

TOWN OF DERRY

Town Council Special Meeting
Derry Municipal Center

August 9, 2006
Tuesday 7:00 pm

Member Present:

Chairman Chirichiello
Councilor Reisdorf
Councilor Ferrante
Councilor Bulkley
Councilor Dowling
Councilor Fairbanks
Councilor Coyle

Staff Present:

CFO Frank Childs
David Gomez
Tom Carrier
Mike Fowler
Alan Cote
George Sioras

Town Administrator Marcoux
Town Attorney Brenda Keith
Recording Town Clerk Denise Neale

7:00 P.M. Salute to Flag, Notice of Fire Exits & Handicap Access

Roll Call-Present: Dowling, Fairbanks, Ferrante, Bulkley, Chirichiello, Reisdorf, Coyle

Public Hearing**06-86** Construction of Public Works Garage and Bond Issue

Administrator Marcoux gave a review of the costs for proposed renovations and repairs to the existing Highway Garage. Other options suggested by prior council were to sell the land & building, then construct a new Highway garage at the Transfer Station. This task has been completed by the staff. (Mike Fowler & Alan Cote) The Cost is now \$1.3M for new construction. The sale of the land & building would be approximately \$700,000

Mike Fowler, PW Director and Alan Cote, Hwy Sup., gave an explanation of how the department is looking to fund the project. Detailed existing major issues with the present garage. (See funding options below)

Option A: 20 year bond for \$600,000 or

Option B: Use of Unrestricted Fund Balance in the amount of \$600,000.

Councilor Reisdorf requested that the new garage have radiant heat floors or he could not vote for it. He wanted this stated to Alan Cote.

Councilor Fairbanks asked if anyone was interested in purchasing the property. When was the CMA done? What would cost of repair be?

Mike Fowler explained that there had not been a process started to solicit the property because there has not been authorization from the Council to do so. Valentine & Scanlon Associates did the CMA approximately one year ago.

Administrator Marcoux explained the process of "Request for Proposal".

Alan Cote explained in detail what the repairs were and what the cost would be to fix the building. The cost would be approximately \$100,000 to \$200,000.

Councilor Dowling stated that the CMA is not the same as an appraisal by a certified Commercial-Industrial Appraiser. Should we base the cost of the sale on an appraiser or several CMA's from different companies? It was addressed in the CMA, environmental impact do we have something? What is the cost of the clean up? Has this expense been figured into the equation?

Alan Cote explained and underground tank leaked several years ago but they have been working with the DES to clean this up.

Mike Fowler stated that the next step is to present a report to the DES and that they will come back with a decision whether the plan is suitable or not. We have not gotten a full extent of value of the cost, possibly \$50,000. We would also receive some reimbursement from the state for this.

Councilor Fairbanks, how many acres and how many structures are on this parcel?

Alan Cote, approximately seven acres and the main structure was built in 1965.

Motion to open public hearing by Councilor Bulkley second by Councilor Coyle Vote: 7-0-0

Paul Hopfgarten, Hampstead Rd- Questioned zoning and asked if there would be a contingency plan if the selling price was not met.

Mike Fowler answered with different avenues to take regarding the monies.

Al Dimmock, High St- Asked about information with regards to the clean-up fund from the Federal Government.

Brent Carney, Goodhue Rd- Asked questions regarding clean up and could it bring down the price or if it was factored into the CMA. Regarding the Radiant Heat in the floor it may increase the price has a long/short term costs/savings been considered.

What is the feasibility of repairing the building short/long term?

Councilor Reisdorf explained the initial cost would increase but the savings would be greater.

Mike Fowler stated that in 3-5 years down the road these fixes might not be efficient.

Maureen Rose, Windham Rd - Expressed concerns over more new construction in town and water quality because of the salt piles at the present garage. Concerned of running out of space at Transfer Station.

Mike Fowler explained the State's concern with salt, and we also are following the State's decision process in this area.

Al Dimmock, High St-Was interested in the new salt shed and how it would be built, also the spillage from the truck deliveries to the new area.

Motion to close the public hearing, Councilor Dowling second by Councilor Bulkley. Vote: 7-0-0

Councilor Fairbanks wanted to inform the public that she has viewed the building and the structure doesn't appear to be sound, in her unprofessional opinion.

She also wanted clarification on the procedure regarding selling the building & land before

bonding.

The town Administrator explained the selling process (RFP) and the RFP for the construction of the garage process, and how they interact.

Councilor Ferrante asked based on the bond not being issued until the P&S, what is needed for repair for this winter?

Alan Cote stated there would be none if the resolution were approved. However they will be repairing the necessary safety issues.

Councilor Bulkley reiterated that since 1986 Highway Garage needed to be replaced. We have been trying it keep it running with repairs but there comes a time when you need to replace it. Advised people to review CIP regarding bonding, it shows how the bonding has worked in the town, so that the tax rate isn't impacted with bouncing up and down.

Motion to approve Bond Resolution for New Highway Garage by Councilor Coyle, Second by Councilor Fairbanks Vote 7-0-0 (See attached Resolution)

06-87 Route 28 reconstruction and establishment of Tax Increment Finance District (Rt. 28 Corridor TIF District) pursuant to RSA 162-K, including a \$4.9M Bond made up of the following Parcel ID #'s:

08017	08276-001	08001-002004	08286-003
08275	08002	08001-006	08003
08285	08003-001	35100	08286-004
35015-005	08004	35015-003	08286-005
08284-002	08001-003001	35015-002	08276
08001-004001	08283	08001-002003	08286-006
08278	08286-001	35014-002	08286-07
3015-009	08274	35015-004	08286-014
35015-013	08284-001	08001-002	08280-004
35015-011	08001-004	08001-002002	08286-008
35014-005	08273	08001-005	08286-013
08280-003	08272	35015-012	08286-009
08269	08001-004002	08001-010	08286-010
08014	08001-03	08001-002001	08286-012
08279	08001-001	35015	08284
08006-001	08287	08286-002	08286-011
08280-001	08001-003011	08280	08286
08280-002	08001-009	08278-001	08268
			35015-014

Administrator Marcoux gave an overview of the public hearing on July 18, 2006 and the questions asked by the public and Council Members. The answers were made into packets for the public and were electronically sent to Council, press, and the Chairman of Alliance of the Derry Taxpayers. On Thursday we received more questions from the Chair of Alliance of the Derry Taxpayers and those questions would were answered and are also included.

Motion by Councilor Coyle to re-open the public hearing second by Councilor Fairbanks
Councilor Bulkley would like it limited so that new issues could be raised.

Councilor Reisdorf would like the councilors to have discussion first.

Motion amended by Councilor Coyle to have council discussion first then re-open public hearing, second by Councilor Reisdorf. Vote: 7-0-0

Councilor Reisdorf asked about donation of land along the corridor. He's opposed to buying land and would prefer donations of land for the 600 – 700 feet. Also would like to look at obtaining the road, which goes through the Victory Parking lot and having it open out to Scobie Pond Rd.

Councilor Dowling asked about obtaining easements and cooperation from owners. Also questioned gas tanks presently on Wal-Mart property and would they be moving to the new site? (Chairman Chirichiello answered no).

Councilor Ferrante asked what the vacant lot at Sanmina would cost in tax rolls. (Frank Childs replied that there would actually be a negative impact in taxes revenue as the lot is going from industrial to commercial).

Councilor Coyle asked several questions regarding the commitment from Wal-Mart, impact fees, estimated numbers of income to pay the bond, and the bond difference referenced in Exhibit #4 (see attached).

Frank Child and Mike Fowler answered from information included in Exhibit #4 and the information packet. George Sioras addressed the impact fees.

Councilor Bulkley spoke about the Rte 28 Corridor needing repairs but either Derry must choose to do this or find another source. Councilor Bulkley asked George Sioras to address how prior developers who have helped to pay for additional lights and road widening. Councilor Bulkley agrees with Councilor Coyle that there is a need for a formal letter from Wal-Mart. (George Sioras listed the business and amounts that were put into road improvement in their areas.)

Councilor Fairbanks asked Frank Childs the different aspects of payment and payback of the bond and total cost for final payment. (CFO Childs referenced Exhibit #4). Questioned which businesses contributed to the newest improvement to Ross's Corner. (George Sioras answered with a brief history since 1992). Commented on Wal-Mart and the corporation's manner in which they receive taxpayer dollars to benefit themselves.

Councilor Ferrante spoke on Economic Development and it's importance to the town and for taxpayers. And the need to start marketing this today, not wait twelve years. It's a positive move for the town.

Chairman Chirichiello asked for George Sioras to discuss the business he's receiving interest from in his office. Where the other available buildings factored into this TIF Bond?

George Sioras stated that the owner of Sanmina has indicated there would be retail there. He receives calls regarding Exit 4A, when is Wal-Mart going in, the many lots available. And we did not include the other buildings and properties only the vacant lots in the TIF Bond repayment.

Council Coyle asked George Sioras, how much in impact fees were paid by the TIF District on Ash Street? (George Sioras stated none).

Mike Fowler informed the Council that Wal-Mart would be doing the roadwork on Ashleigh Drive and this is not included in the TIF.

Councilor Coyle asked if we could ask the existing businesses to contribute towards this TIF District Bond? (Mike Fowler answered it is Council's decision). He also questioned Frank Childs what the land value was based on? (Frank Childs stated it was based on this year's tax rate).

Councilor Coyle wanted it clarified that the taxpayers would not see any tax relief for at least 10-15 years.

Councilor Bulkley spoke in regards to Councilor Coyle's questioning that the tax relief would not be felt for some time and agreed. From that standpoint in the future the Town of Derry will be helped. We need to start looking at long term instead of short term.

Councilor Fairbanks asked if Wal-Mart would be staying open 24hrs? Would we need to increase police? (Mike Fowler answered that this has not even been brought out yet). The increase of bringing business to this area would inevitably bring in more traffic, more employees and possibly more housing.

Chairman Chirichiello stated that we don't know that at this time but this was a good point.

Councilor Dowling wanted clarification that in 1992 when Wal-Mart came here what did they contribute? (Answer: \$500,000 and Mr. Cormier contributed \$500,00).

Council Ferrante agreed with the cost of community services. But it's .32 cents per \$1.00 assessed value on commercial property. This is still a positive to the tax base.

Councilor Reisdorf discussed the costs over the repayment and if the lots were to be sold how it would be captured for pay-off earlier.

Chairman Chirichiello re-opened the public hearing.

Paul Hopfgarten believes the TIF bond should be brought to the public in a special ballot on September 12, 2006 at the State Primary Election. He asked if the TIF District improvements would be sufficient to cover the 4A improvement plan? Believes the Town should use a conventional bond and donation of land should be asked for.

Roberta Robie, Chester Rd – Read from a Manchester, NH letter comments relative to the Granite St project and how monies were obtained through the Federal Government to the State of NH DOT. She asked if anyone had contacted Senator Gregg's office and where the information on Page 4 of the handout came from. Requested that Council pursue Senator Gregg's office. The Town Administrator said that he would draft a letter for the chair to send to the Senator and Congressman)

Councilor Bulkley stated he would contact The Department of Transportation and call Senator Gregg's staff regarding the Granite St project funding. Then would let the council know.

Jack Dowd mentioned that we should look at the Ash Street project where we projected a five-year payout and already three parcels have been sold. The taxes from these three properties will generate enough to pay the principal and interest on the bonds.

Chairman Chirichiello requested that the councilors have the next fifteen minutes.

Councilor Coyle motion that the Derry Town Council submit the proposed Rte 28 Corridor TIF District and the related bond of \$4.9M to the voters at a special election to coincide with the September 12, 2006 State Primary. This motion is made pursuant to Section 3.4 of the Derry Town Charter. Councilor Fairbanks seconded.

Discussion:

Chairman Chirichiello asked Ms Keith if that was legal under the Town of Derry Charter?

Ms Keith responded Section 9.17 of the Town Charter is the only provision in the charter that authorizes the bonding, through resolution and it's clearly in the pervial of the Town Council. Addressed Paul Hopfgarten regarding the DRA response to the request..

Councilor Coyle cited Section 3.4 (dealing with the special election) and stated that the Secretary of State agrees with this.

Councilor Reisdorf asked if this was a binding or non-binding? He requested to make the vote non-binding.

Councilor Coyle amended his motion to include a non-binding vote.

Councilor Bulkley mentioned that the Deputy Secretary of State asked about this going to a vote at a primary as it has the least amount of turnout.

Councilor Coyle was reminded by Mr. Hopfgarten that a non-binding vote had been taken on Exit 4A in 1997. Therefore precedence has been established.

Vote: 3-4-0 (Councilors Bulkley, Ferrante, Dowling and Chirichiello)

Chairman Chirichiello scheduled the TIF District Bond for the next meeting August 15, 2006.

Chairman Chirichiello pointed out a concerned citizen had come to him regarding the Food Pantry running out of food and he would like to ask people to donate the following items: canned tuna, chicken, 100% juice boxes, peanut butter, canned fruits and applesauce.

Chairman Chirichiello announced that it has completed negotiations with three parties for the purchase of land for the construction of the new fire station on Birch Street with the following people:

(a) Willam and Deborann McLaughlin, 63 Birch St	\$ 296,830
(b) Ralph S Bonner, 65 Birch Street	\$ 270,000
(c) Mead Commercial Properties, LLC, Rockingham Rd**	\$ 65,000

**Portion of property, which is to the rear of the other two properties. The total property being acquired is 1.6 acres, for a total of \$631, 830.

It is anticipated that the sale transactions will be completed no later than December 1, 2006.

On August 15, 2006 the Town Council will schedule a Public Hearing for September 5,2006 to

take public testimony on the purchase of the property and the transfer of funds that are available from the sale of the West Broadway fire station and the remaining funds from the Unrestricted Fire Fund Balance.

Councilor Coyle invited people to the Charter Commission meeting on Thursday, August 10th and the public portion will be extended for people wishing to speak about tonight's meeting.

Councilor Bulkley spoke in regards to the person who wrote the Derry News about the Rotary. He made some good points. He suggested larger yield signs for the traffic entering. Asked if Mike Fowler could look into this.

Councilor Reisdorf asked if we could use our Cable TV channel to address the use of the rotary.

Councilor Coyle motioned to adjourn, second by Councilor Dowling.

Adjourned 9:55 p.m.

**Attachments: Bond Resolution July 18, 206
Responses Packages dated July 18, 2006 Public Hearing –
Rt. 28 TIF District are on file in the town clerk's Office**

Recorded:

Denise E. Neale Town Clerk

Date