

SELECTMENS' WORKSHOP
Minutes of 01/28/08
4:00 p.m.

Selectmen:

Frank S. Michel, Chairman
Peter F. Brothers, Vice Chairman
Robert C. Flanders
Miller C. Lovett
Colette Worsman

(Absent with Notice)

Town Manager:

Carol M. Granfield

Recording Clerk:

Karin Landry

The Workshop was opened by Chair Frank Michel at 4:00 p.m. The Chair introduced the Selectmen, Town Manager, and the Recording Clerk. Selectman Worsman gave notice that she will be tardy, or possibly absent, from the meeting, and e-mailed comments regarding the leasing of waterfront property to the Chair. The meeting will allow for comments by various individuals on certain issues.

W 08-07 Naming Proposal – Leighton Mountain

A proposal has been made by the conservation commission to name the peak that is located west of Leavitt Mountain Leighton Mountain. The County reviewed the request and submitted it to the U.S. Board of Geographical Names. The Board will concur with the Town's position, because it can better determine if the name is appropriate.

Pauli Novicki spoke on behalf of the Conservation Commission. She set forth the location of the peak. The Leighton family made the gift of land to the Town in 2002. The only cost to the Town for the gift was for the survey and title search. The Commission plans to place signage on the property that is comparable with existing Town Forest signs. The sign will be visible from the road. The Commission is familiar with the requirements that need to be met in order to name a peak, because they have gone through a prior naming. Polly personally contacted every abutter of the property and they are in favor of the proposed name. The Chair directed that a written statement be obtained from Mr. Freeman, who holds an easement on abutting property, regarding the naming. The matter will be scheduled for the next Board meeting.

W 07-29 Request to Discontinue a Class VI Highway (a portion of Happy Homes Road)

Attorney Stephan Nix came before the Board on behalf of Harris Cove Estates. He asked to meet with the Board to withdraw the proposal to discontinue a portion of Happy Homes Road that traverses over the Harris Cove Estates property. After talking with numerous agencies and the Town, his client made a decision to redesign the road without requesting the discontinuance. Attorney Nix did not ask the Board to make any decision on the matter. He briefly outlined his client's new proposal. It will go through the

standard approval process, and will be reviewed by the appropriate parties including the Fire Chief and Police Chief.

W 08 -08 Leasing Commission

HB 710 is an Act that was passed by the Senate and House to establish a Commission to study issues relative to the practice of leasing state-owned real estate on the shores of public water. As the representative of the New Hampshire Municipal Association, Town Manager Carol Granfield is seeking input from municipalities relative to the issue. She will report the findings to the Leasing Commission.

The Town took a position not to recommend a new lease on Lake Waukegan last year because it is the Town's water supply. The state subsequently granted the lease for a one-year period. The state is granting short-term leases while awaiting the findings of the Commission. Based on the tax rates for 2000, the Town receives slightly over \$26,000 per year for docks on property leased from the state.

The Chair read Selectman Worsman's e-mail regarding the issue:

Dear Frank – I hope I will be back on time, but should I not, will you please read this into the minutes. I would like to express my opposition to the issuing of new railroad/shoreline leases. This opinion is based on the following information which I would like entered into the record. Having read Carol Granfield's staff report and the interim report by the Commission to study issues relative to the practice of leasing state-owned real estate on the shores of public waters, I believe supporting issuance of new leases contradicts the Board's highest priority, water quality. Last week, I attended a full day workshop on the Shoreline Protection Act – of direct relevance was a brochure cooperatively produced by the Department of Environmental Services, et al. entitled *What's Our Water Worth*. It talks about the economic impacts if our rivers and lakes become polluted, unsightly, or overcrowded. It is further broken down into decrease in water clarity or purity, change in water levels or flows, change in views or scenery and increased crowding. Each of these has estimation for loss of revenue, for example just a reduction in perceived clarity and purity, i.e., algae, mercury, milfoil and other invasives would cost the Lakes Region \$21M in lost sales, \$8.8M in lost income and 396 lost jobs. In comparison to the revenue received in 2007 of \$26,641, I believe granting new leases would be tantamount to winning the battle but losing the war. Additionally, aside from water quality, the rail road corridors are used by a greater number of walkers, snowmobilers, etc. The WOW – Winnepesaukee/Opechee/Winnisquam - Trail has just begun along the railroad in Laconia. I believe additional leasing would interfere with these non-water users. In regards to those in Meredith or other communities who already have leases, I believe it may be unfair to take away this privilege. I offer the following as suggestions of possible compromises/protections. Limited to the current owners, assure no subleasing occurs, and that they remain for private use, i.e. non-commercial. I am certain a great number of other ideas will arise at this workshop, so kindly add these to the mix for discussion.

Selectman Lovett agreed that water quality is important, especially on Lake Waukegan. He expressed concerns that leasing for relatively small amounts of money from the state can significantly enhance the value of property.

Attorney Stephan Nix gave a brief presentation regarding the history of the Concord/Lincoln line of the Boston & Main Railroad. The information presented was compiled from State archives, the Merrimack County Superior Court, the Public Utilities Commission, and the Department of Transportation, in conjunction with his work on the 18-Mile Point development. In the 1800's, the railroad was the most important transportation that existed. At the time the property was taken for railroad purposes, it was considered an easement. The interest in the railroad diminished once the interstate highway system was built, and B&M filed papers with the state to abandon the railroad. Recognizing the value of the corridors, the New Hampshire Legislature used the power of eminent domain and gave the Public Utilities Commission the power to condemn the railroad property to preserve the corridors. Because of the large amount of title work involved in doing so, the state petitioned the court to appoint a guardian ad litem to represent property owners who would be affected by the taking. It is not known if the process will hold up in the New Hampshire Superior Court. The state upgraded the line and leased it to the Winnepesaukee Railroad for use as a scenic railroad. In the 1990's the Department of Transportation went to the legislature and had a statute passed that allowed for the leasing of shorefront properties. The statute provides that the DOT will review whether the dock will interfere with railroad purposes at the time of renewal. It does not say anything about the number of boats on the body of water or environmental impact. The cost of renting a boat slip including amenities at a marina is comparable to leasing from the state, without the monetary burden of permits, building a dock, insurance policies, taxes on the dock, and conveyance of property. In addition, in some cases, the underlying value of the dock is included in the value of the house, and corresponding real estate taxes are paid. Attorney Nix asked the Board to make a distinction between Lake Waukegan and Winnepesaukee, based on the importance of protecting the water supply.

Christopher Kelly spoke on behalf of 18-Mile Point as a real estate professional. He briefly overviewed the history of the development, including the sale of the original building lots. There are 9 boat slips associated with the original phase of the development, one of which is a community boat slip. Phase II of the development adds an additional 20 lots and 10 boat slips, and is about to go before the state for approval. The developer has the legal right to ask the state for a lease. The necessary permits were obtained when the work was done. Mr. Kelly provided the Board with an analysis of a 10% reduction in property value and a 100% reduction in the value of the boat slip if the leases are no longer available. He focused on the 19 boat slips in the Long Ridge section of the development. The Town would lose \$20,749.71 in taxes this year. If access to the water is taken away from the property owners, it is conservative to believe there will be a 10% reduction in the value of the lots and homes, representing an additional \$18,975.49 loss in taxes. The total tax implication is \$39,725.20 for 2008. The owners of the slips can rent a similar slip at a marina with access to additional amenities for a similar amount of money. He asked the Town of Meredith to look at the present leases from a financial standpoint to the Town and an added value for property owners who want to live in Meredith and have access to the beauty of the Town and Lake.

The Selectmen found the presentations to be informative and helpful. Selectman Lovett requested a similar analysis from another source that supports the information presented by Mr. Kelly.

Resident Phil McGowan spoke on behalf of the residents of Grouse Point. There are 34 deeded docks at Grouse Point that are not affected by the lease. There are two separate leases with the railroad accommodating a mooring field with 20 boats, 14 of which are affected by the lease. The boats in the mooring fields do not generate taxes to the Town of Meredith. There are 20 families in Grouse Point that are paying significant real estate taxes to the Town of Meredith. Mr. McGowan asked the Town to take a position to grandfather the existing leases.

Carol Granfield would like a position paper as soon as possible to share with the Commission. The Board was generally in support of the continuance of the existing leases. Future leases, especially on Waukegan are somewhat problematic. The Chair pointed out that the statute regarding the leasing of certain portions of railroad property provides that if payments are made, the property is kept private, and railroad activity is relatively the same, the lease will be continued. The respective developers have invested money and met all requirements. The leasing rights should remain unless there is an increase in railroad activity. The Board agreed that there are economic impacts to consider. The Chair directed that another workshop be scheduled on the matter. Carol Granfield will provide additional information regarding economic impact and alternative positions. The Board would like input on the matter from Community Development Director John Edgar and the Conservation Commission. Selectman Worsman will have an opportunity to express her views at the workshop.

**W 07-32 Laconia Area Community Land Trust Workforce Housing
Development Agreement and Waiver Request**

The Board held a lengthy discussion on the Development Agreement, the waivers requested by the Laconia Area Community Land Trust ("Trust"), and the Trust's request to waive the current use tax at a previous workshop. The Development Agreement has been finalized. A Staff Report on the Agreement is appended hereto. There is no additional information pertaining to the waiver requests. Legal counsel does not recommend the waiver of the current use tax. However, an abatement request for taxes could be made and addressed.

Laconia Area Community Land Trust (the "Trust") received conditional approval from the Town Planning Board to proceed with a 32-unit workforce housing development on Boynton Road. As part of the conditional approval, the Trust must obtain permission from the Town Water and Sewer Department to connect to the municipal water and sewer system. The conditions of approval for the system connections are documented in the development agreement. Ray Korber of KV Partners highlighted the terms of the Development Agreement. He set forth the responsibilities of the Trust and the Town as outlined in the staff report, with the following clarifications:

The Trust's responsibilities include the design of all improvements in collaboration with the Town to the Town of Meredith standards. The Trust will pay all costs for engineering and construction including cost for firms retained by the Town. This includes the costs associated with engineering and construction for those infrastructure assets that will be owned ultimately by the Town of Meredith.

The Town will assist the Trust's consultant during the design process. The Town will bid and oversee the Boynton Road improvements using outside firms retained by the Town. The facilities on Boynton Road will be completed within the Town right-of-way and the Town will own those facilities.

Mr. Korber reviewed the benefits of the project that will be realized by the Town, as set forth in the staff report.

Dialogue ensued regarding access/connection fees required by the Town. The access fees paid by the developer will be dependant on the granting of waivers. The Board wishes to have more dialogue on the waivers. Community development block grants in the amount of \$475,000 will be transferred to the Town. Those funds will be drawn from as opposed to establishing an escrow account. The agreement and staff report have been reviewed by the Town's attorney, the Public Works and Water & Sewer department, and the Town Manager. The Board is in approval of the development agreement. They agreed to hold further dialogue on the waivers at another workshop. The Chair directed the Town Manager to provide the Board with various information from the November 26 workshop regarding the waiver requests. The matter will be put on the workshop agenda for February 4, and scheduled for the Board meeting following the workshop.

Selectman Lovett would like the Board to grant as many waivers as possible to the Trust. There will be a substantial increase in revenue to the Town in the short term, and he would like to encourage additional projects with the Trust in the future.

Dialogue ensued regarding how the granting of waivers will affect the timing of the project. The allocation of water will be granted once the development agreement is approved at the next Board meeting. This is the first development agreement under the new Ordinance and the Board should be diligent in reviewing it.

Ray Korber highlighted a project previously identified by the CIP that creates two loops in the water main. Taking into consideration the Trust project, there are still benefits to completing the loops. It will minimize the risk of failure of those lines, eliminate a dead end main that has water quality issues associated with it, and enhance fire protection. The intent is to include the project in the infrastructure improvements project as a change order if there is enough money left from Rural Development to do the project. If the Town moves forward with the design and funds are not available for the project, the design can be used in the future. Dialogue ensued regarding the cost of completing the loops. Mr. Korber advised the earmarking \$90,000 for the project in this year's budget so they can be drawn upon if needed.

W 08-09 Water Committee Charge

At the direction of the Board, the Town Manager worked with Bob Hill and Ray Korber to draft a water system committee charge. Once the charge is adopted, individuals can be solicited to serve on the committee. The committee can utilize reviews and analyses that have already been completed. The draft charge provides that the committee will present their strategic plan to the Board by October 6, 2008. The date can be extended if additional time is needed. The Board was in general agreement that the committee should be a long-standing committee. The committee can be utilized as an alternative to a Water Commission, assisting the Board on an ongoing basis. Selectman Flanders proposed a change in language based on the Board's discussions. The matter will be placed on the agenda for the February 11 Board meeting. Additional comments should be forwarded to the Town Manager.

Selectman Flanders motioned to adjourn the meeting at 6:30 p.m. Seconded by Selectman Brothers. 4-0-0. All in favor. Motion passed.

Respectfully submitted,

Carol M. Granfield, Town Manager

Frank S. Michel, Chairman

Karin Landry, Recording Clerk

Peter F. Brothers, Vice Chairman

Robert C. Flanders

Miller C. Lovett

APPENDIX A

Staff Report LACONIA AREA COMMUNITY LAND TRUST DEVELOPMENT AGREEMENT January 28, 2008

Background:

Laconia Area Community Land Trust (LACLT) seeks to complete a 32-unit workforce housing development on Boynton Road. LACLT has submitted and received conditional approval from the Town Planning Board to proceed with the development. As part of the conditional approval, LACLT must obtain permission from the Town Water and Sewer Department to connect to the municipal water and sewer system. The conditions of approval for the system connections are documented in the enclosed Development Agreement.

Issue:

Authorization by the Board of Selectmen to execute the Development Agreement as presented.

Discussion:

In summary, in return for permission to connect to the municipal system, LACLT agrees to finance the construction of infrastructure improvements in Boynton Road from NH Route 3 to the proposed development near the end of Boynton Road. Infrastructure improvements include: new sewer main extension; new sidewalk; repair/replacement of existing drainage structures; and full-width roadway reconstruction. LACLT will also complete on-site utility extensions to serve the existing manufactured housing units and the 32-unit workforce housing buildings.

LACLT responsibilities will include:

1. Design all improvements in collaboration with the Town.
2. Construct all on-site utilities. On-site utilities will be owned by LACLT.
3. Pay all costs for engineering and construction including cost for firms retained by the Town.
4. Pay all access and connection fees as required by the Town.

Town responsibilities will include:

1. Assist in the design of improvements and provide design review services.
2. Construct Boynton Road improvements. Project delivery will be design/bid/build.
3. Provide construction observation for on-site utilities to ensure installation meets Town standards.
4. Retain engineering and construction firms to complete work on the Town's behalf.
5. Receive Community Development Block Grant funds from LACLT to finance improvements completed by the Town.

The Town will realize the following benefits:

1. Complete needed infrastructure upgrades in Boynton Road including sidewalk extension, drainage system repairs and roadway reconstruction.
2. Add sources of revenue from new water and sewer services provided by the development.
3. Support workforce housing which is an identified need and priority for the community.
4. Reduce the amount of water discharged from the Boynton Road blowoff and use the reduction to offset expected increases in system demand imposed by the new development. The estimated blowoff rate is 8,640 gallons per day (gpd); the estimated average and maximum day demand of the LACLT development is 4,000 and 10,000 gpd respectively. Refer to the enclosed Water and Sewer Department report for additional details.

Fiscal Impact:

As stated, LACLT is funding all engineering and construction costs; therefore, there will be no cost to the Town taxpayers or utility ratepayers for the proposed improvements. Note that the total project cost for the Boynton Road improvements is estimated to be \$495,000.

The only costs to the Town will be staff time required to: (a) Administer funds received from CDBG and LACLT, (b) Complete design review, and (c) Coordinate on-going Town operations with construction activities.

Recommendation:

The enclosed Development Agreement has been reviewed by the Town Manager's Office, Water and Sewer Department, Public Works, Administrative Services, Community Development and Town legal counsel. The Development Agreement has also been reviewed and approved by LACLT and their legal counsel. The Development Agreement is presented for the Selectboard's review. We request authorization to execute the Development Agreement as presented.

Prepared by:

Ray Korber, P.E. of KV Partners LLC

Town Manager Recommendation:

Recommend to proceed with the execution of the Development Agreement.

Carol M. Granfield
Town Manager