away at the Bronstein Apartment. We have been pushing the Housing Authority on that for literally years and they have worked with us on that and they have done a good job.

Because the abutters have developed or have had reservations on the parking issue, we have developed an alternative to discuss with you, get your feedback. That alternative is that we would establish public parking on the first level, City controlled, City owned meters, whatever we want, parking on the first level, a public parking lot underneath the housing. With the design features that would need to be done, it would be about 50 to 52 spaces instead of 78 or whatever is there now, but we know we can add 20 spaces on the street, Factory Street. We have had engineering look at it, we can show you kind of the rough ideas, but Factory Street, School Street, High Street, you put all that together, about 20 street spaces added. So we suffer a net loss of 8 or 10 spaces, that's it. And we'd have public parking right across from the arena. But we need to devote the funds, the \$900,000.00 plus the \$1.3 million that would be sufficient to cover the cost. We'd have to maybe float a short-term bond but that income and a little bit of the taxes would cover the cost. We can do that.

Are there other alternatives? We could use the money to establish affordable housing component within the project. But then we wouldn't get the public parking. But I do say, this is the moment like when Ed Brice came in. We have a chance to create a new day for Nashua's downtown if we can just come to a consensus as to how to make this project successful. And with that, I'll go back to Tim.

Chairman Dowd

Director Cummings.

Director Cummings

Thank you, Mr. Chairman, thank you Mayor. So again I am just going to quickly go through a PowerPoint slide to one- remind folks where we were in the conversation and then talk a little bit about what we have done recently to try to

Chairman Dowd

Full screen?

Director Cummings

Yes, I can bring this up to full screen if that makes it easier for everyone to see. I also want to take the opportunity to introduce Peter Flotz, the perspective developer for this site is with us this evening along with his attorney. At a certain point I am going to hand it off to him to talk about some of the reasons why he is interested in working with Nashua and then for him to discuss a very high level concept in terms of the design that he has provided. I will continue driving and I will have control of the slide deck, but I will ask Mr. Flaotes to narrate through the differing diagrams as necessary so he can speak in better detail than I could on the thought process.

I will begin my comments by echoing what the Mayor just said which was Main Street is very different today than it was just six months ago. We have narrowed Main Street and I can't tell you over the years how much I have heard folks say, you can never do it, it's not going to happen. And I was very subtle, very quiet, very much trying to shift the culture of this community because I knew it could happen. Unfortunately, the pandemic hit and that necessitated the change. I think this is a positive externality that occurred for us and it took a little trust on the Board of Public Works, on the Board of Aldermen's part. But you know, we knew we could do it, we had confidence and it has turned out to be very successful. A similar type of mindset, I am going to ask you to take this evening, which is you know, we are doing things a little forward, a little bit progressive. But we are using best practices, we are trying to move Nashua in the right direction. I have confidence that we are doing it the best way possible.

With that orientation being said, the last time I was before you on this topic was in April when we filed the Legislation which is a Master Developer Agreement, essentially a P&S to sell the School Street Parking lot, some 80-ish parking spaces, surface parking between School and High Street as outlined on this parcel.

This is not a new topic we have discussed this at length, in fact it is in my operational goals for my department for the last few years, as one of our top goals. We put an RFP out onto the street back in 2017 and this Board of Aldermen issued a piece of Legislation saying that you were interested in putting this parcel out for development in 2015/2016. So you know we have been working on this for a long time and one – I am pleased to say that we are actually being able to make some positive progress on it.

So the developer, Peter Flotz and his team put together a very high-level concept design for us. You've got to understand that there isn't going to be a lot of spending of money on details until we actually have a deal in place. I think we can all respect a developer not wanting to invest too much resources up front because there is considerable risk especially when you are dealing with the public sector and trying to build the consensus necessary. But we have a very high-level schematic of what was thought or contemplated and I just want to say for the group, very much a design conversation is thought out in the Master Development Agreement. It is understood that we will play a role in the design and by no means is this at the end of the day what it is that we would get. I believe we have a developer who is very community minded, who would want to work with us on the design standpoint.

Relative to the deal itself, the Master Development Agreement in terms of the major takeaways, we were talking about 150 apartments with a \$900,000.00 purchase price. I have outlined that we had a Design Review Process in the agreement. There is \$100,000.00 set aside on the City's part. Mainly it was thought of looking at how we could use it to benefit the public, particularly how to look at maybe creating a road dyad on School Street or High Street for that matter. But nonetheless being used in a way to benefit the public overall so it wouldn't necessarily benefit the developer directly in terms of subsidizing them in this project, but enhancing the project to make it better, more pedestrian friendly, a beautification type aspect.

The developer indicated that there was a willingness to pay \$1.35 million over five years to provide future parking. That is what I refer to as a payment in lieu of; providing parking on site, that's predicated off of up to 150 parking spaces being set aside which we would agree to for 50 years at \$50.00 a month for the first 10 years and then going to whatever the market rate is for the subsequent years. We are looking at like \$90,000.00, add 150 parking spaces, per year. The development date for the outside of this agreement was originally set for the end of February. So those were the high-level water marks about what we were talking about that the Legislation before you contemplate.

In my PowerPoint presentation last time, I did provide a sampling of differing merchants, restaurants, you know, local stakeholders in the downtown, some abutter some not about what it was that they thought about the project; mainly to dispel the notion that people were opposed to the project. I know there has been some of that being suggested. I took the opportunity to just kind of compare at a very high level what we thought the future value would be predicated off of some comparable. It kind of gives you an idea that the yearly taxes we could benefit on this project would be somewhere between \$430,000.00 per year.

Relative to the current parking revenue that we get on average, it's something like \$20,000.00 and relative to the usage of the High Street parking garage, it is pretty fair to say that it is only used about 20% to 25% of the time. So that is what we have seen in terms of recent study. Housing, you know, I think it is pretty fair to say that we all know that we have a considerable need for housing and that was one of the reasons why we were electing to go towards a multi-family developer.

Ultimately, what this is showing you and this is more something Director Marchant hits upon, we need housing particularly in this area and we need market rate housing as we have discussed previously. Housing stock of all types is necessary, but what we know is we need more housing to slow the trend of how the rents have been increasing. At the conclusion of that meeting, it was pretty clear that this body wanted us to meet with the abutters, develop some sort of thought process or consensus if we could to hear their concerns, try to incorporate their concerns into the project, verify the price and make sure that what we were getting was fair and reasonable, answer miscellaneous questions and ultimately provide more education on terms of the deal or the transaction at hand.

So we met with the abutters over a course of a few meetings; the Mayor has participated in some, I in others. We heard their concerns and I think ultimately it is going to bring about a better project for the City. What was very clear is there is a desire by the abutters for the creation of more parking, both on and off street where, how, you know, we would need to discuss the details on that but their opinion is that we don't have enough parking. I respect and understand that so they were suggesting that the loss of 80 spaces would be detrimental. So we understand that, we heard that, we will work towards that achieving those goals. Making pedestrian improvements such as crosswalks enhancements, providing improvements to the High Street Garage, lighting, safety, some more unique type of ideas were discussed and the onus of some of this would be on the private sector, you know, valet type service, maybe drop zones, providing the regulations and what not to have some drop off spaces for the merchants or for the downtown stakeholder that may have an interest in that. Ultimately, they would need to facilitate the valet service.

A concern on employee parking in terms of where their employees park and making sure that their employees had adequate access. Some of the abutters wanted specific lease arrangements to make sure that they were protecting their specific interests. I know the City has done that previously, I've indicated that is something that we would absolutely be willing to do again. I know, for instance, as a recent example the hospital used to lease a parking space from the City over off of East Hollis Street. We eventually sold that parking lot to them but nonetheless we have, from time to time, leased not just parking spaces but entire parking lots. And you know I know from meeting with Harbor Homes this is something very much that they are interested in. I have had some very productive conversations with them to try to advance that goal that they have.

There was also an idea about a bus or a chauffeur type service for customers. It was represented that the High Street Garage, although it seems nice and in theory plausible, it would be difficult for some of their customers to use that facility without having some sort of chauffeur type service or bus transport. When I first heard that notion I thought it was a little eyebrow raising but I do understand the perspective of that you have customers that have handicap accessibility issues, maybe seniors, so the point was well taken and I understand that is very much a concern that we would have to work through.

Ultimately what we worked towards is adding some additional on-street parking somewhere in the vicinity of 20 to 30 spaces that would be between School, High and Factory Streets. We would be looking to add parking around the Courthouse Oval. We can do that by allowing parking within some of the lanes that have been shut off currently as well as knowing we want to eventually square that area off, make it more pedestrian friendly, get rid of that urban renewal design that is currently there and with the squaring off of the Courthouse Oval, provide more on-street parking. Ultimately make pedestrian friendly type of improvements to make sure access is much friendly, easier and then ultimately what we heard loud and clear was, you know, 150 parking spaces in the High Street garage just seemed to be a little bit too untenable. And so what the thought process would be and we've had conversations with Mr. Flotz is that we change the design, we raise it up a floor and the first floor would be public parking; 50ish parking spaces is what we had been talking about.

To do that, the developer said that he would still be only interested in using the High Street Garage for the parking for that building so that first floor would not be leased it would be truly public parking but there would be an associated cost for this. It would be about \$2.5 million dollars which we would have to understand that we would be taking that on. At this time, Mr. Chairman, I am going to exit my PowerPoint. I am going to just pull up some slides if I may from what Peter has provided me in terms of what this site could look like. Can you see this on my screen now or are you still seeing the PowerPoint Presentation?

Chairman Dowd

Yeah it is still the PowerPoint.

Director Cummings

Ok bear with me for one second. I am pulling it up now and with that being said, Mr. Chairman, I'd like to yield to Peter Flotz for him to introduce himself, talk a little bit about his company, talk a little bit about "Why Nashua" and then ultimately talk a little bit about the design that we are contemplating right now.

Chairman Dowd

Sure. Mr. Flotz?

Peter Flotz Thank you Mr. Chairman. My name is Peter Flotz, I am the managing principal of Lansing Melbourne Group. We are consultants and developers focused these days primarily on public/private partnerships mostly in multi-family. We have three particular sort of centers of activity for our company. One is where I live here in Fort Lauderdale, Florida. Another one is in the Charlotte, North Carolina market where we are particularly active right now. And the other is in Southern New Hampshire. I am a bit embarrassed that I don't have quite the speech that the Mayor had, but I am learning, hopefully in another 20 years I'll be able to give one like that. But the passion that he displays for downtown redevelopment is one that we certainly try to undertake in our actual investment and we have invested about \$85 million dollars in Manchester in the last 2 and a half years. You may have seen the parking facility and mill redevelopment that we did at the southern end of the mill yard there in Manchester, the gigantic stainless-steel screen that you can see now from the riverside. That was a build to suit that we did, we acquired that mill and provided a new administrative building and finance center for SNHU. Similar to here, that was the first ground up building permit in the mill yard in 125 years.

We also have the distinction of doing the second building permit in 125 years. We are about to finish a Hilton Hotel in the Manchester Mill Yard. We are planning on opening in about 5 weeks. It is a great time to open a hotel but we are going to move ahead anyway, we have no choice at this point. We are also in negotiations right now with Manchester for a couple of hundred market rate units in a very, very similar configuration on a city parking lot. Derry has asked us to come look at a project they want to do along the old railroad right of way. And we've been in Dover in the past and they have recently asked us to start looking at a site that they have, again a city parking lot that could be redeveloped in some form in the future, multi-family.

As the Mayor said, this is what everybody is looking for is sort of the somewhere for young people to stay downtown, to anchor them in your town, to keep them from moving away, keep them from drifting out to the suburbs and then ultimately off the grid for the growth and sustainability of your City. In Charlotte we have about 400 units under construction right now. We are about to break ground on another 1,000 in four more projects. All of those are partnerships in one way or another with cities. Some of them involve in the city of Kannapolis which interestingly enough was a mill town that put a lot of the mills in New Hampshire out of business 100 years and got their just desserts and their mills failed about 15 years ago. Kannapolis had a guy in there who torn down 6 million square feet of mills which was horrible. But the town ended up owning the entire downtown when he was done with it. So we are down there right now building high density multi-family to bring people downtown and then we bought three entire blocks of historic buildings that we have – in six months we have leased 90% of the space all to local folks. We are underwriting their credit quite a bit, taking a little chance on the local folks there. But the downtown is now thriving, we have rented to real estate offices and lawyers and accountants and barbers and hair salons and the like. It's great, it's like Main Street, USA.

In that project, the City brought \$12 million dollars to the table to pay for the parking under the building in order to make it economically viable and we did a fairly good job there where we got Goldman Sachs to invest \$50 million dollars with us and they are now coming in and asking us to do more which is why we are doing more projects. Fort Lauderdale, similar, we have in the traditional African American neighborhood we have assembled three blocks where we are going to be doing a 450 unit multi-family project, there the City is making some investments with us also on the parking side.

All of those are market rate by the way, none of those are in any way shape or form subsidized housing of any sort. We are trying to attract young professionals who want to be in an active, vibrant downtown. So with that, I guess Tim you want me to run through these couple of alternatives. Would you reach on the other one first?

Director Cummings

I don't have that loaded up Peter. This is

Mr. Flotz Alright so we will stick with this one. So originally as Tim said there was an RFP in 2017, we responded to the RFP. The original request from the City that we responded to was for multi-family development on this parcel. There was nothing in the RFP at the time about providing public parking so we didn't assume we needed to. We came up with originally a hotel concept and then we found that the market for multi-family was really, really getting strong and the hotel market was honestly weaker than we thought it would be just primarily because of the inventory you already have. And so we came up with a concept to the put a building on the ground, use the site as it was about 157 units is what we ended up with. And the concept being as Tim showed you with the numbers, the High Street garage is empty. We wanted to figure out a way to fill it and we felt pretty comfortable in an urban environment that our residents would feel more than happy walking across the street to go park.

The alternative you see in front of you on the screen is one that we've come up with in the last couple of weeks where what we have done is pulled the building up. What you are looking at is the southside of the building, so along School Street. There is a Courtyard and Plaza, that originally was sitting down on the ground and what we have done is we have pulled up into the air, created a monumental stair that comes up into and welcomes people into the building on that side. So some vegetation growing on walls and some decent brick work along there to make it kind of feel like an urban edge. And then create parking underneath it. It lowers the amount of apartments that we have because we lose part of a floor so we are at about 144. It creates this stair issue going up to the Plaza, but we think that's a feature, it doesn't have to be a negative.

Tim, do you want to go through plans at all and kind of show...

Director Cummings

If you could just very quickly just kind of run through and I am going to have this fit the screen here but you could talk a little bit about how you'd make it work from this view.

Mr. Flotz Ok so what we have done is we have worked on minimizing the things that are on the ground floor that relate to the residential building so that there's the most possible space available for parking. We have managed to fit 50 spaces on this ground floor, leaving enough room for a entry lobby with elevators and then along the right side which is behind the social clubs there, is the service quarters that we need for things like electrical vaults, fire pumps, elevator pumps, electric rooms, telephone rooms, cable rooms and all of that type of thing that come with a dense building like this.

You can see cutting through sort of the right of center towards the lobby there is that stair that you saw on the other sketch. We want to look at, once we get into the details, one of the things we want to do is look at creeping the building a little bit down towards School so that we can create more of an urban edge on the northside and have some kind of gallery. We've talked about some art space and the like along the front of the building, the northside of the building to create something interesting as you are walking by it. This would be 100% public parking. You walk in and out of there, the same way you would in the parking lot today except that your car is in the dry, it's not either baking in the sun or getting frozen from rain in December.

If you want to scroll further, I don't know what else is in this set, so I am shooting blind a little bit here. Ok that's the same one just bigger. And then this is a typical floor, just showing you the unit layouts and the like. We've gotten pretty far in this. Part of the reason that we are able to react quickly on things like this is just because of the volume that we are doing right now.

We know the units that people in this demographic like to rent and so we are trying to assemble those like Legos basically into a building and get the best yield that we can. So Tim, with that, I don't know if you wanted to look at the other one or not, it is going to be the same thing just a lower plasma.

Director Cummings

No I don't think so, Peter. I am going to stop sharing my screen now and go back to my PowerPoint if I may Mr. Chairman. I apologize, I couldn't incorporate that level of design into my PowerPoint. So if I could Mr. Chairman, I am just going to quickly walk through here some of the higher-level concepts to be able to move this conversation forward. So the original proposal talked about the things I discussed just a few moments ago. I have highlighted in yellow some of the major elements that would be changing to go with this alternative scenario. And I am looking for direction in terms of how and which way you'd like to go. And the new design as just discussed raises the building up and includes 50 additional parking spaces on the site. It changes to be a 99-year air rights lease. So to be clear the City would own the land on the ground level, we would be leasing the air rights above for the multi-family for 99 years and we would be at 144 apartments. We would essentially all the other details as I've discussed previously, I would want to note that the School Street right of way would need to change a little bit as well. I think we would need to take a little bit more of School Street and incorporate that into the parcel to make some of the geometry work a little bit more.

But again continue to lease the spaces in the High Street Garage, 150 spaces as previously discussed. Due to the time delay as we have been working out these details, we will have an outside date of something like April 15th and ultimately to do this we would be looking at the City taking on a \$2.5 million dollar capital improvement project. So I am sure the thought process is, well how would we do that. So my recommendation would be is for us to put a TIF together and we use Tax Increment Financing and we would use the future tax dollars plus some of the cash from this transaction to ultimately pay for the 50 parking spaces. We have been working on this over the last two weeks; the math works. We had conversation Bond Counsel today, we had conversation with Hilltop Security is our financial advisor. We worked with the Assessing Department, our Finance Team. We can make this work. And my thought is to kill two birds with one stone, and if we are going to the direction of a TIF we make the TIF a little bit larger, we include Pearl Street, School Street and ultimately 201 Main Street for usage for the Performing Arts Center as well. And we could use the future tax dollars of this project to close the financial gap in that Performing Arts Center project as well.

So to just show you quickly, this map here shows you an example of how that potential TIF would work. As you can see it is very narrow, it's the red line that delineated here but it would allow us to use some of the Tax Increment Funds for improvements on West Pearl Street as well as School Street and of course for the Performing Arts Center. So I am going to flip to the next page here, I don't know if you'll be able to read it too much because it's a lot of data but ultimately it shows the math where if we were to put a TIF together, we would yield about \$400,000.00 plus tax dollars. We could put that towards a bond and we would still have surplus money for the General Fund if that was of interest. I can bring this up in a separate file if the body has an interest in that. Ultimately what we would be looking at is an \$8 million dollar bond over 25 years. Here are some of the scenarios we would be looking at, maybe a 2% annual interest rate or 2.5. It shows you what the payment would be and we can definitely make the project work with this type of arrangement.

I want to just make sure I am clear that I am not suggest we not pursue a New Market Tax Credit or the local Capital Campaign Private Sector contribution, that still needs to be part of the Performing Arts Center Project as a condition. But what we all know is we have a bond authorization of about \$15.5 million. We will be somewhere netting a private contribution combination of New Market Tax Credits and local charitable giving of about \$4 million dollars. So we are just around \$20 million and we have a Performing Arts Center Project of about \$24/\$25 million, so we would be needing to close that gap to make this all work. This project can do both; it can help the Performing Art Center and it can provide parking for the downtown.

When I was originally was starting to hear about this idea of adding additional parking, my concern was, well I really don't want to do a TIF just to benefit one small project. It really should be for an improvement of the general downtown when I started looking at it closer, I realized we could incorporate the Performing Arts Center into the project and it passes muster both legally and financially. I thought I had a responsibility to bring it to you as a solution for consideration. So I guess Mr. Chairman if I may, I am going to stop my PowerPoint presentation now. I have separate slides or files that I could pull up that could go into greater detail if need be, if a question comes up. But ultimately in speaking about this idea with Peter Flotz and his team, I presented them this idea and Peter has submitted a letter to me which I can share with you now but basically outlines their opinion is that it is an improvement to the downtown and it is something that they would support in terms of having their TIF dollars go to the Performing Arts Center. It only benefits everyone that's involved. So I can show you that letter if you would like, Mr. Chairman, but I have that and I can send it to the Committee as well. With that being said, I guess my question to you is what is the pleasure of the Committee and how would you like us to go. I am very cognizant of wanting to be fair to all the parties involved and I would like to facilitate a process where we can achieve consensus.

Chairman Dowd

I would like you to send all of your presentations to Donna for distribution to all the Aldermen. I see all the hands, hang on a second. This evening, they are looking for our input so if you like something say so, if you don't like something say so. But we are not voting on it tonight so let's not get into long speeches, just be succinct in what you like and don't like. I am going to start with President Wilshire.

Alderman Wilshire

Thank you, Chairman. I am very interested in the TIF and how we could make that work and be beneficial for the whole downtown. So that out of tonight, everything that I've heard, I think that's the most interesting to me. I agree that you don't want to set it up for one parcel and leave the rest but that seems to be a real win/win for us. So personally I would like to see you go that angle and see how we can work that out. Thank you.

Chairman Dowd

All set? Alderman Clemons then Alderman Kelly.

Alderman Clemons

Thank you and thank you Director Cummings and Mr. Flotz for coming this evening. I really, and Tim I think this is a great proposal. It takes into account the abutters and their concerns about the parking. It takes into consideration the fact that we need more housing downtown and I think obviously the Performing Arts Center is something that this Board of Aldermen overwhelmingly supports. And I think that this proposal tries to make that funding gap disappear in a way that is sustainable and will not cost taxpayers an undue amount. So I would suggest that this would be the direction that we go in. Initially I was not going to support this project because of the fact that it was taking away the parking from the abutters, but if the plan is this moving forward, you will have my support 100% because I believe that it is not perfect, but it takes into account the concerns of the abutters and it shows them that this Board of Aldermen listens when the community comes forward. We really put and think and listen to the details and put something together that the community can get behind. So if that's the direction we go, I certainly will support it and I would encourage my colleagues to do so. Thank you.

Chairman Dowd

Thank you, Alderman Clemons. Alderwoman Kelly?

Alderwoman Kelly

Thank you. I wanted to also thank those involved for hearing the concerns of the abutters. I know I brought those forward and I think this is a really smart compromise. I think tying it with the economic activity we are going to see with this Performing Arts Center is going to achieve the downtown that we can be really proud of. So thank you for that.

I actually had a question if I may. There was a point made that the first time that Mr. Flotz I think I said that right, responded to this that that the original RFP was for a multi-family downtown. And then there was something about a hotel perhaps and I just wanted to hear about how we got there. Has it changed that drastically down there or have other things come on the market that have allowed us to get where we are now. Thank you.

Mr. Flotz So Alderman Kelly we originally approached the City when we responded to the RFP in the hopes that a hotel would make sense on the project. We were doing a number of hotels across the country at the time. It appeared that there was a fair amount of interest from a certain flag that wanted to be in downtown. By the time we got through, I don't know, Tim you may remember, we probably did a year of planning on it and the bottom line was when we looked at the rates that the hotels were getting along the freeway and what we had to compete with, we had about a \$3 million dollar shortfall in terms of whether the project made financial sense or not. We started talking about that and there didn't seem to be a whole lot of interest I'll have to say in figuring out how we might close that financial gap. So we turned our head back towards residential because more and more and more as we got to know more about Nashua and honestly as we are getting to know more about Southern New Hampshire, we've been there now about 20 years, we found out that housing was really the key element that was missing, particularly housing for younger people at market rate. People were just kind of squeezing out into the outer areas and the ultimately moving away. And we wanted to figure out a way to solve that problem. So I think with that, we really like coming into a community and saying we are our own, we are big boys, we can do this project. We are coming back to you now with this sort of wrinkle as a result of your comments and others bringing the concerns of the abutters. I agree, I think it is an elegant solution that Tim and staff have come up with. We are buying into 100%.

Chairman Dowd

Thank you. Are you all set Alderman Kelly?

Alderwoman Kelly

If I could just one follow up please?

Chairman Dowd

Ok.

Alderwoman Kelly

So I appreciate the clarification on the hotel. Were there other and maybe this is a Tim question, were there other proposals that came forward that were in that multi-family conversation. I am just wondering, it just seems like a big change from "we need multi-family housing" to now single small units. I think this project is great I just want to make sure I am doing my due diligence and understand what we are thinking for downtown right now.

Director Cummings

If I may Mr. Chairman. So when we put the RFP out, we made it very clear we were looking for multi-family development as an idea by no means were we married to that use exclusively. We ultimately wanted development on the School Street site.

The downtown specialist at the time, Mr. Veyo, actually was a big proponent of two concepts: a live/work unit particularly on the first floors and then micro units above. And he very much was trying to pursue this micro unit type of concept. This actually falls in line with that theory that was in the RFP. I will say the development community, the entrepreneurs to take on these projects, you know, the ones we traditionally turn to are more local developers. They didn't see the vision, they did not respond even though we marketed the RFP very aggressively and so we were very pleased that we got a sophisticated national developer doing work in Manchester take a look at Nashua where they would be investing outside dollars into our markets. So those were the reasons that pushed us in that direction.

Alderman Kelly

Thank you very much.

Chairman Dowd

Alright, Alderman Klee.

Alderman Klee

Thank you, Mr. Chairman. I kind of want to echo some of the words that have already been spoken. I think we've had a lot of issues going on here. We've had the abutters who feared the loss of parking and justifiably so. And we've had the trying to work the area of the Performing Arts Center, specifically West Pearl etc. I think this is very creative and I give a lot of kudos to Director Cummings and his staff for coming up with a plan like this and I appreciate Mr. Flotz being willing to kind of work with this as he called it a "wrinkle". I think it is a good idea. I think trying to find as much as possible is really a good thing and while I am not on this Committee, I really do want to put forward my voice to say that I like this idea. I look forward to hearing even more about it. I think it kills multiple birds with one stone and we have learned from the past TIF's, albeit they are still new, that they do work. And it brings people to that area saying that they know that their tax dollars are going to go to that area to beautify it. And I think it's a win/win situation. So I commend everybody for stepping up and working with this. So thank you.

Alderman Schmidt

Thank you, Mr. Chairman. I just wanted to say I absolutely love the way this is evolving. Thank you for listening to the issues that people are really struggling with on this. And I think you've come to something that really does solve a lot of the issues that we were looking at. Thank you very much.

Chairman Dowd

Anyone else? Alderman Lopez.

Alderman Lopez

Yeah so, I've had a lot of mixed feelings about this project particularly because I really want to see housing happen in that area. I love the fact that we are building up versus building out. There's a lot of strengths to the project but there were also a lot of concerns about the parking and I mean presuming I'm still an Alderman in the future, that is the number one thing I am going to hear complaints about is the extra 60 or so people who couldn't figure out where to park or whatever. So I was not looking forward to that and I was concerned about the communication with the abutting neighbors. But the overwhelming concerns that I've heard them talk about is parking, safety and traffic and that kind of thing and I can see a genuine effort to address those problems. Adding like, I don't even know what to call it, on-street parking or including parking in this design is no small feat. So I definitely want to give a shout out to Peter the developer, Director Cummings, yes Director Cummings I appreciate this. And then Mayor Donchess for really trying to figure out how to make this a solid project that fits in with that neighborhood's needs while at the same time recognizing the larger needs of the City.

I mean I still have reservations about affordable housing because that is an ongoing need in our community. And the identity of the neighborhood and I look forward to hearing the feedback from the abutting neighbors. I want to see what they think of this presentation and this plan. But I think it is evident that a lot of work has been put into this. There is a genuine effort to try to build something here that fits in with the neighborhood and recognizes the needs of the businesses. So I want to express a lot of gratitude for the direction that we are heading in and thank everybody for the work that they've been putting in. I know it hasn't been easy especially with COVID-19 and trying to create an investment that is viable and yet at the same time meets other seemingly intangible needs. So I appreciate it very much.

Chairman Dowd

Was there anyone else that had comments? Hello? Alderman Jette.

Alderman Jette

Thank you. So I like the idea of the first level parking. I had originally expressed a preference that the project contain its own parking you know, whether below level or on the first level. This seems to answer that suggestion but my idea was that the developer would be providing the parking. So I am hearing about this for the first time, so I am still processing it. It would be a lot more attractive to me, you know, what I see is that the developer is going to pay us \$9,000.00 per unit, I think it was \$1.3 million dollars on top of the sales price in lieu of providing parking. Now he's paying that same amount and we are going to build parking for the project at the cost of \$2.5 million. So it looks to me like we are \$1 million short here. But that's just my initial reaction, I am still processing, it sounds like a great idea, but I am concerned about that difference in the money that we are getting, the money that we are going to have to pay in order to make this project work as opposed to the developer making it work.

Chairman Dowd

Ok thank you, anyone else? Director Cummings.

Director Cummings

I just wanted to make sure it is clear that the parking spaces being provided on the first floor will be for the public that is very much the intention and the direction we are going. So that wouldn't be for the developer for the benefit of this project. In addition to that, the market can't support structured parking in and of itself. There's a reason why you are not seeing new development occur and it is because the project costs, the economics don't justify it. So creating a win/win solution like we are suggesting I think has a lot of merits to it. And then making it broader based, I want to be very clear on this, this isn't a project specific TIF, I am incorporating Pearl Street and I know we didn't even get into this, there has always been some ideas about streetscaping on Pearl Street, reversing the direction. You know that costs money. I am providing you now a source to be able to do that at some point, a source of funds in addition to the Performing Arts Center. So there is a good, overall community value that we would be getting. Thank you.

Chairman Dowd

Ok. Anyone else? Ok, Mr. Flotz did you have something you wanted to add?

Mr. Flotz No sir, my mother assured me there were times when I should just be quiet.

Chairman Dowd

Yeah mine too.

Unidentified Speaker

I just wanted to say hello to everyone. I've got family in New Hampshire throughout my whole life and going back generations before that. But I've been in Nashua a few times and also recently since we've been talking about this project. And I very much enjoyed going to your downtown and will enjoy working on the project as well. But I've been going to Nashua's downtown for a long time.

Chairman Dowd

I thought you were a radio operator with all that equipment you've got there.

Unidentified Speaker

No just a musician by birth.

Chairman Dowd

Oh there you go, that was my second choice.

Unidentified Speaker

When they told me to go on video calls, I have all this stuff sitting in the office anyway.

Chairman Dowd

First of all, thank you Mr. Flotz for joining us this evening. I have inquired about some of your projects in Manchester and I got outstanding feedback that everything was top notch, first class and the project ended up extremely well and everybody was happy. So I was pleased at that. Also, I like this new concept and I think that we will be moving forward with more information. I know that Director Cummings and the Mayor will be getting together with the developers and fine tuning the things that we have talked about this evening. I look forward to the final solution that comes back to us for a potential vote. Director Cummings?

Director Cummings

Yes if I could Mr. Chairman, what I was going to suggest and it appears as though we do have consensus and I am not hearing any strong opposition, what I would want to make a recommendation to this body and particularly to the President of the Board of Aldermen. What I would recommend is that we look to pursue a Special Board of Aldermen meeting for maybe the end of the month so we can actually get the TIF Legislation in place. We don't necessarily need to adopt it until we are ready to adopt the Legislation before this Committee. But there's a lot of work that needs to go into creating a TIF. Beyond the Legislation itself, there is a development plan that we need to put together, there's a financing plan that we need to put together. I am more than happy to do this and to work on that timeline. Ultimately we would need a bond authorization and so those other elements of Legislation that is not part and parcel to this piece of Legislation that's before you, what I would recommend we do is start the process now because there's a public hearing that's going to be required. And we do that work so we could feel comfortable that we could approve this Legislation once we have the mechanisms mechanically in place if that is the pleasure of the group, I will start tomorrow on that effort.

Chairman Dowd

I was going to say, Director Cummings you, I'll let Lori speak in a minute, but you just send these PowerPoints out to the rest of the Board, you are going to generate a heck of a lot of questions and I think at that time, we ought to have OK here's when you are going to get your answers or call Director Cummings or whatever. But President Wilshire do you want to address this?

Alderman Wilshire

I was just going to say that I would be happy to call a Special Meeting. Just let me know what you need and when we need to do it and we will make that work.

Director Cummings

Thank you, Madam President.

Alderman Wilshire

You're welcome.

Chairman Dowd

Alderman Clemons?

Alderman Clemons

Just briefly I would also recommend that we if Mr. Chairman if you could or President Wilshire that as soon as this video becomes public and the meeting becomes public or is on the web site that we send this out to the Board and encourage Board Members to watch this meeting because I think a lot of the information that other Board Members who aren't here might have questions. I think some of them might be answered tonight and you might also have other questions that come up from watching this. So I think to avoid a situation like happened last night just a small e-mail that says, Hey this meeting is up, take a look at it, there's some really good information here and then you know move forward.

Chairman Dowd

I think that's a great suggestion. Ok. Alderman Lopez?

Alderman Lopez

I just wanted to extend the invitation, I will be personally putting this on my Facebook Page, so if all of you would like to just look at that, that's obviously the place to go look.

Chairman Dowd

Too much time on your hands there Alderman Lopez.

Alderman Lopez

I read all of these books so

Chairman Dowd

OK and Mr. Keating we are going to have public input so if you want to provide something at that point. So unless there is anything further on this subject, I would like to entertain a motion to table this until a future date.

MOTION BY ALDERMAN WILSHIRE TO TABLE RESOLUTION R-20-028 TO A FUTURE BUDGET MEETING BY ROLL CALL

A viva voce roll call was taken which resulted as follows:

Yea: Alderman Clemons, Alderman Schmidt, Alderman Jette, Alderman Wilshire
Alderwoman Kelly, Alderman Dowd 6

Nay: 0

MOTION CARRIED

NEW BUSINESS – RESOLUTIONS - None

NEW BUSINESS – ORDINANCES - None

TABLED IN COMMITTEE

R-20-016

Endorsers: Mayor Jim Donchess
Alderwoman Linda Harriott-Gathright
Alderman Thomas Lopez
Alderman-at-Large Michael B. O'Brien, Sr.

AMENDING THE PURPOSE OF A FISCAL YEAR 2020 UNLIKE ESCROW FOR THE COMMUNITY DEVELOPMENT DIVISION

R-20-017

Endorsers: Mayor Jim Donchess
Alderman Thomas Lopez
Alderman Richard A. Dowd
Alderman-at-Large David C. Tencza
Alderman Patricia Klee
Alderman-at-Large Michael B. O'Brien, Sr.
Alderwoman Linda Harriott-Gathright
Alderman Skip Cleaver
Alderman Jan Schmidt
Alderman-at-Large Lori Wilshire

RELATIVE TO THE SUPPLEMENTAL APPROPRIATION OF \$50,000 TO FUND A FEASIBILITY STUDY FOR THE FUTURE REUSE OF THE ELM STREET MIDDLE SCHOOL BUILDING

- Requires a Public Hearing which has not yet been scheduled

GENERAL DISCUSSION – None

PUBLIC COMMENT

Mr. Keating I am just a bit confused; you spoke about public comment saving that for the next meeting in regards to the School Street property.

Chairman Dowd

No the public comment is for this meeting right now. You can provide public comment.

Mr. Keating Yes, I would at this point. Thank you. My name is Bob Keating and I am a member of Granite State Organizing Project. We are aware that there is a critical need for housing in our community. The most need is for the low and very low income which is defined as 50% for low income which would be about \$36,500.00 per household and very low income would be at \$21,000.00. If you look at for apartment rents at \$900.00 the 50% of the average median income and for the very low it would be \$547.

So that's the area that we are speaking about just recently the Nashua Housing & Redevelopment Authority said that their waiting list is over 3,000 for public housing units and for Section 8 it is 3,800. So that's a very large waiting list. We are talking about, in some cases, people would be waiting 8 years before a housing unit would be available.

So given that I think this property is a City property. It is in a central location and it is accessible to public services including public transportation, it is also walkable. So those who are of limited income it is a particularly valuable place to live. With the group that I belong to we think that it would be important that a substantial amount of units, if a project does get voted by the Board, be set aside for those of the low and very low income. We talked a lot about in our City and here's a particular moment that we have an opportunity now to do that. I think that to develop this project with a private developer and not addressing I think would be missing out on a very important opportunity and ability to in a sense make manifest what has been talked about for years. This would be the City's efforts since we are in a way supporting the private developer in terms of this project and it has been raised a number of times.

So I would hope that the Aldermen would really consider about ways in which this project could be modified or adapted in some ways that those who are the most housing stressed in our community would have an opportunity to be in what looks like a very well designed project. So thank you.

Chairman Dowd

Is there anyone else that would like to provide public input? Seeing and hearing no one, remarks by Aldermen? Anyone? I just want to comment that I think your concerns Mr. Keating are probably going to be championed by Alderman Kelly and I think perhaps maybe not for this project but in the area of downtown Nashua, because the type of housing that you are addressing, probably – knowing several developers – can't be touched unless there's Federal Funding along with it because a private developer just couldn't afford it. The building costs are far too expensive and there's no way for them to make any kind of return on that investment. There's a couple of places in Manchester that were developed that way but they had Federal Funding to put units aside so I am sure that Alderman Kelly is going to address that going forward and I think the Mayor is also in tune with that, so I think that you will see some improvement in that area.

Any other Alderman comment? Alderman Lopez from the Library?

REMARKS BY THE ALDERMEN

Alderman Lopez

I think Alderman Kelly's got a lot of friends who are going to help with that too.

Alderwoman Kelly

I was going to make the same comment, I am not alone in this and I know there are champions on the City side as well. Director Marchant I know is very interested in looking at this as well so I know it is a thing that we need to consider not only because of the results of our Consolidated Plan that we put together but also just from being on the Board of the Soup Kitchen and really knowing what is going on with housing stock. It is something that I am actively working on and bringing in as many people who want to help.

Chairman Dowd

Alderman Clemons?

Alderman Clemons

Yeah and just to add to that you know obviously it is something that I am supportive of, I have been a champion of in the past. My hope is that come January we have a new administration in Washington, DC that will bring some of these grants and things back to the communities and help places like Nashua do what Mr. Keating is asking. So that's – I am going to do everything I can to make sure that happens. So that's my goal.

Chairman Dowd

Andy other comments from any other Aldermen? Seeing none, we already had the non-public. Do I hear a motion?

ADJOURNMENT

MOTION BY ALDERWOMAN KELLY TO ADJOURN BY ROLL CALL

A viva voce roll call was taken which resulted as follows:

Yea:	Alderman Clemons, Alderman Schmidt, Alderman Jette, Alderman Wilshire Alderman Dowd, Alderwoman Kelly	6
Nay:		0

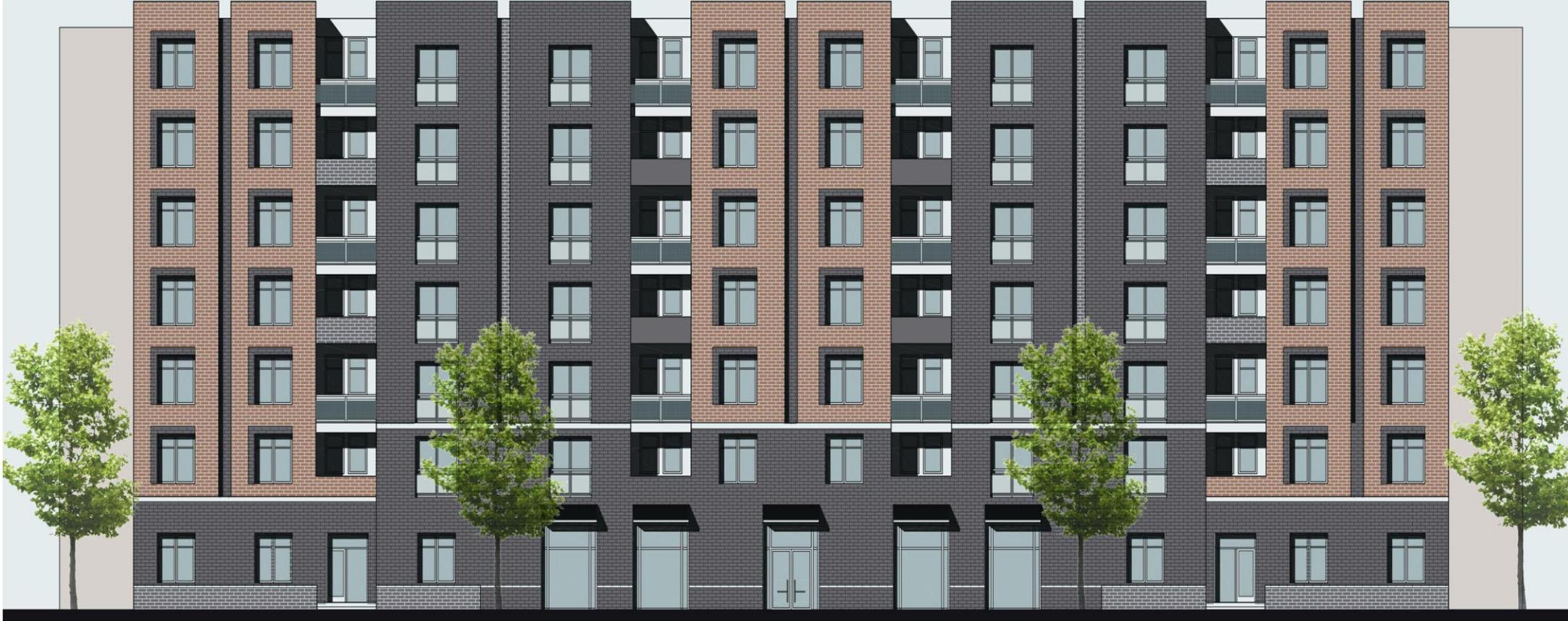
MOTION CARRIED

The meeting was declared closed at 9:48 p.m.

Alderman Ernest Jette
Pro Tem Committee Clerk

Recap





Major Takeaways

- **150 Apartments**
- **\$900,000 is the purchase price**
- **There is a Design Review Process**
- **\$100,000 provided by city to assist with offsite infrastructure, i.e. Look to create more parking on School Street**
- **Developer will pay City \$1.35MM over 5 yrs. to provide future downtown parking**
- **Allow for ability to lease 150 parking spaces for 50 yrs**
- **First 10 years at \$50/per space per month or up to \$90K a year**
- **Development Has An Outside End Date of Feb 1st 2021**

**We Had A Sampling of Downtown Folks
With Supportive Comments To Rebut the
Perception “Everyone Downtown is
Against the Project”**

Assessment Projections

Site	Value	Units	Per Unit Value
Lofts 34	\$26,610,500	200	\$133,052
Riverside Residents	\$18,114,100	152	\$119,178
		Average Unit Value	\$126,115

**\$400K - \$430 per year
projected tax revenue**

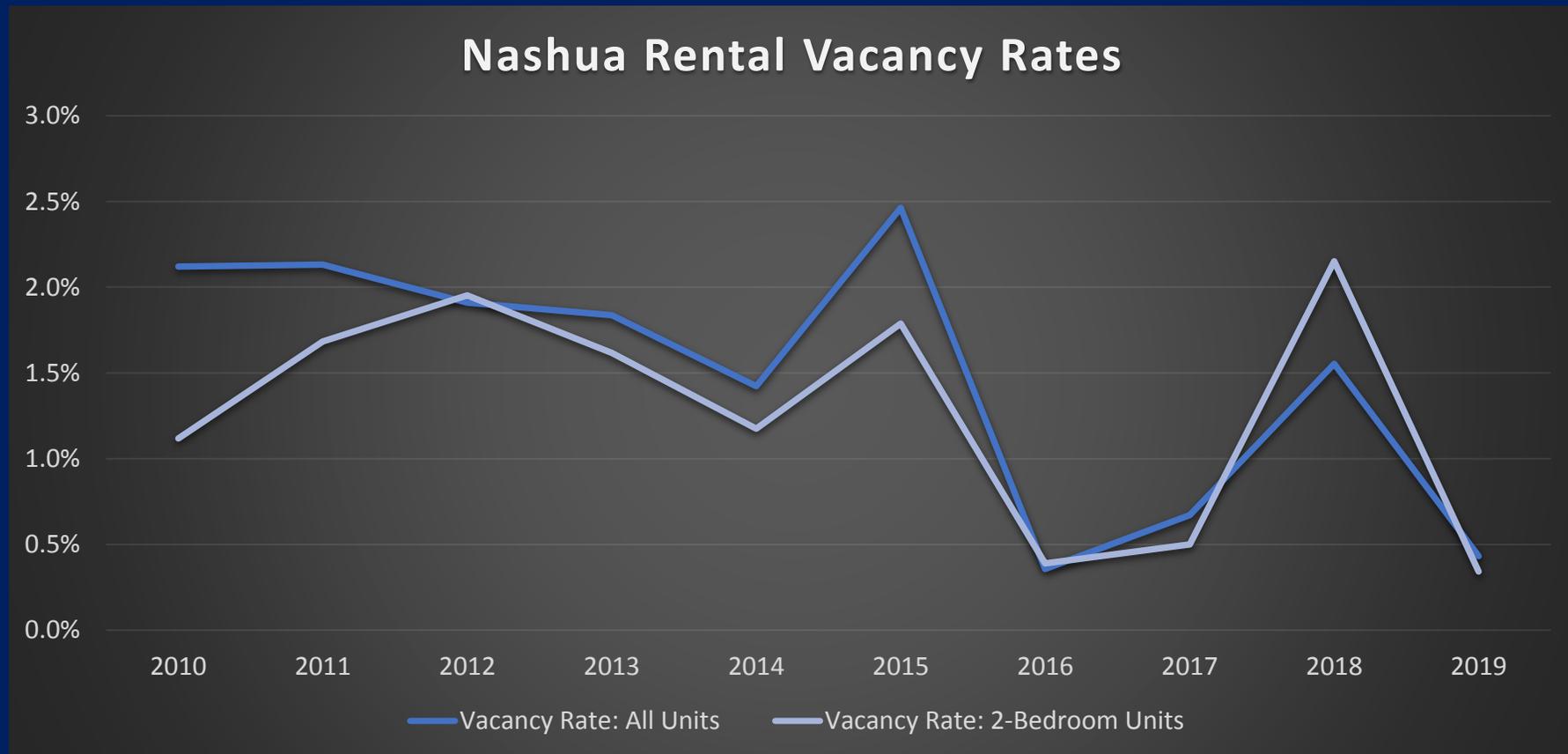
Parking Revenue (School)

- 2019 \$21,495.99
- 2018 \$22,734.42
- 2017 \$24,433.99
- 2016 \$19,417.97
- 2015 \$15,511.84
- Average \$20,718.84

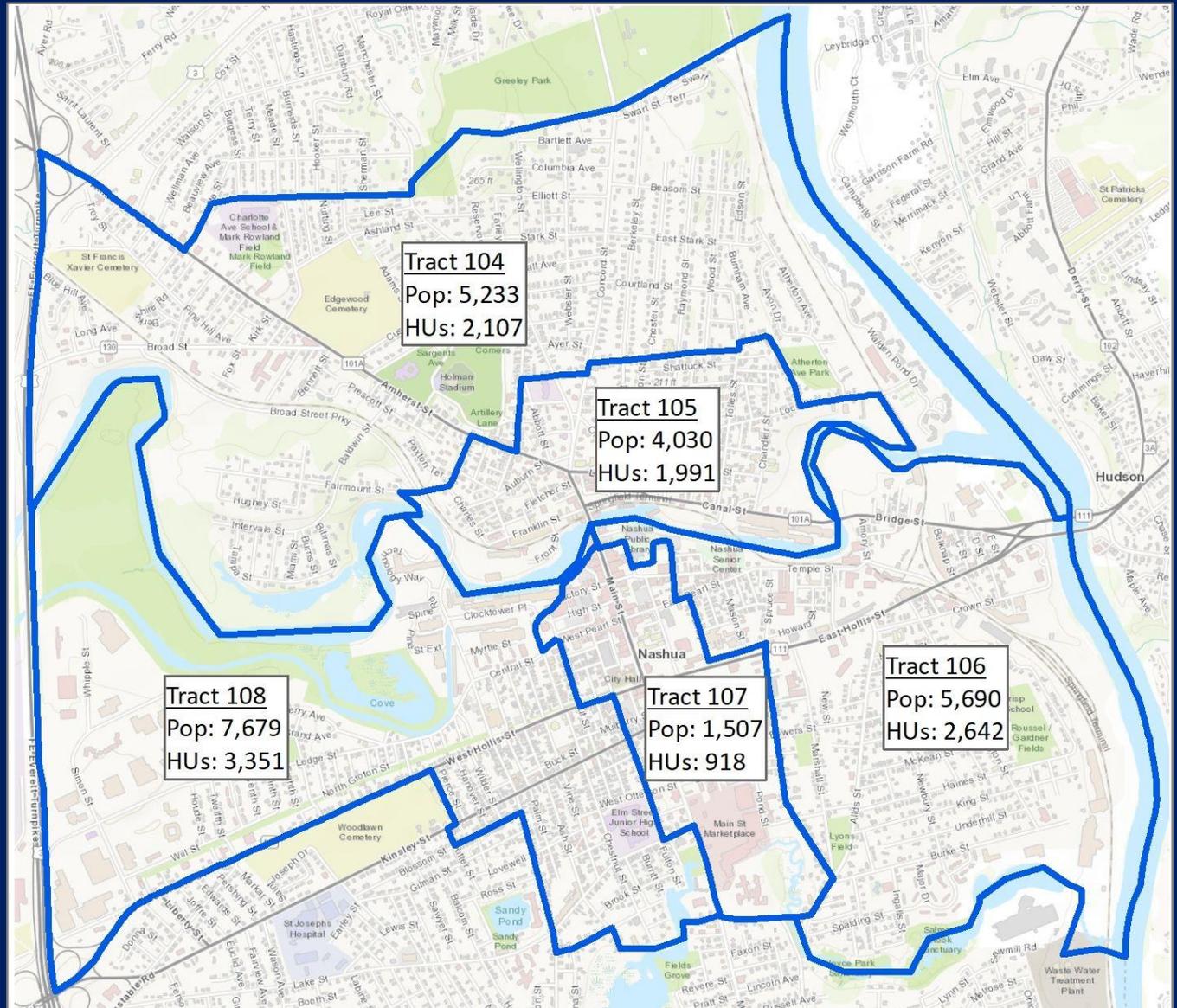
High St Garage Occupancy

- 1/21 (Tuesday Night) – 20%
- 1/22 (Wednesday Night) – 19%
- 1/23 (Thursday Night) – 18%
- 1/31 (Friday Night) – 26%
- 2/1 (Saturday Night) – 27%
- Average Weekday: 19%
- Average Weeknight: 26.5%

The vacancy rate in Nashua is 0.3% for a two bedroom. A healthy vacancy rate is around 5%.



Increasing the supply of housing units downtown will provide needed households to support our Main Street businesses, increasing density where we have the infrastructure to support new development.



**At The Conclusion of the Budget Review Committee Meeting In
April It was Clear that More Work Was Needed**

**We Were Asked To Meet with Abutters
Verify the Price
Answer Miscellaneous Questions
Educate**

We met with Abutters and heard their concerns:

- **Creation of More Parking Supply (On Street & On Site)**
- **Pedestrian Improvements (cross walk around oval)**
- **Improvements to High Street Garage (Lighting/Safety)**
- **Valet Services**
- **Employee parking**
- **Specific Lease Arrangement for their perspective interests**
- **A bus to chauffer their customers**

**ADD PARKING ON STREET
(School/High/Factory)
20 to 30 spaces**

**Look add Parking Around The Courthouse Oval
20 spaces**

Make Pedestrian Friendly Improvements

**Add Parking On Site
50 Spaces**

**Please See Layouts and Design Rendering
Attached As A Separate Document**

1st Option Major Takeaways

- **Sell the Land**
- **150 Apartments**
- \$900,000 is the purchase price
- There is a Design Review Process
- \$100,000 provided by city to assist with offsite infrastructure, i.e. Look to create more parking on School Street
- **No Onsite Parking Provided**
- Developer will pay City up to \$1.35MM over 5 yrs. to provide future downtown parking
- Allow for ability to lease 150 parking spaces for 50 yrs
- First 10 years at \$50/per space per month or up to \$90K a year
- Development Has An Outside End Date of **Feb 1st 2021**

**Original
Proposal**

NEW PROPOSAL

WHICH DIRECTION WOULD YOU LIKE TO GO ?

NEW DESIGN

Raise the building up and include 50 additional parking spaces on site for the public

2nd Option Major Takeaways

New Design w/ Parking

- **99 Year Air Rights Lease**
- **144 Apartments**
- **\$900,000 is the lease price**
- **There is a Design Review Process**
- **\$100,000 provided by city to assist with offsite infrastructure, i.e. Look to create more parking on School Street (ROW Matter)**
- **Will Continue to lease 150 parking spaces for 50 yrs (Garage)**
- **First 10 years at \$50/per space per month or up to \$90K a year**
- **Development Has An Outside End Date Pushed Out April 15**

- **Developer will provide 50 Public Parking Spaces for \$2.5 million**

- **We can Pay for the Public Parking through a TIF**
- **We could finance through the future tax dollars of the project and cash from the transaction.**

Recommendation

- **If We Go The Route of A TIF We Should Make It A Little Larger & Include the Performing Arts Center in the TIF to close the gap in the financing proposal for this project.**



Estimated Real Property Tax Projections On Multi Family Concept Map 79 Parcel 04

	Year	Base Valuation	Improvement Value	Est. New Assessment	Tax Rate	Tax From New Development	Tax @ 100% Value	TIF Payment Each Year	TIF % Exemption	Taxes Paid Each Year	Available TIF Revenue	Bond Payment	Surplus To General Fund	
	2020	Base	\$107,400		\$21.76	-	\$2,337	-	-	\$2,337	-			
	2021	1	\$109,011	\$18,750,000	\$18,859,011	\$21.76	\$408,000	\$410,372	\$408,000	100%	\$2,372	\$408,000	\$407,000	\$931
	2022	2	\$110,646	\$19,031,250	\$19,141,896	\$21.76	\$414,120	\$416,528	\$414,120	100%	\$2,408	\$414,120	\$407,000	\$7,051
	2023	3	\$112,306	\$19,316,719	\$19,429,025	\$21.76	\$420,332	\$422,776	\$420,332	100%	\$2,444	\$420,332	\$407,000	\$13,263
	2024	4	\$113,990	\$19,606,470	\$19,720,460	\$21.76	\$426,637	\$429,117	\$426,637	100%	\$2,480	\$426,637	\$407,000	\$19,568
	2025	5	\$115,700	\$19,900,567	\$20,016,267	\$21.76	\$433,036	\$435,554	\$433,036	100%	\$2,516	\$433,036	\$407,000	\$25,967
	2026	6	\$117,436	\$20,199,075	\$20,316,511	\$21.76	\$439,532	\$442,087	\$439,532	100%	\$2,550	\$439,532	\$407,000	\$32,463
	2027	7	\$119,197	\$20,502,061	\$20,621,259	\$21.76	\$446,125	\$448,719	\$446,125	100%	\$2,584	\$446,125	\$407,000	\$39,036
	2028	8	\$120,985	\$20,809,592	\$20,930,577	\$21.76	\$452,817	\$455,449	\$452,817	100%	\$2,617	\$452,817	\$407,000	\$45,748
	2029	9	\$122,800	\$21,121,736	\$21,244,536	\$21.76	\$459,609	\$462,281	\$459,609	100%	\$2,672	\$459,609	\$407,000	\$52,540
	2030	10	\$124,642	\$21,438,562	\$21,563,204	\$21.76	\$466,503	\$469,215	\$466,503	100%	\$2,712	\$466,503	\$407,000	\$59,434
	2031	11	\$126,512	\$21,760,140	\$21,886,652	\$21.76	\$473,501	\$476,254	\$473,501	100%	\$2,753	\$473,501	\$407,000	\$66,432
	2032	12	\$128,409	\$22,086,543	\$22,214,952	\$21.76	\$480,603	\$483,397	\$480,603	100%	\$2,794	\$480,603	\$407,000	\$73,534
	2033	13	\$130,336	\$22,417,841	\$22,548,176	\$21.76	\$487,812	\$490,646	\$487,812	100%	\$2,836	\$487,812	\$407,000	\$80,743
	2034	14	\$132,291	\$22,754,166	\$22,886,399	\$21.76	\$495,129	\$498,008	\$495,129	100%	\$2,879	\$495,129	\$407,000	\$88,060
	2035	15	\$134,275	\$23,095,430	\$23,229,695	\$21.76	\$502,556	\$505,478	\$502,556	100%	\$2,922	\$502,556	\$407,000	\$95,487
	2036	16	\$136,289	\$23,441,851	\$23,578,140	\$21.76	\$510,095	\$513,080	\$510,095	100%	\$2,966	\$510,095	\$407,000	\$103,028
	2037	17	\$138,333	\$23,793,479	\$23,931,812	\$21.76	\$517,746	\$520,798	\$517,746	100%	\$3,010	\$517,746	\$407,000	\$110,677
	2038	18	\$140,408	\$24,150,381	\$24,290,790	\$21.76	\$525,512	\$528,568	\$525,512	100%	\$3,055	\$525,512	\$407,000	\$118,443
	2039	19	\$142,515	\$24,512,637	\$24,655,151	\$21.76	\$533,395	\$536,496	\$533,395	100%	\$3,101	\$533,395	\$407,000	\$126,326
	2040	20	\$144,652	\$24,880,336	\$25,024,079	\$21.76	\$541,396	\$544,544	\$541,396	100%	\$3,148	\$541,396	\$407,000	\$134,327
	2041	21	\$146,822	\$25,253,531	\$25,400,353	\$21.76	\$549,517	\$552,712	\$549,517	100%	\$3,195	\$549,517	\$407,000	\$142,448
	2042	22	\$149,024	\$25,632,334	\$25,781,359	\$21.76	\$557,760	\$561,002	\$557,760	100%	\$3,243	\$557,760	\$407,000	\$150,691
	2043	23	\$151,259	\$26,016,819	\$26,168,079	\$21.76	\$566,126	\$569,417	\$566,126	100%	\$3,291	\$566,126	\$407,000	\$159,057
	2044	24	\$153,529	\$26,407,072	\$26,569,600	\$21.76	\$574,618	\$577,939	\$574,618	100%	\$3,341	\$574,618	\$407,000	\$167,549
	2045	25	\$155,832	\$26,803,178	\$26,969,009	\$21.76	\$583,237	\$586,628	\$583,237	100%	\$3,391	\$583,237	\$407,000	\$176,169
	Totals					\$3,440,508	\$3,460,602	\$12,265,714		\$30,000	\$12,265,714		\$0	
								Cumulative TIF Total			\$12,265,714			

CONCEPTUAL MODEL FOR DISCUSSION PURPOSES

Assuming:

* Base Assessment	\$107,400
** Initial improvement value captured by the TIF	\$18,750,000
*** Tax Rate	\$21.76
**** Inflation Factor	1.50%
*****Average TIF Exemption	100%
*****Avg Unit	*****

Improvement value predicated on per sq/ft

* Current base valuation

** Assumes an initial improvement value of approximately \$18.75 million

*** Rather than add an inflation factor to the Commercial tax rate a generally accepted inflation factor of 1.5% was added

\$8 million dollar bond over 25 years

At 2% annual payments would be 410,000

At 2.5% annual payments would be 435,000

At 2.7% annual payments would be 445,000

At 3% annual payments would be 460,000

WHICH DIRECTION WOULD YOU LIKE TO GO ?

Attachment

Letter of Support for TIF



August 10, 2020

RE: Request TIF Fund Dollars Be Used For Future Performing Arts Center

Dear Members of the Board of Aldermen:

I first wrote a letter of support for a Nashua Performing Arts Center in the summer of 2018. I have enclosed it for your review, because I believe then as I do now that a Performing Arts Center is a good strategic investment that will improve the greater Nashua community.

As a real estate Developer where I put my own money into a deal and take the associated risk, I look at communities where I see the community investing in itself. I am very selective as to where I will do a project and I am asked all the time by various communities to look at deals/projects. More often than not, I turn them down. One of the reasons, I originally chose to work with the City of Nashua is because I heard about the idea of a Performing Arts Center being established in Nashua's downtown.

Fast forward to today, I understand there is a gap in the total project costs for the Performing Arts Center and relative to the project I am involved with on School Street, and a concern has arisen about a loss of parking spaces. I would be happy to pursue the School Street project without the parking supplied on site, but if Nashua would like to see parking on the first floor I would be happy to incorporate this concept into the proposal. It is my request that you pay for these public parking spaces through a TIF and if you are going to do a TIF you should incorporate the Performing Arts Center project into the TIF district that way this project could move forward as well using the future tax dollars of this project to pay the difference.

Thank you for your time, and I continue to look forward to working with the City of Nashua on improving the downtown for everyone's shared mutual benefit.

Sincerely,

A handwritten signature in black ink that reads 'Peter Flotz'.

PETER FLOTZ
Managing Partner
Lansing Melbourne Group





September 5, 2018

RE: Developing In Downtown Nashua

To Whom It May Concern:

My firm has been selected as a preferred developer for the downtown and specifically for a parcel of land off of School Street owned by the city. A site that is a few hundred feet away from the proposed downtown Performing Arts Center.

As a preferred developer for Hilton Hotels I would consider constructing an approximate 100 room hotel in the downtown, which is an approximate \$18 million dollar investment and brings approximately 30 jobs to the neighborhood. I have developed hotels and apartment buildings along the Atlantic coast and in the Midwest since 1986. My firm is well positioned both in experience and relationships to undertake such a complicated project.

The City of Nashua is certainly taking the right steps to proactively boost the downtown. The city is putting a lot of attention toward making Nashua a place where businesses and people thrive. I believe we are on the cusp of some exciting developments and I would very much like to be a part of this story.

Unfortunately, I am reluctant at this time to pursue a hotel project; however, should a Performing Arts Center come to the downtown I would reevaluate this position. I can foresee that my development coupled with a couple of other key developments along with the Performing Arts Center could be the catalyst needed bolster the downtown.

Thank you for your time, and we hope that you will consider the City of Nashua.

Sincerely,
LANSING MELBOURNE GROUP, LLC

A handwritten signature in black ink that reads 'Peter Flotz'.

Peter Flotz
Managing Member



2420 E Sunrise Blvd #90
Fort Lauderdale, FL 33304

Tel: (321) 302-2930

Website: www.lansingmelbourne.com
Email: pflotz@lmgroup.us

Attachment

Conceptual Design of 144 Apartments with On Site 50 Parking Spaces



GARDENS
 GREEN SCREEN
 FENCE WITH WOOD
 TRELLIS AND
 OUTDOOR BAR

- PROGRAM:
- BARBECUE
 - PICNIC AREA
 - FIRE PIT
 - OUTDOOR BAR
 - OUTDOOR TV
 - GAME AREA
 - LANDSCAPE

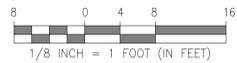


SCHEME B

AUGUST 12, 2020



H4 FLOOR PLAN - TYPICAL LEVELS
 SCALE: 1/8" = 1'-0"
 NORTH



DEPARTMENT OF BUILDING APPROVAL STAMP

SCOPE OF DOCUMENT

- THIS DOCUMENT WITH THE ACCOMPANYING DRAWINGS AND SPECIFICATIONS, DESCRIBES THE GENERAL SCOPE OF THE PROJECT AND DESIGN CONCEPT IN TERMS OF THE ARCHITECTURAL, STRUCTURAL, MECHANICAL AND ELECTRICAL SYSTEMS. THESE DOCUMENTS DO NOT NECESSARILY INDICATE OR DESCRIBE ALL OF THE WORK REQUIRED FOR THE FULL PERFORMANCE AND COMPLETION OF THE REQUIREMENTS OF THE CONTRACT.
- ON THE BASIS OF THE SCOPE INDICATED OR DESCRIBED, THE CONTRACTOR SHALL DETERMINE AND INCLUDE IN HIS PROPOSALS ALL ITEMS NECESSARY TO PROVIDE THE PROPER EXECUTION AND COMPLETION OF THE WORK.

REGISTERED ARCHITECT

**ISSUED FOR COORDINATION
 NOT FOR CONSTRUCTION
 08/12/2020
 OPTION B**

BUILT FORM
 ARCHITECTURE 935 W. Chestnut St. 520
 Chicago, IL 60642

CIVIL ENGINEER
 XXX
 Address

LANDSCAPE ARCHITECT
 XXX
 Address

STRUCTURAL ENGINEER
 XXX
 Address

MECHANICAL / ELECTRICAL / PLUMBING ENGINEER
 XXXX
 Address

PROJECT
School Street Lofts
 12 School Street, Nashua, NH 03060

CLIENT
Lansing Melbourne Group
 2420 E Sunrise Blvd #90, Ft Lauderdale, FL 33304

SHEET TITLE
Typical Levels Floor Plan

PROJECT NO.
 20-356

DATE
 06-15-2020

A-203

Attachment

Conceptual Design of School – Factory – High Street(s)

Additional On Street Parking Layouts



HIGH ST

SCHOOL ST

WATER ST

FACTORY ST
(21 spaces)

