



TOWN OF NORTH HAMPTON, NEW HAMPSHIRE

SELECT BOARD

APPROVED MINUTES

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REGULAR MEETING – MONDAY, NOVEMBER 8, 2010 – 7PM  
TOWN HALL

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*These minutes were prepared as a reasonable summary of the essential content of this meeting, not as a transcription.*

**1. Non-Public Session Pursuant to RSA 91:A-3 II (b) 6:00 PM**

**2. Call to order**

Chair Wollmar called the meeting to order at 7:00 PM. Those in attendance were Selectman Jon Rineman, Selectman Jim Maggiore and Town Administrator Steve Fournier.

Chair Wollmar invited those in attendance to join in saluting the flag.

**3. Approval of Minutes of Previous Meetings**

Regular Meeting October 25, 2010

**Motion by Selectman Maggiore to accept the meeting minutes from October 25 2010. Seconded by Selectman Rineman. Motion carries 3-0.**

Chair Wollmar stated that item 6.1 on the agenda would be taken up next.

Chief Brian Page stated that Katie Horgan had been working in the Police Department for the past eight weeks, and that she was doing a sensational job so far. Chief Page stated that Ms. Horgan comes to North Hampton with a Bachelor's of Science in Accounting, a Master's of Science in Accounting, and a Minor in Computer Technology.

Town Administrator Fournier swore Ms. Horgan in.

**4. Communications to the Select Board**

4.1 Letter from Richard Stanton Regarding Proposed Acquisition of the Corbett Property, 134 Walnut Avenue

Town Administrator Fournier stated that he spoke with Town Counsel and that he felt this is not a hearing under RSA 43, but an acquisition of land, and as such the RSA that is quoted in Mr. Stanton's letter is not relevant in this request. Town Counsel did not feel it is necessary for Chairman Wollmar to recuse himself.

Town Administrator Fournier read Mr. Stanton's letter into the record.

Chairman Wollmar responded to Mr. Stanton's letter.

#### 4.2 Letter from Charles Gordon, Richard Stanton and Donald Gould Requesting To Waive Three Minute Limit On Comments to the Select Board

Town Administrator Fournier read Mr. Gordon, Mr. Stanton and Mr. Gould's letter into the record.

Town Administrator Fournier read an email from Mr. Wilson into the record.

Chair Wollmar stated that the Select Board has agreed to allow Mr. Gould and North Hampton Forever 20 minutes each for a presentation to the Select Board. Chair Wollmar further stated that that would end the discussion, and the Select Board will vote after that.

**Motion by Selectman Maggiore to suspend the rules of the current Select Board's rules and procedures allowing three minutes of public comment, and allow 20 minutes of public comment for the two presentations, not to exceed 40 minutes in total. Seconded by Selectman Rineman. Motion carries 3-0.**

Selectman Rineman stated that there was a third letter addressed to the Chair from Phil Wilson, on behalf of the North Hampton Forever Subcommittee- North Hampton Conservation Commission, and he felt that it too should be read into the record.

Chuck Gordon stated that it had been the intention of him and Mr. Gould to make a power point presentation on Mr. Stanton's laptop computer, but due to a death in the family, Mr. Stanton is unable to attend the meeting.

Mr. Gordon stated that he is not a tax lawyer and is unaware of the intricacies of the tax code in terms of any tax benefits, and that certainly did not motivate their opposition to the transaction, nor did he feel that it should have any bearing on the decision that the Board of Selectman may chose to make.

Mr. Gordon stated that a petition was presented requesting that this matter be deferred by the Select Board and sent to the voters on the ballot in May. It is understood that the RSA stated that petition is not to be applicable in this case, so the Select Board, if it wishes to do so, can simply ignore it, but would urge the members of the Select Board to consider their concerns, and to decide that this is a matter of borrowing almost \$600,000 that ought to go to the voters for their decision.

Mr. Gordon stated the following:

- North Hampton Forever proposes the fee purchase or a conservation easement on approximately 73.4 back lot acres of the property owned by Dr. and Mrs. Corbett located at 134 Walnut Avenue.
- Half of the lot is comprised of wetlands, and the wetlands are located in the Town's Wetlands Conservation District, and that the Corbett's currently own 75.94 acres of land.
- The current assessed value of the total parcel including the buildings is \$578,300.

- The purchase and sales agreement contemplates that the Corbett's will subdivide the 75.94 acre property into two lots, one being a 2.5 acre lot on which the house and barn are situated and which will be retained by the Corbett's.
- The total assessed land only value for the entire 75.94 acres is \$226,700 making the per acre value of the land \$2,985.
- Applying the \$2,985 per acre valuation to the lot which North Hampton Forever proposes be purchased produces a \$219,218 assessed value.
- North Hampton Forever proposes that the Town pay \$545,000 for 73.4 acres of land. If proposed purchase is consummated the Town will pay more than double the assessed land value.
- An appropriation in 2001 of \$4 million dollars was approved by the legislative body, but there is no requirement in the warrant article that all of the authorized \$4 million dollars be spent, and there is no time limit for spending it.
- He believes that in several important respects, North Hampton Forever has strayed from its original mission as was described in the slide presentation in 2001.
- Whether or not intentionally, North Hampton Forever has purchased the fee or easements on wetlands tracts which are already protected by ordinance restrictions on development.
- The original intent was to remove developable upland properties from the market by placing them in conservation.
- It is recognized that the North Hampton Zoning Ordinance allows up to one acre of wetlands to be counted in calculating minimum building lot acreage, but it is believed that that taxpayer funds should not be used to pay hypothetical development value for largely or substantially undevelopable wetland.
- In 2010, annual debt service for prior North Hampton Forever acquisitions will amount to \$234,917. The proposed acquisition would add to that annual cost approximately another 15% of debt.
- North Hampton Forever attempts to justify the proposed acquisition by an analysis based on an appraisal which is predicated on an unsupported and fallacious "assumption" that an approved subdivision plan already exists which would permit 10 house lots to be built.
- This property is located in the North Hampton Wetland Conservation District and it is a "mix of woods and wetland areas."
- The North Hampton Forever analysis is faulty because it assumes that 10 house lots could be developed, and is based on a hypothetical "concept plan," and should be challenged because there is no underlying analysis supporting such a hypothesis, and basically is little more than a "back of the envelope" hand sketch which contains no legends or other information which would permit a meaningful analysis of its accuracy.
- The assumption than any house lots, let alone ten, could be created cannot be supported. This assumption ignores four pages of detailed subdivision application requirements, including an environmental impact analysis.

- Access to any such subdivision could only be by way of an approximately 3,000 foot long road that would, of necessity, cross wetlands in several places, including one major crossing at Pine Brook which would probably require a bridge or major box culvert construction. It would also pass through a wetland buffer area for a large portion of its length.
- The issue with the wetlands buffers, as Dr. Lord correctly noted in his testimony before the North Hampton Conservation Commission, would not be a problem getting DES approval, but as Mr. Gordon learned on his many years on the Conservation Commission, the DES, accept in the area of septic setbacks, does not deal with wetlands buffers. It is the Town's ordinance that needs to be relied on. Section 409.9 of the North Hampton ordinances prohibits impervious surfaces in the buffer zone.
- This plan would require multiple variances from the ZBA as well as subdivision and site plan approvals from the Planning Board would be required for this hypothetical subdivision. Given the Conservation Commission's publicly stated strident opposition to any incursion into wetlands buffers, let alone the wetlands themselves, it is highly unlikely that any developer proposing such a bold plan would be expected to secure all of the necessary variances and permits.
- Even if all of the approvals were obtained, it is unlikely that a developer would be willing to make the upfront investment of the substantial funds necessary to develop the access road, infrastructure and house lots.
- Road construction costs alone are estimated to be \$300 per lineal foot or a total of \$900,000. That cost combined with the land acquisition costs of \$545,000 totals \$1,445,000. When other development costs are considered it is doubtful that there would be sufficient profit in such a venture to attract a developer who would be willing to make such a large upfront investment, especially in the current environment which does not look like it is going to improve any time soon.
- No subdivision plan has been prepared by a licensed engineer or surveyor.
- There has been no traditional wetland delineation or high intensity soil mapping performed by and including the seal of a licensed soil scientist as is required by the Planning Board subdivision regulations.
- The sketch raises serious questions whether many of the proposed lots have adequate acreage/upland acreage and whether permits for drives crossing hundreds of feet of wetlands and buffers could ever be obtained given the extensive wetlands and buffer crossing which would be required.
- The sketch fails to show this "new road" that bisects several of the hypothetical lots, or the existence of these wood lot access roads passing through the lots mean that people, trucks and tractors will be transiting those lots on a regular basis.
- Section 11 of the subdivision regulations requires a written environmental impact analysis for subdivisions of 10 or more lots which must include "in precise technical detail" the features and limitations of the site. This document does not exist.
- A question of the wisdom of the expenditure of \$600,000 of taxpayer funds based solely on the existence of a hand drawn sketch.

Mr. Gould stated to the Select Board that sales of other large tracts of land in Rockingham county and the average price per acre to be \$3,367, which if applied to the Corbett property would make it worth approximately \$247,242 for the vacant land.

Mr. Gould stated that this year in North Hampton there have been six land sales at an average of 78% of assessed value. If applied to the Corbett property that would result in a sales price of \$177,528.

Mr. Gould stated that the North Hampton Forever analysis is faulty because it neglects to take into consideration lost tax revenues that would be lost if that 10 lot subdivision is taken off of the tax rolls.

Mr. Gould would submit to the Board that in considering any kind of an acquisition of conservation land, they must consider the cost to the town of the lost revenue, using the same calculus that North Hampton Forever does. This translates to a loss of potential tax revenues of approximately \$87,000 per year.

Mr. Gould stated that there are significant financing costs. Approximately \$39,000 per year in interest would accumulate over 30 years at a cost that could exceed \$1,000,000. As previously stated by Mr. Gordon, the town is already spending \$234,917.

Mr. Gould next explained that North Hampton Forever attempts to justify their proposal by saying there would be one child per home, and they analogize it to the Winterberry and Evergreen subdivisions.

Mr. Gould stated that in New Hampshire the state average of children per household is 0.45 based on a report by Applied Economic Research. In North Hampton the data readily available tells us that we have 1,941 households and 485 children in the North Hampton School, therefore the correct factor is little less than 0.25 children per North Hampton household. The calculation ignores the average per house ratio and assumes 10 students from 10 homes, and using a cost of \$15,286 per student. Mr. Gould stated that the North Hampton Forever cost figure is grossly overstated by a factor of 400%.

Mr. Gould stated that the school's population peaked at 538 students in 1999. Since that time, it has gradually declined to 485, a decline of 54 students and has remained relatively constant over the past few years. That drop off in school population occurred after the Wintergreen and Evergreen developments went in, thereby contradicting the claim that the Wintergreen and Evergreen developments had caused an increase in the school population, when in fact it has gone down.

Mr. Gould stated that the lost tax revenues over a total of 30 years is \$2,450,740, in addition the bonding costs are about \$1,140,000. If added together, the total cost of the project is \$3,600,000. If you then subtract out the student education costs, the net acquisition cost over 30 years is \$2,481,670.

Mr. Gordon stated that as he had said before to the Conservation Commission, protecting the Winnicut River Watershed is a good idea, and would be in favor of having this land placed in conservation, the issue is price and value.

Mr. Gordon stated that the 9.1 mile river originates in North Hampton but passes through Stratham and Greenland and then makes its way to become part of the Great Bay Estuary, and feels that these other communities as well as others abutting Great Bay should also have an interest in protecting the Winnicut River and it should not be the sole responsibility of North Hampton taxpayers.

Mr. Gordon stated that paying more than twice the assessed value based on questionable assumptions and analysis is a bad idea. 2010 sales of undeveloped land in North Hampton have been at significantly less than assessed value.

Mr. Gordon noted that these are difficult economic times for everyone, and in his judgment large expenditures like this proposal should be made only if the Board is able to make two determinations.

Namely that the assumptions that form the basis for the recommended purchase are valid, supported by reliable data and can withstand the scrutiny of objective minds, and that the purchase of this property is essential to North Hampton's future well being and not simply that it would be nice to add another 75 acres to the town's existing 1,290 acres of conservation land.

Mr. Gordon stated that all that they are asking is that the Board ask the voters to decide on the purchase.

Phil Wilson, 9 Runnymede Drive, stated to the Select Board that he disagrees with most, if not everything that Mr. Gordon and Mr. Gould stated other than it is a good thing to protect the Winnicut River.

Mr. Wilson noted that he had received a copy of a letter that NHDES has investigated a complaint alleging some violations on the Corbett property. Mr. Wilson stated that he had spoken with Sue Corbett and there were three violations that appear to be relatively minor, and that the Corbett's understand that it is their responsibility to remedy those and have agreed to do so. The purchase and sales agreement protects the town against it in any case.

Mr. Wilson stated that opponents to this acquisition have made a number of claims that the North Hampton Forever Sub Committee has not faithfully executed its charge. Mr. Wilson stated that he disagreed, but that he was at the meeting to defend the recommendation the specific acquisition of 73.4 +/- acres from Dr. and Mrs. Corbett, not to defend the North Hampton Forever program in general.

Mr. Wilson stated that the Corbett property is 45.5 acres of uplands, and it is in three contiguous upland areas.

Mr. Wilson stated that according to Dr. Leonard Lord, who is the district manager for the Rockingham County Conservation District, except for an area of approximately ½ acre within all of the upland area of this property that is outside of the wetland set back, is suitable for septic systems.

Mr. Wilson stated that many recent subdivisions in North Hampton developed very large parcels, including wetlands, into very profitable subdivisions.

Mr. Wilson stated that at the recent Conservation Commission public hearing, 17 people spoke out, with 11 of them indicating that they were in favor of the acquisition, six indicated opposition. This ratio reflects the vote to adopt the authorization for the bond, which was 73% to 27%.

Mr. Wilson quoted from a technical bulletin entitled "Preserving Rural Character, The Agriculture Connection", which is published by the NH Office of Energy and Planning, and stated "several studies have indicated the high economic value contributed by land in open space. Studies conducted in eight New Hampshire communities, and over 40 communities nationwide show that lands in agriculture and other open uses pay more in taxes than the cost to the community to provide the services needed by those lands. The opposite is true for residential land. The same studies have shown that residential properties do not generate enough taxes to pay for the services required by those properties. Finally, it says that open space is an important economic indicator according to, of all people, the business and industry association of New Hampshire in their publication 1998 economic opportunity index."

Mr. Wilson responded to the question that was asked whether or not the ten lot concept plan was creditable for appraisal purposes. He further stated that two highly qualified and experienced wet land scientists, and septic designers, determine whether property is developable or not. The original 12 lot plan was revised and replaced with a 10 lot plan. He further stated that they stand behind their conclusions 100%.

Mr. Wilson stated that using such a plan is standard appraisal practice, and standard practice in acquiring conservation land.

Mr. Wilson stated that this practice is accepted by very stringent federal programs such as KERP, NOAA, and the Farm and Ranch Land Protection of the Natural Resources and Conservation Service, and both North Hampton Forever and our appraisers on this project have had a great deal of success with these programs.

Mr. Wilson stated that a creditable analysis has been provided by independent qualified experts, who have done their research and stand behind their plan. The acquisition is opposed by individuals who do not have expertise required to properly prepare such plans.

Mr. Wilson stated that Crafts Appraisal Associates appraisal report follows standard appraisal practices that are acceptable federal agencies that he spoke about earlier. The appraiser researched, evaluated and reached the conclusions about the state of the real estate market in our relevant region, applied it to create appropriate adjustment factors to the comparable sales that he dealt with and had used to identify in the appraisal. Comparable sales used were carefully researched and selected to ensure that in fact that they were comparable, and each lot was carefully evaluated to make the appropriate adjustments to make it even more relative to the subject property, and this standard appraisal practice to determine the revenue that a developer could anticipate from executing a concept plan and selling lots. In contrast, using assessed values is not an accepted practice for good reason. Properties are not assessed at their value for their highest and best use, but for their existing use.

Mr. Wilson stated that expenses related to implementing a concept plan are also carefully analyzed by an appraiser and incorporated reaching the value conclusion.

Tim Harned referenced slide 10 presented by Mr. Gordon and Mr. Gould, and stated that of the five lots that sold, only one of them is in South Hampton, the other four are all well out of the area and the seacoast and well out of the range where people prefer to live when having to commute to the 495 and 128 belt.

Mr. Harned next referred to slide 11 presented by Mr. Gordon and Mr. Gould and stated that the lots are house lots and do not compare well to a 74 acre lot that is being talked about.

Mr. Harned stated that in Stratham a lot assessed at \$55,900 sold for \$525,000, the sale price being 9.4 times the assessed price. He further stated another lot that straddles the North Hampton/Stratham line has a combined assessed value of \$21,100 and sold for \$100,000, which is 4.5 times the assessed value. Mr. Harned stated another property that straddles the line with Stratham has an assessed value of about \$23,500 and was purchased for \$250,000, 10.8 times the assessed value.

Mr. Harned referred to what Mr. Gordon and Mr. Gould called the “myth of students as a tax burden to North Hampton.” He stated that he wouldn’t dispute the data that says on a state wide and town wide average, the number of students per home is much less. He further stated that in his comparison he tried to keep “apples to apples.” The Evergreen and Winterberry subdivisions were looked at in detail, and the average number of students per home on those two subdivisions is 1.3 students per home, and to be conservative they assumed one student per home. Mr. Harned stated that he saw no justification for using a quarter of a student per home, and that it does not represent what happens when a subdivision is put in an area like that.

Mr. Harned stated that Mr. Gould stated that the number of students at the school dropped off after the Winterberry and Evergreen subdivisions were put in, but that he failed to state that it was also after the formation of North Hampton Forever was formed, whereby one of the main goals is growth management.

Mr. Wilson stated that he believes they have diligently pursued the mission in working on behalf of the town, and believe that the town’s money has been spent wisely and prudently.

Selectman Rineman read two letters that were received that day, one in favor and one against the purchase of the Corbett property.

**Motion by Selectman Maggiore to approve the purchase of the Corbett property in the amount of \$545,000 as presented by the Conservation Commission. Seconded by Chair Wollmar.**

Chair Wollmar stated that he has heard from both sides, and that both the presentations were very good.

Selectman Rineman thanked both sides for making excellent presentations.

Selectman Rineman quoted from a letter from Phil Wilson to Chair Wollmar and stated that, "Time is of the essence in this transaction. If this transaction closes after 1 January 2011, the sellers stand to lose considerable tax benefits on the sale of their property." He further stated that time has shown that this is a very controversial issue, and although the Select Board has the duty to vote something, he did not feel that he should be voting for the public in this case, because there is such difference of opinion and different feelings about it, and he also does not feel three people should be voting on this issue. Selectman Rineman stated that he felt that this issue should go before the voters as has been asked by several people, and that is the fairest way to determine what people want, and would not be in favor of the Select Board approving this acquisition.

Selectman Maggiore stated that he agrees with Selectman Rineman in that the Corbett's may or may not stand to lose money because of tax law changes, but that he is looking out for 4,500 people, not just the Corbett's.

Selectman Maggiore stated that he had spoken with Principal Sweet, as well as the Chair of the School Board to talk about some of the numbers that had been presented and to see if he could verify them, and that he had read a report from Team Design and whether or not it could withstand more students

Selectman Maggiore stated that he took into consideration the opinions given by the gentlemen to North Hampton Forever and to the Conservation Commission and looked into their credentials and the firms in which they work, and they certainly seem to know what they are talking about. Between the two gentlemen, they have almost 60 years of experience doing what they do, and they seem to have followed all of the standards by the state.

Selectman Maggiore stated that he used three things that were extremely relevant, such as the community right behind his property where there are five houses, and there are six children. He further stated that after listening to the Planning Board meeting the other evening that a woman that was interested in buying a piece of property was coming to North Hampton because of the schools and because of the character of North Hampton and couldn't find a house that fit within their price range but the property certainly did, and that he thought there is another student coming into the school, there is another person that wants to live in North Hampton.

Selectman Rineman stated that he had put together some information on financial burdens that are coming before the town in the near future. Some of the items included the State of New Hampshire's budget deficit, increasing retirement and health insurance costs for town employees, reductions in revenues to the town, police and fire contracts, as well as school health insurance costs, special education increases, bus contract increases.

Selectman Maggiore stated that he was concerned what the cost would be to the town if it loses the opportunity to purchase this property, as well as the environmental concerns to the Great Bay.

**Motion carries 2-1, with Selectman Rineman in the negative.**



## **5. Report of the Town Administrator**

Town Administrator Fournier stated that the town had set the tax rate and there was an overall increase of .50, which is a 3.5% increase in the rate. The town will see a 4.4% reduction in its portion of the rate. The town used \$532,000 of fund balance to offset decreases in revenues due to the softening economy.

Town Administrator Fournier stated that departments are submitting their FY2012 budgets and a complete document for the Select Board should be ready after Thanksgiving.

Town Administrator Fournier discussed the holiday schedule and if the Select Board would like to meet on December 27.

Town Administrator Fournier discussed an issue of ongoing negotiations with the Exeter Hospital and Anthem Health Care. It was noted that Exeter Hospital may drop Anthem Insurance coverage if they cannot come to an agreement with Anthem.

## **6. New Business**

6.1 Swearing in of Police Officer Kathleen Horgan

This item was taken up after the minutes.

6.2 Proposed Acquisition of the Corbett Property, 134 Walnut Avenue

This item was taken up and voted on under agenda item four.

## **7. Items Laid on the Table**

Town Facilities Policy will be on the agenda for November 22, 2010

## **8. Closing Comments**

8.1. Closing Comments by Visitors

Chris Ganotis thanked the Board for their patience and for their vote for this critically important piece of land, and it will accrue for the benefit of many future generations of North Hampton residents. The purchase of this land is not only for the conservation land itself, but it also serves to protect the Winnicut River and the ground water aquifers that are heavily relied upon for present and future drinking water supply and the wildlife and natural resources.

8.2. Closing Comments by Select Board Member

## **9. Adjournment**

**Motion by Selectman Maggiore to adjourn at 8:35 PM.**

**Respectfully submitted,**

**Janet L. Facella  
Administrative Assistant**

