A meeting of the Planning and Economic Development Committee was held on Tuesday, September 19, 2017, at 7:03 p.m. in the Aldermanic Chambers.

Alderwoman Mary Ann Melizzi-Golja, Chair, presided.

Members of Committee present: Alderman-at-Large Daniel T. Moriarty, Vice Chair
Alderman-at-Large Brian S. McCarthy
Alderman Tom Lopez

Members Not in Attendance: Alderman Benjamin M. Clemons

PUBLIC COMMENT

COMMUNICATIONS - None

UNFINISHED BUSINESS – None

NEW BUSINESS - RESOLUTIONS

R-17-129
Endorsers: Alderman-at-Large Mark S. Cookson
Alderman Don LeBrun
FOR THE CITY TO RESEARCH THE FEASIBILITY OF PURCHASING THE FORMER DANIEL WEBSTER COLLEGE PROPERTY LOCATED AT 20 UNIVERSITY DRIVE
• Also assigned to the Nashua City Planning Board; to appear on its 10/5/17 agenda
• Also assigned to the Board of Education

Chairwoman Melizzi-Golja

I apologize; I thought this was being sent to each of you directly. Then when I attempted to send it to everyone, it ended up in my draft so I apologize that you didn’t get it until this afternoon. Director Cummings and I had talked. He had planned on being here this evening to just review some facts that he put together regarding the Daniel Webster College property. As you know the proposals are due by October 17. He had provided some information of what was due in the proposals. The auction is scheduled is for October 23. He added some additional information regarding the property and interest in the purchase of Daniel Webster College. I don’t know if as you review them, you have any comments or questions.

Alderman Lopez

Under miscellaneous facts that Director Cummings, I think, was the author of, it says to date no official expression of interest for using Daniel Webster College has been transmitted to his office. There were emails that were sent even before the discussion at the last Board of Aldermen regarding the performing arts center from at least constituents yearning we do that. That was in my mind official because constituents were suggesting that we look at that property.

Chairwoman Melizzi-Golja

I hate to speak for him, and maybe Alderman McCarthy can help me, but my guess is in terms of official expression of interest would be an actual serious fire coming forward or someone in a capacity to say yes, I want to go forward with this.
Alderman McCarthy

I take that to mean from the city, that no city official had asked him to do that because it goes on to say the BOE is the closest municipal entity to request an interest.

Alderman Lopez

So he’s referring to municipal entities? Okay. I did get a communication from LEAFA interested in the soccer field. I don’t think that’s a municipal entity.

Alderman McCarthy

I would suspect that he would not get information. This is a competitive auction. I don’t think anybody else is going to tell us they are going to bid.

Chairwoman Melizzi-Golja

At the end, he coordinated regular tours of the city for both public, private interested parties and that he would be happy to schedule a tour at any time for anyone interested in previewing the site. I think under the bullet that you just referenced is the bullet regarding school use. His statement is that the school administration would need to execute immediately on due diligence and that they would need to take some action.

Alderman McCarthy

We don’t have a motion on the table, do we?

**MOTION BY ALDERMAN MCCARTHY TO RECOMMEND INDEFINITE POSTPONEMENT**

ON THE QUESTION

Alderman McCarthy

I thought about this, and October 17 is very close; it’s a little closer than October 23, which is also very close. In that time frame, we have to have decided to purchase the college and we have to put up the money. That leaves us very little time to do any diligence that is required of us before we make such a thing. I commented at the end of the last meeting some of the reasons I opposed it. I just want to make sure I get them all on the record if I can.

The buildings on that site are at various ages. We don’t know, for example, what snow load the roofs were built to. We know that many of our municipal buildings are not built for the snow load capacity that is what code calls for now. We just spent $1 million fixing that at Sunset Heights Elementary School. That’s not something we can determine in-house, and it’s not something we can get determined in a short period from outside. We would have to spend money to get a structural engineer to get in there. We would have to get permission to go look at the things. We would have to go find the construction documents for the buildings. It’s a problem.

The roofs, themselves, are at various ages as well. I don’t know how much life there is left in them. It’s just an additional cost that probably comes on top of it. Many of the buildings are of vintage where they would have materials used in construction like vinyl asbestos tile, asbestos ceiling tile, asbestos installation on pipes that would have to be mitigated. We don’t know what those things are. They are a lot of money to mitigate when you find them.

We don’t know if there’s hazardous material on the site. We probably would want to get a Phase I environmental assessment done. That we can’t do in-house; that we would have to go out with a RFP for
and contract out. It’s not cheap and it’s not something that I would want to proceed without. The buildings were also built at a time when Mansville was giving away asbestos ceilings as fill. There are a host of those issues that gone on about it. There’s sort of some confusion with that in the performing arts center. We know that the auditorium there is not sufficient to fill our needs as a performing arts center. It’s 250 seats or thereabouts. It’s not small enough to be viable in the study of the performing arts center that we had done. I don’t know what we would do with much of the other buildings.

There’s been some suggestion, well, we can just buy it for the land. I don’t know that we need the land. If we need to build another school, we have a site that we have already paid for essentially. It was given to us as part of a development. I just can’t see where we can come to a conclusion in the next four weeks that this is a great thing to do. We spent a lot of time mulling over whether to buy Burke Street or not before that got us. I was not involved in the process from the internal side when we did that, but I have a huge number of questions about this that I’d want answered before I thought about purchasing that site.

Plus, it pays almost $700,000 a year in taxes that may or may not come off the tax roll. If another non-profit college buys it then it will come off the tax roll but it is currently paying those taxes. I have heard from at least two outside entities that they declined to bid on it for exactly the same set of reasons I just described. I’m not sure whether those entities want to be named here, but it’s not something that we should undertake lightly, and I don’t. I just don’t see how we could get it to a positive conclusion in that timeframe.

**Alderman Lopez**

We are just talking about the feasibility study, having the economic development office look at it or am I misunderstanding the ordinance?

**Chairwoman Melizzi-Golja**

My understanding is that it’s truly looking at all of the things Alderman McCarthy talked about because this is a binding agreement and it is “as is.” We have no idea what’s there.

**Alderman Lopez**

A question to Alderman McCarthy. Is the way the ordinance that we are looking at right now investing or requiring us to invest more than just the Economic Development Department’s effort? I don’t think we’ve actually stipulated money that needs to be spent on a contractor to examine the things that you are concerned about. This was just looking at the feasibility. Is that correct?

**Alderman McCarthy**

This resolution is. The bond resolution that we didn’t pass is to put up the money. We will need to spend outside money on contractors to get things done to do this. We don’t have that money put aside either. It seems pointless to me to do a feasibility study of something that can’t possibly happen if we’re not going to buy the property on October 23. We have to put up 10 percent of the money on October 17 as a deposit and by November 7, we would have to close on it and we would own it at that point. Or, someone else is going to own it. Doing a feasibility study on whether we can buy a piece of property that may or may not be for sale at the time we’re done with the study just doesn’t seem to make any sense to me.

**Alderman Lopez**

I can see value doing it just because we would know the value of the property, what is being bought. It is information that could be useful if it comes up for sale again in a year, if one of the bidders doesn’t come through. I can’t anticipate what is likely to happen with this property any more than we can anticipate the condition of buildings, the condition of the roofs. There are a lot of unknowns on every side. It just makes
sense to me to at least look at it and try to figure out what is there that is useful to us just in case we are in a
position where we are able to take advantage of that. By not doing that, we are positioning ourselves to
proceed no further on that entire opportunity. I don’t think it is going to work for the performing arts center
because, personally, the way the performing arts center was presented doesn’t look like it’s going to boost
the arts scene. It looks like it was supposed to replace the economic anchor that Alec Shoe was.

It doesn’t do that if it is off of Daniel Webster College, but what it might have is a soccer field that we could
use or an administration building that our school district could use. There hasn’t really been any interest
expressed to the economic development office, but that may also just as likely be that’s because nobody
really knows what is likely possible or available.

If somebody else does the roof study, or if it becomes evident that there was a recent structural evaluation
done as part of the foreclosure process or when Southern New Hampshire University did it, we’re not even
positioning ourselves to find out whether somebody did some of the research for us.

Alderman McCarthy

If any of those things are true, the property will wind up back on the market after November 7, and we will
have adequate time to go look at it at that point. I don’t think we will even get access to the property to do the
things that need to be done on it if we’re not clear that we are a serious bidder. I think if we were to put forth
a proposal that said we are willing to put up a check for $23 million but you have to let us look at this first, you
might get a chance. If you go and say we want to crawl up in the attics of the building and do things that may
or may not involve some destructive testing, drill holes around the site, and by the way, we’re just browsing, I
don’t think we’re going to get that. I can’t see a way in which this makes sense in the timeframe that we’ve
got. I can’t see why if there’s a long term opportunity there, we can’t pursue that after somebody else buys it.

I think it’s virtually certain the property is going to be sold.

Alderman Lopez

It’s an auction. I wouldn’t doubt that at all.

Alderman McCarthy

Unless there’s no bids that are viewed as even sensible or even legitimate, it’s going to get sold. Someone
may buy it at a very low price.

Alderman Moriarty

Alderman McCarthy is correct that there’s a lot of things that need to be addressed. I’m sort of leaning
against this. Of course we will have the full Board to make the vote, so we have time to think amongst
ourselves. On one hand there are unknowns and we won’t be able to resolve those unknowns unless we
actually investigate it. Putting the timeline aside, if you don’t try you will never know. There is some merit to
passing this particular resolution just to investigate it and find out so we do confirm that it is unsuitable. Or,
maybe we’ll have some uncertainty as to what it is good for.

My personal belief is that the city doesn’t have a compelling need that drove it to look here at the first place.
I’m not of the tactical mind that the city should be in the position. I think the city should simplify what it does
and focus on what it does and focus on schools, police, fire, public works and leave it at that. Just out
principle, I’m not interested in even investigating.

My vote of whether or not to proceed with this doesn’t have to do with the timeline. If you think the timeline is
the problem, I would urge you to go ahead and vote for it because you don’t know if the timeline may extend
because at least you can find out. But I don’t even want to find out. I mean I’d like to find out out of curiosity, but I just don’t believe it’s the city role to be buying this property.

Alderman Lopez

While it is very likely that what can be accomplished with the feasibility study could satisfy Alderman McCarthy because of his years of experience he knows the troubles we are going to run into. He knows all the things that need to be done. It could start to identify what is valuable and what is not to the other aldermen too. I don’t necessarily want to take us out of the position of being able to at least have everybody learn about the property and what’s available.

I understand they are not going to let us drill holes in the roof or whatever necessarily in order to find out about these things, but by raising some of these questions we may actually create a collective need for more information about the property to be presented, especially if they are not able to sell it. If the business community at large is looking at this and they don’t know what they are getting into and they don’t want to, it may even improve a future effort. Or, it may be that we find out that there is some advantage here that we haven’t really thought of like moving Brentwood or the school district’s headquarters or any of the future needs that we have in the community. We may find out that there is a suitable location at Daniel Webster College and we need to know more about that.

I think not doing it at all just ruins any possibility of finding out what we’re missing out on. I don’t necessarily think we need to start looking at every piece of real estate that is available, but it is a pretty large one and it is a pretty big opportunity.

Alderman McCarthy

I actually on a large extent agree with Alderman Moriarty’s analysis on the need as well. We don’t know what problem we are trying to solve. We know we have problems with Elm Street. We know we have problems with Mount Pleasant. We know we have problems with the Brentwood School. This isn’t presented in the light of there’s a building that would be perfect there and a building that would be used for this and here’s why that $23 million would solve those problems for us. This is: let’s investigate a solution and see if we can find a problem that it fits.

Alderman Lopez

I don’t disagree with that either but that’s basically what we did with Alec Shoe Store where we had a problem that we happened to have and then that property became available. The feasibility study looked at it and said that’s exactly where you want to be putting your performing arts center, but you will have to modify the building in order to do that. If we didn’t know what was going on with Alec or we closed our eyes to that possibility, we would not have been in position for that solution. I just want to make sure that we are looking at possibilities for longer term needs instead of just being focused on what’s literally right in front of us. We know we do have some issues coming up that we are going to have to address. We just don’t have a solution for them.

Alderman McCarthy

And I would point out again we were looking for a solution to the performing arts center problem and that solution happened to walk in front of us.

Chairwoman Melizzi-Golja

If we look at these dates, proposals are due by the 17, the auction is scheduled for the 23. We would have less than a month to put together a proposal. It’s a large piece of property to take off the tax rolls. We aren’t sure what we would do with it or what sorts of situations would present to us. I think to invest money to move
forward to do structural analysis to look at what's there that might be a potential is not where we should be going at this time.

If someone else buys it and there's something there that we want and we have more time to look at it, I wouldn't be opposed to that. But I just think that this is a huge piece of property with unknown concerns related to it that we all have, and to just move forward is not where we want to be. As Alderman McCarthy said, we're now looking at the Burke Street situation, and I would hate to see us end up with an even larger piece of property pulled off the tax rolls and find out we have very serious problems with it.

Alderman Lopez

I think that the testing of the roof and that kind of stuff was an example of the type of testing that Alderman McCarthy would particular see as necessary. But, I don't read this as necessarily binding us to do that kind of thing. I'm not aware of that kind of test being suggested for Alec Shoe Store, and we did look at that as a solution too. In my mind all this is committing us to is a feasibility study. It's not really defining to what extent that is.

It's likely that the feasibility study will suggest that the date is too short, the property is much larger than we would need, but at least we would be aware of any specific opportunities that are worth pursuing independently, whereas doing it after the auction when somebody else owns it, that kind of is showing a little bit more of our hand. We find out we really do want that administration building and we didn't study it ahead of time and somebody buys it, then we have to negotiate with them anyways. While we could probably have a longer timeframe for doing that then there's a clear owner versus a company that's just trying to auction it off. Again this may be my inexperience showing, but I don't think we're committed to more than a feasibility study. I don't think there's any kind of cash expense that's mandated as part of this resolution.

Alderman Moriarty

I'm going to offer not a procedural but a mechanical perspective here. We don't have any of the city staff and we don't have the prime sponsors here. As far as this staying in this committee, there's not much we can do as far as fact-finding. We've had other resolutions that we've held onto for a long time. We've made a lot of progress with them. I think what's happening at the moment is we're offering our opinion, but we can just weather the motions to recommend final passage or motions to recommend indefinite postponement. Whatever the motion is as long as we vote on something and get it back to the full Board then it is essentially moving forward in the process. I'm suggesting we just sort of move on.

Alderman Lopez

That's far.

Chairwoman Melizzi-Golja

I would just point out as Alderman McCarthy did earlier, the legislation related to a bond was not passed at the last Board of Aldermen meeting. This feasibility study would have been step one in supporting the issuance of a bond. Just so we're all clear on where that is going.

MOTION CARRIED

NEW BUSINESS – ORDINANCES - None
TABLED IN COMMITTEE

O-17-039
Endorser: Alderman David Schoneman
AMENDING THE ZONING MAP BY EXPANDING THE HISTORIC OVERLAY DISTRICT
BY ADDING GREELEY PARK
• Also assigned to the Planning Board; Favorable Recommendation Issued 6/1/2017
• Tabled – 6/20/2017

GENERAL DISCUSSION

Alderman Moriarty

R-17-130, which is sort of the sister to this, is that currently at Budget Review?

Chairwoman Melizzi-Golja

No. That’s what I said. It was not passed at the full Board.

Alderman McCarthy

The first reading was not accepted by the Board.

Alderman Moriarty

Really? Okay.

Alderman Lopez

That’s why I felt like if we’re not going to spend any money on it, we’re just using city staff to look at it.

Alderman McCarthy

Did the amendment to the Greeley Park legislation ever get distributed to the committee?

Chairwoman Melizzi-Golja

No, it did not.

Alderman McCarthy

I had gone over it with legal. I think we had reached something that was acceptable with Alderman Schoneman as well. I’ll make sure we get that out to the committee for next time.

Chairwoman Melizzi-Golja

Alderman Schoneman contacted me this evening because some of you may have seen in Saturday’s paper it stated that there was going to be a public hearing on Greeley Park at our meeting. I was kind of surprised. There was supposed to be a correction in the paper. I spoke with Dean over the weekend. I told Alderman Schoneman I hadn’t seen anything; he had not seen anything. If legal could get that to Sue and get it to us that would be great.

PUBLIC COMMENT – None
Alderman Lopez

Tomorrow at St. Patrick’s gym, from 10:00 a.m. – 2:00 p.m., there is a job fair called “Employment Connect.” It emphasizes applicants and employers meet face-to-face and having a conversation as opposed to the HR procedures that we are all more used to. It is sponsored by the Greater Nashua Continuum of Care.

ADJOURNMENT

MOTION BY ALDERMAN LOPEZ TO ADJOURN
MOTION CARRIED

The meeting was declared adjourned at 7:29 p.m.

Alderman-at-Large Daniel T. Moriarty
Committee Clerk
Alderwoman Melizzi-Golja –
Per your request seeking information relative to the disposition process for Daniel Webster College. Below you will find a very abbreviated synopsis articulating the main points.

Facts Relative to the Disposition Process For Daniel Webster College are as follows:

Proposals Due By Oct. 17 (Delivered by COB - written offer to purchase)
- Has to include an executed copy of their purchase and sale agreement (which cannot materially change)
- Contains no contingencies and is binding
- All due diligence, inspections, and financing matters needs to occur prior to submitting a proposal
- Property is being sold “as is, where is” no indemnifications
- Shows bidder has legal authority to execute
- Evidence bidder can close by Nov. 7 (an authorizing vote)
- Statement that bid is irrevocable upon submission
- Includes 10% of proposed purchase price as a deposit. (only refunded if bid is rejected or bid is not approved by bankruptcy court)

Auction is scheduled for Oct. 23rd
- Highest and best 3 bids plus other bids within 15% of the highest bid entitled/invited to participate in auction
- More auction rules to follow for bidders that are deemed able to participate
- Prevailing bid must be approved by bankruptcy court (2 days later in Indiana)

Miscellaneous Facts
- Property is being sold "as is"; no warranties, etc.
- There is language that there are several facilities on the property that have raised concerns associated with significant levels of asbestos.
- There are 5 pieces of real property being auctioned – some of these properties are leasehold

To date no official expression of interest for using Daniel Webster College has been transmitted to my office. The BOE is the closest municipal entity to express an interest, but I cannot represent that a majority of the BOE is interested at this time or for what specific purpose.

If contemplated for a school use – the school administration would need to execute immediately on due diligence.

A public hearing would be required for bond authorization (this means the matter will need to be publicly noticed) The Capital Improvements Committee ("CIC") and Planning Board would need to weigh-in for the bond authorization to be in good standing.

I have been coordinating regular tours of the site for both public/private interested parties. I would be happy to schedule a tour at any time for anyone interested in previewing the site

- Taxes Generated: $667,283.18
Thank you,
Tim

Tim Cummings
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