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LEBANON CITY COUNCIL
REGULAR SESSION MINUTES
Wednesday, June 7, 2023, 7:00 p.m.
Council Chambers
Remote Via Microsoft Teams: LebanonNH.gov/Live

MEMBERS PRESENT: Mayor Tim McNamara, Assistant Mayor Clifton Below, Erling Heistad, Karen Liot Hill, Christian Simon, George Sykes, Douglas Whittlesey, Devin Wilkie, and Karen Zook

MEMBERS ABSENT:

STAFF PRESENT: City Manager Shaun Mulholland, Deputy City Manager David Brooks, Director of Planning & Development Tim Corwin, Finance Director Vicki Lee, Deputy Finance Director Alesia Williams, Deputy City Manager of Special Projects Paula Maville, Solid Waste Manager Erica Douglas, Senior Planner Rebecca Owens, Human Resources Director Samantha Lauzon, Public Works Assistant Director Jay Cairelli, City Engineer Brian Vincent, Chief Innovation Officer Melanie McDonough

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1. **CALL TO ORDER:** Mayor McNamara called the meeting to order at 7:00 p.m.

2. **PLEDGE OF ALLEGIANCE:** Councilor Liot Hill led the Council in the Pledge.
   - City Manager Shaun Mulholland announced the meeting criteria for the public.

3. **PUBLIC FORUM:** Mayor McNamara made the Public Forum announcement.

4. **OPEN TO PUBLIC:**
   - ***Barry Schuster (Ward 3)*** reported he was working on the Mascoma River Greenway Extension and this project is moving forward.
   - Councilor Liot Hill acknowledged that June is Pride Month and the City of Lebanon will be hosting a pride picnic in concert with the Lebanon Opera House on Friday, June 16^{th} in Colburn Park starting at 6:00PM.
   - Councilor Wilkie announced that on June 17^{th} Lebanon will be joining Hartford to participate in a Pride Celebration at Lyman Point Park, Hartford, VT, 2:00-5:30PM. There will also be a film screening on June 19^{th} at the SAU building in West Lebanon.

5. **RECOGNITIONS:** After acceptance of minutes, Mayor McNamara announced that in 2022 there was a nationwide CPA test where 65K participated. The top 50 of the 65K were recognized for their high scores. Councilor Whittlesey was being recognized for being in the ***top 50 (of 67K)***.

6. **ACCEPTANCE OF MINUTES:**
   - May 10, 2023 (Special Meeting)
   - May 17, 2023 (Regular Meeting)

Councilor Heistad MOVED **to approve the May 10, 2023 (Special Meeting) and the May 17, 2023 (Regular Meeting) minutes as written and presented in the June 7, 2023 City Council agenda packet.**
Seconded by Councilor Whittlesey.

The Vote on the Motion was approved (8-0-1). Councilor Liot Hill abstained because she was not present at the May 10th and 17th meetings.

7. APPOINTMENTS:

- West Lebanon Revitalization Advisory Committee, Andrew Faunce (Alternate Resident Member)

Councilor Simon put forth the NOMINATION of Andrew Faunce as a Ward 1 West Lebanon Revitalization Advisory Committee Alternate Resident Member for a three-year term. Term: (6/23-6/26).
Seconded by Councilor Liot Hill.

The Vote on the NOMINATION was approved (9-0).

- Lebanon Energy Advisory Committee, James Mashal (Alternate Member)

Councilor Wilkie put forth the NOMINATION of James Mashal (Alternate Member) of the Lebanon Energy Advisory Committee for a two-year term. Term: (6/23-6/25)
Seconded by Councilor Simon.

The Vote on the NOMINATION was approved (9-0).

8. PUBLIC HEARING ITEMS:

A. ESTABLISHMENT OF AN ENTERPRISE PROPERTIES REVOLVING FUND: A public hearing for the purpose of receiving public input and taking action on the establishment of an Enterprise Properties Revolving Fund in accordance with NH RSA 31:95-h for Operation and Maintenance of 14, 28 & 30 Main Street, West Lebanon, and 226 Mascoma Street, Lebanon; that money in the Enterprise Properties Revolving Fund shall accumulate from year to year and shall not be considered part of the City's General Fund; and that the City Manager shall be the agent of the City to carry out the objects of the Fund, as established by the City Council

Included in the agenda packet: ***(Pages 53-55, Council agenda packet)***

Deputy City Manager David Brooks reviewed the background and reasons for establishing an Enterprise Properties Revolving Fund for 14, 28 & 30 Main Street, West Lebanon, and 226 Mascoma Street and noted it is not yet known how the City wants to use these Main Street properties. While the community figures out what they want to do with these properties, the City's plan is to continue to make use of them and allow the current occupants/tenants to stay for as long as they care to until the use of these buildings is determined.

BACKGROUND

In late 2022, the City was presented with the opportunity to acquire multiple properties along Main Street in West Lebanon, specifically: 14 Main Street (Tax Map 72, Lot 88; ~0.11 Acres), 28 Main Street (Tax Map 72, Lot 84; ~0.48 Acres), and 30 Main Street (Tax Map 72, Lot 83; ~0.45 Acres). On February 1st, the City Council authorized the City Manager to negotiate a Purchase & Sale Agreement and to take further actions necessary to pursue acquisition. The City and the property owner entered into a Purchase & Sale Agreement on February 27, 2023, and since that time, the City has been conducting due diligence efforts, including environmental review of the properties prior to closing.

Following acquisition of the properties, the City anticipates continuing to lease the occupied (or occupiable) commercial and residential spaces to existing and/or future tenants until the properties are ready for redevelopment.

In addition, the City also acquired property at 226 Mascoma Street in January 2022 to allow for the future expansion of the Valley Cemetery. When the City acquired the property, it leased the residence back to the prior owner for a period of two years until January 2024. Once the residence is vacated by the current tenant, the City proposes to partner with a local human services organization to allow the property to be used for transitional housing until such time as the property is needed for cemetery expansion, which is anticipated to be several years into the future.

In order to provide for the ownership and ongoing operation and maintenance of these properties until future uses are determined and imminent, the City Manager recommends that the City Council establish an Enterprise Properties Revolving Fund for the properties pursuant to NH RSA 31:95-h for the accrual of lease revenues and for the payment of applicable property taxes, utility bills, and other expenses associated with the ownership, operation, and maintenance of the properties.

Mayor McNamara opened the Public Hearing. Hearing no comments from the public, the Public Hearing was closed.

City Manager Mulholland noted that NH RSA 31:95-h is the only legal mechanism that would allow the City to form an Enterprise Properties Revolving Fund. We know this fund will be running in the red until we figure out what we want to do with these properties.

<u>ACTION</u>:
Councilor Whittlesey MOVED, that the Lebanon City Council hereby authorizes the establishment of an Enterprise Properties Revolving Fund pursuant to NH RSA 31:95-h for the purpose of accumulating lease revenues and for the payment of applicable property taxes, utility bills, and other expenses associated with the ownership, operation, and maintenance of City-owned properties located at 14 Main Street, 28 Main Street, and 30 Main Street in West Lebanon, and 226 Mascoma Street in Lebanon; that money in the Enterprise Properties Revolving Fund shall accumulate from year to year and shall not be considered part of the City's General Fund; and that the City Manager shall be the agent of the City to carry out the objects of the Fund, as established by the City Council.

Seconded by Councilor Liot Hill.

****The Vote on the MOTION was approved (9-0)***

9. OLD BUSINESS – None

10. NEW BUSINESS

A. Presentation of Changes to Landfill Operations

Included in the agenda packet: ***(Please refer to pages 56-67, Council Agenda Packet for more detailed information.)***

1. PowerPoint Presentation – Changes Coming to the Lebanon Landfill
2. Sample Letter to Local Retailers
3. Informational Flyer – Changes Coming to the Lebanon Landfill

Ms. Paula Maville (Deputy City Manager for Special Projects) and Ms. Erica Douglas (Solid Waste Manager) reviewed the background and changes that will be coming to the Lebanon's Landfill Operations known as the Pay-As-You-Throw (PAYT) Program. ***(Complete details are listed below. A PowerPoint presentation, along with a sample Letter to Local Retailers and Informational flyer, can be found on pages 56-67, Council Agenda Packet.)***

<u>BACKGROUND</u>

INTRODUCTION OF CUSTOMIZED MUNICIPAL TRASH BAGS

As part of our effort and long-term goal to preserve the life of the landfill through waste reduction methods, the City is updating its Pay-As-You-Throw (PAYT) Program to include customized municipal trash bags as an option for disposal of residential bagged waste. While use of these bags will be an option for Lebanon residents for the foreseeable future, it will be a requirement for non-Lebanon residents beginning January 1, 2024 (punch cards will remain an option for Lebanon residents but will no longer be available for non-residents).

Beginning August 7, 2023, customized 15-gallon and 30-gallon purple trash bags will be available at local retailers (locations to be announced). Bags will be sold at the equivalent price of a current punch on a punch card; for example, 15-gallon bags will be sold in rolls of 10 for $10.00 and 30-gallon bags will be sold in rolls of 5 for $10.00. The cost of the bags includes disposal fees so no punch card will be required to dispose of these bags. To facilitate the production and distribution of our customized bags, the City has contracted with WasteZero, a well-known, long-established company specializing in waste reduction methods.

Ms. Douglas explained how the logo "Fill" came about, noting that this logo will be on all of Lebanon's City trash bags.

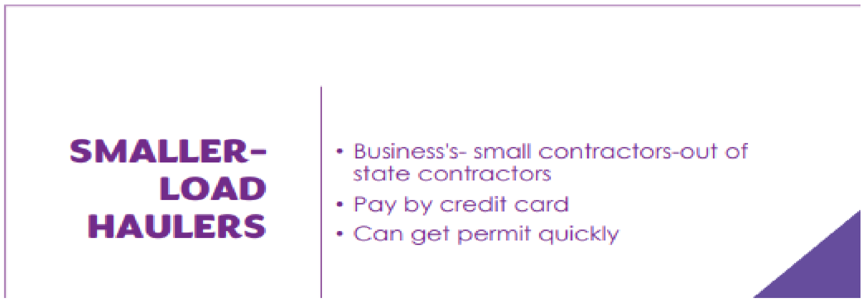
Ms. Maville noted they wanted to allow a period of time for people to get accustomed to how the Pay-As-You-Throw (PAYT) Program is going to function, so they chose August 7th as a kick-off date

INTRODUCTION OF EB2GOV SOFTWARE PLATFORM

As we work to increase efficiency of operations at the Solid Waste Facility we are implementing software that will be capable of combining our permitting process with the ability to accept credit cards as a payment method at the scale house.

CREDIT CARDS - Beginning in August (with the goal being August 7th), credit cards will begin to be accepted as payment for disposal of itemized and scale-weighed bulky loads. This will be available to residential users, smaller-load commercial haulers, and those who obtain temporary use permits. Should they choose, all residential users will be able to pay to dispose of these types of waste with punch cards, but only until December 31, 2023. Beginning January 1, 2024, disposal of all non-bagged waste by all residential users (Lebanon residents included) will require payment via credit/debit card. This will streamline operations at the scale house and prevent the need for customers to leave the facility to purchase additional punch cards and return to pay for waste disposal.

UPDATED PERMITS – Beginning in August (goal of August 7th), all landfill users will be asked to update their permits. New permits will not be effective until January 1, 2024, in order to give time for a full transition to the new permitting software and to coincide with the date that punch cards will expire for non-Lebanon residents. Updated permits will be required to access the facility after December 31, 2023.



UPDATES TO CITY CODE – CHAPTER 97, LANDFILL REGULATIONS
Updates to Chapter 97 will aid in streamlining the process to implement some of the changes discussed above. The City Administration plans to present an ordinance to the Council at the June 21st meeting.

COMMUNICATIONS & PUBLIC OUTREACH
An informational flyer will be mass-mailed to Lebanon residents, distributed at the scale house, handed out at the City Clerk's counter, and provided to all of our participating communities for them to share with their residents. It will also be posted to our website and will be included in LebNews for our regular readers.

Mr. Mark Dancy from WasteZero discussed the company's background and provided information on the benefits of using bags as part of a PAYT program.

Council Discussions:
Mayor McNamara noted that in the materials provided to the Council that retailers were not allowed to markup the cost of these bags and questioned what the incentive for them would be. Mr. Dancy explained his experience has been that retailers have been more than happy to participate because (1) retailers are supportive about things that have an impact on increasing recycling, and (2) retailers do not want customers to go somewhere else to do their shopping.

The quality and size of bags that were handed out by Ms. Douglas were reviewed.

In response to Councilor Wilkie's question regarding the $5.00 annual permit fee for Lebanon residents and whether or not this fee would provide access to the entire facility, Ms. Douglas stated it would be for the entire facility and explained how the facility was set up.

Councilor Sykes spoke about his reasons regarding the need to reduce trash but felt communication on where everything is located is essential (i.e., composting/recycling textiles, etc.).

Ms. Maville noted they will add the suggestion(s) from the Council to the communications that will go out to the public. She also noted that Chapter 97 changes will be coming before the Council on July 5th, not on June 21, 2023 as mentioned in the agenda packet. She hoped the Public Hearing could take place on July 19, 2023. She also explained that the list of retailers who will be selling the recycling bags is not finalized yet but the list will be published once it has been completed.

Councilor Simon requested they consider retailers that are open more hours.

ACTION: No action was required by the Council. This item was for informational purposes only.

B. Presentation and Adoption of the *Walk, Bike, Ride Leb* Plan

Included in the agenda packet: ***(Pages 68-71, Council agenda packet)***

1. Memorandum from Planning & Development Department staff, dated May 25, 2023 ***(pages 70-71, Council agenda packet.)***

Information Available but Not Included in this Section. Detailed information, including an interactive network map, is available on the City's website:
1. Walk, Bike, Ride, Leb Plan

Ms. Rebecca Owens (Senior Planner) and Ms. Meghan Butts (Executive Director of the UVLSRPC – Upper Valley Lake Sunapee Regional Planning Commission) reviewed the background and gave a presentation on the Walk, Bike, Ride Lebanon Plan.

BACKGROUND
In recent years, progress has been made toward improving the safety, comfort, and convenience of walking and bicycling in the City of Lebanon. Notable achievements include constructing the Mascoma River Greenway, improving pedestrian facilities along the Miracle Mile and Route 12-A, and adopting a Complete Streets policy. However, Lebanon has never had a comprehensive, City-wide plan for walking and bicycling infrastructure and programming needs.

Walk, Bike, Ride Leb (WBRL) was developed jointly between the City's Planning & Development

Department and the Upper Valley Lake Sunapee Regional Planning Commission between 2022 and 2023, and included a diverse Project Advisory Committee. *WBRL* is a plan to create a safe, comfortable, and connected walking and bicycling network in the City of Lebanon, including connections to public transportation. The *WBRL* Plan is founded in the review of existing data and plans, and the incorporation of diverse public input. It identifies the community's highest priority multi-modal improvements. The plan is envisioned as a key tool to inform how walking and bicycling improvements are factored into City budgets and Capital Improvements Programs, which grant opportunities are pursued, and how new and existing developments can be connected to the walking and bicycling network.

At its meeting on May 2, 2023, the Pedestrian & Bicyclist Advisory Committee (PBAC) reviewed and commented on a final draft version of the *WBRL* Plan and made a motion to endorse it ("with comments addressed") for consideration by the City Council for adoption. On May 22, 2023, the Planning Board also reviewed the draft *WBRL* Plan and approved a motion to endorse it.

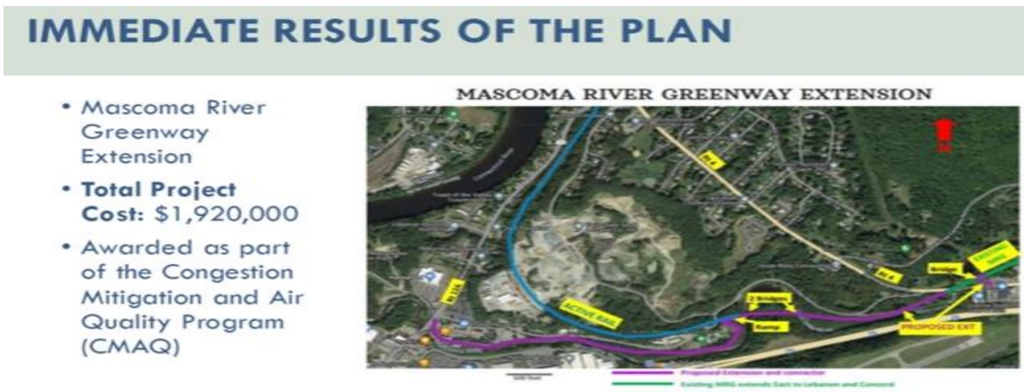
Highlights of their presentation included the following *(Please note that all information can be found on the City's project website under the* [Walk, Bike, Ride, Leb Plan]

PUBLIC OUTREACH AND ENGAGMENT

Walk, Bike, Ride Leb - Online Survey Results Dashboard

- 410 responses were received and 90% were either Lebanon residents or worked in Lebanon.

Ms. Butts explained what was involved in the planning process, the projects priorities, and the key strategies. She also explained and demonstrated how the interactive network map process and analysis works, which shows improvement areas (i.e., gaps; safety improvements; maintenance challenges; etc. that came out of the survey).



Ms. Butts noted that the Mascoma River Greenway Extension qualified for and received an award as listed in the screenshot above.

Council Discussions:

Ms. Owens, in response to Councilor Liot Hill's question, noted that yes this can be used by the Planning Board and can also be used as a tool when they are planning to implement Site Plan Regulations for a particular project.

Assistant Mayor Below noted this plan is the most comprehensive approach to date and explained how the GIS (map) layers can easily be kept up to date.

ACTION:
Councilor Wilkie MOVED, that the Lebanon City Council hereby adopts the "Walk, Bike, Ride Leb" Plan, as endorsed by the Pedestrian & Bicyclist Advisory Committee on May 2, 2023 and by the Lebanon Planning Board on May 22, 2023, and as presented in the June 7, 2023 City Council Agenda Packet.
Seconded by Assistant Mayor Below.

****The Vote on the MOTION was approved (9-0).***

C. Discussion of 2 Mascoma Street Sewer Development Charge Extension Request

Included in the agenda packet: ***(Pages 72-76, Council agenda packet)***

1. Article XV Sewer Development Charge https://ecode360.com/36134591
2. Article XIV Sewer Connections, Extensions and Expanded Sewer Use Allocations

https://ecode360.com/36134589

3. 2023-05-05 Email from Tim Sidore regarding request to extend payment period and revisit allocation methodology.
4. Abatement request from Recreo, LLC requesting extended period to pay Sewer Development Charge.

City Manager Mulholland reviewed the background of this request and noted he broke this down into three components to try and make this as easy as possible. He reminded the Council about the creation of the Sewer Development charge in 2019.

BACKGROUND

The City Manager's Office received a request on May 5, 2023, from Tim Sidore, Chief of Operations for Ledgeworks, Inc., for an extension of time for the payment of sewer development charges owed by Recreo, LLC. The document itself shows a signed date of April 28, 2023. The sewer development charges are owed pursuant to an application submitted by Recreo, LLC for a sewer use permit for the development of the property located at 2 Mascoma Street. Recreo, LLC requested an extension of time to make the payment until May 29, 2023.

City Code § 136-105 Sewer Use Permit and Notice of Allocation.

Section D

Notice of permitted allocation. Once a capacity analysis has been completed and a determination has been made that adequate sewer capacity is available to serve a proposed development in accordance with the standards of this article, the City Manager shall issue a notice of allocation to the applicant. The effect of the notice of allocation shall be to allow the applicant to reserve the permitted capacity for the applicant's use while other land use permits required for the particular development are applied for and reviewed. At the time of receipt of the notice of allocation, the applicant is required to pay 20% of the current sewer development charge as described in Article **XV** below, in an amount set forth in the Code of the City of Lebanon, Chapter **68,** Fees. The applicant must make payment of the sewer development charge within 30 days or the notice of allocation will expire automatically.

Section G

In order to retain the permitted sewer allocation, the applicant must obtain a final subdivision, site plan, or other approval within two years of the date of the notice of allocation. If Planning Board approval, or, if none is required for the development, then a building permit or other required approval, is not obtained within two years, or if any such approval is denied, and such denial becomes final, then the notice of allocation shall expire, and the associated sewer capacity will be returned to the system for use by others. If Planning Board or other approval is obtained within two years of the date of notice of allocation, and if the applicant has received approval from the Director of Public Works for any sewer construction plans required for the project, the City Manager shall issue a sewer use permit. **Upon receipt of the permit, applicant shall pay the remaining 80% of the assessed sewer development charge within 90 days or the permit will expire.** The sewer use permit shall run concurrently and congruently with its associated Planning Board or other approval. Should the Planning Board or other approval lapse or be revoked for any reason, the sewer use permit will become null and void.

§ 136-124 Abatement of sewer development charges.

The City Council may abate, for good cause shown, any sewer development charge assessed on any person or organization pursuant to this article. Such abatements may be made on such terms and conditions as the City Council shall deem equitable under the circumstances.

Recreo, LLC, through Tim Sidore, is also making the following additional requests:

1. Requesting the City Council to reconsider the sewer development charge.
2. Requesting credit from its sewer usage from 75 Bank St.
3. Requesting an extension of the time limits to pay the sewer development charge.

City Manager Mulholland has broken down these requests into three components for the Council's discussion.

1. **Requesting the City Council to reconsider the sewer development charge. (**First Component)

Mr. Tim Sidore, Chief Operating Officer for Ledgeworks, Inc., came forth to speak about his request (on behalf of Recreo, LLC) noting they have redeveloped property for 40 years in the Upper Valley and are excited to continue to do so. These projects are challenging and expensive and one of the challenges are the fees being charged. It is just assumed the redeveloper can just keep pay those (fees). Why? What is the gain there? For this project, after already paying an application fee to Public Works just to get it in front of the Planning Board for approval, we have been assessed an $127K Sewer Development charge for a property that has already been developed (long before us). This is an existing property with an existing use. We hope we can construct these 152 approved new housing units and revitalize the existing 31K sq. ft. of commercial space and will be using water/sewer that will be paid for. He questioned what exactly is this fee (Sewer Development Fee)? We are excited to bring this project to fruition and he has been working with the City, the Energy Committee related to solar, planning for grants with ride share and EV charging stations. We have a lot of good stuff going on and these fees are prohibitive and asked the City to reconsider the assessment of these fees.

City Manager Mulholland noted the reason for these fees was that at the time (2019) the sewer was on the verge of going into the red. This has changed now and can be attributed to the Sewer Development Charge, noting the sewer users (not taxpayers) of the City have been paying for the burden of this infrastructure (i.e., the CSO part that has been done). The purpose of the Sewer Development charge is for the new people to buy into the investments that have already been made by others in order to shift some of that cost instead of raising sewer rates. This fee is to offset some of this infrastructure by new development in the City. In this particular case, the property already has certain sewer allotment, so it is the additional usage (of the sewer) that the Sewer Development charge is being paid on, not the existing use.

Council Discussions regarding the need to reconsider the sewer development charge:

Mayor McNamara sensed this would be a very major shift and if we are even going to think about it, we need to schedule a Public Hearing to discuss this in public, noting that back in 2019 it made such a dramatic change to the Sewer Fund Enterprise Account, as did the water charge. In his opinion, while he recognized what Mr. Sidore was saying, he was not inclined to make changes at this point because it does help offset the ongoing charges for sewer. If not for these fees, these charges (sewer/water) would be larger than they are today.

Councilor Sykes concurred with the Mayor and noted the existing sewer users are paying for improvements that were part of over a $75M project the City had to pay for. New users coming into the City increases the number of apartments, and Mr. Sidore's (Recreo, LLC) request would mean new users would not have to help pay for that other than the normal user fees. He agreed a Public Hearing should take place.

Mr. Sidore understood Councilor Sykes point, but wanted to draw the line of distinction between development and redevelopment. Development is taking raw land and developing it into real estate. What we (Recreo, LLC) do is redevelopment, which is taking land/real estate and repurposing it, which brings in new businesses, new opportunities, and adds critically needed housing units which are already attached to municipal services. We are approved for these 152 apartments and he spoke about the other projects in Lebanon that include a significant portion of workforce/affordable housing, development of a Child Daycare, and a homeless shelter. He further spoke about other commercial properties in Lebanon and what they could do with those properties. The City has the opportunity here to increase its housing units, its economic activity with businesses and people living in town, noting this opportunity could be lost.

Councilor Whittlesey noted that yes, Mr. Sidore's (Recreo, LLC company) is redeveloping an existing space, but in his view it is not solely redevelopment because they are adding a substantial expansion to the existing footprint of that building and are dramatically increasing the utilization (of sewage) at that site. The City is giving him credit for the existing development that has already gone on. The charges ($12K) is reflective of the capacity utilization that those new units will be taking up. This is not redevelopment and Recreo, LLC would be using (sewer)capacity above and beyond what the original site was allotted. Our system (sewer) is only built for a finite capacity and at some point you have to look at the opportunity costs vs capacity. Recreo, LLC is essentially asking the taxpayers who have come before them to subsidize future development and utilization and explained his reasoning. He was opposed to his request.

Councilor Liot Hill spoke about the Sewer Development charges, noting there has been an increase in the costs to treat our water/sewer and for maintaining that infrastructure. What we did in 2019, was basically separated those fees out so the water/sewer rates are paying for the operating costs and the capital costs are covered by the Water/Sewer Development charges. As new people come into the systems, they should have to buy into the equity that we all have had to do and should have to pay their fair share. The Council had good discussions and deliberations and she felt it is a sound system. However, she thought if some of these charges are an impediment to some of the City's goals (i.e., encouraging development of affordable housing, encouraging infill development, etc.) something to consider might be putting together a matrix where developers/redevelopers might request an exemption/discount if they are meeting some of the City's stated goals. She suggested the Council look into ways to create some incentives/subsidies to encourage developers/redevelopers who promote the City's goals.

Councilor Heistad noted we look at our sewage system as something that is paid for. However, we are not that far removed from the times when we discovered the cost of having ground water infiltrating through the cracks, broken pipes, which existed in the system. DPW had the methods to line the pipes, and this greatly reduced the costs. We are still paying for the debt and will be for quite a while. He would be cautious about eliminating any part of our system that we are paying for.

Assistant Mayor Below spoke about his thoughts, noting there is a section (City Code § 136-122) entitled Subsequent Changes in Sewer Development Charges that notes:

> "The Sewer Development Charge imposed by this article shall be reviewed and updated on an as needed basis." It also talks about subsequent updates and he further cited this Section.

We anticipated this would be revisited from time-to-time, so he felt it would make sense to fit this into the schedule to take another look at this in light of our experience and spoke about his reasoning. He also noted it (the Ordinance) is somewhat of a barrier to bring in affordable housing and wondered if the Council could also look at an option to finance this cost (e.g., through clean energy grants, etc.) with the idea of building, adding these costs into Recreo, LLC's bill that they could pay over time if they met the City's goals.

Mayor McNamara spoke about the costs of treating wastewater, noting the City has limited finite capacity at its treatment plant now. We know the cost of treating wastewater in the future will increase because we will need new construction to treat added sewage capacity. He also spoke about his reasons for encouraging infill in the City.

The Council would like to open this topic up for a wider discussion regarding: how we can meet our goals; how the City needs to be mindful about other programs where the City has given tax breaks for infill development; how development should be able to pay for the things that the City has so existing taxpayers are not having to pay for development; the need to tie development/redevelopment into the City's budget; how revenues the City collects is an investment to help pay for the constraints that it will face now and in the future; what the City would have to give up if it waves the Sewer Development Fees; the probability, if this Sewer Development fee is waived for Recreo, LLC, and others would be asking the City for the same thing; and, the potential of developing of a Special Assessment District.

Mayor McNamara thought he was hearing (from the Council) that there was no real interest in getting rid of the program. There is an interest in opening this up for further discussion regarding making modification to the program going forward with the potential goal of being able to use these fees to satisfy some of our other objectives. We can get this topic on a future agenda to review the program and the City's overall goals.

2. Requesting credit from its sewer usage from 75 Bank St. (Second Component)

Mr. Sidore (Recreo, LLC) noted that 75 Bank Street was redeveloped 9 years ago and has 43 apartments. We paid impact fees and the water/sewer charges and spoke his reasons for the request above. ***(See page 74-76, Council agenda packet for details on his abatement request).***

Council Discussions:

Mayor McNamara explained there are State/Federal Standards that address the average water & wastewater usage for different bedroom units, which may/may not be what is actually being used. He spoke about and gave examples of what this would require the City to do, noting that while the current system might not be reflective of the actual water/waste used, at least it is a standard that applies the same to everybody equally.

Mr. Sidore (Recreo, LLC) felt these standards should be based on real usage and in response, Mayor McNamara noted he was not aware of another municipality that does not utilize the State/Federal Standards and was uncertain if this could even be done under State law.

The Council continued and discussed their reasons for not wanting to change the State/Federal Standards for water/sewer usage and the unintended consequences this could cause.

Council Discussions:

3. Requesting an extension of the time limits to pay the sewer development charge. (Third Component)

City Manager Mulholland explained that when an initial application fee ($250.00) is paid, the City issues an allotment (to the applicant) based on a project and then there is a 20% Sewer Development fee charged (to the applicant). The applicant has two years to get Planning Board Approval and explained how this process works. There was a time when the City had a sewer moratorium and there was a certain amount of capacity for projects already in the pipeline and no one else could tie into the sewer system. When the system was fixed, it gave us additional capacity. The concern (during the moratorium) was that people were going to grab/lock up that capacity, so specific time limits were set. Once Planning Board approvals were received, the developer and redeveloper had 90 days to pay the remaining 80% . Recreo, LLC is beyond the time limit now, which means they forfeit that 20% (of the Sewer Development Fee). While he was sympathetic to Recreo, LLC's particular issue, the code does not allow him or City Council to extend time limits. However, he did not feel the need for Recreo, LLC to forfeit their 20% fee and explained his reasons. He advocated there be some flexibility for Recreo, LLC.

Mr. Brian Vincent, City Engineer, noted the way this unfolded was the applicant (Recreo, LLC) came before the Planning Board and had the option of paying 20% of the Sewer Development Fee charge while they were going through the Planning Board Process. As this process unfolded, Recreo, LLC's permitting did not lineup with the timing and there was seemingly not a drive to pay this fee, so Recreo, LLC was taking a chance that they would not actually get their allocation because that 20% holds their allocation. What Recreo, LLC did was get the Planning Board Approval and then received an invoice for 100% of the Sewer Development Fee, which is the total of $127K.

City Manager Mulholland noted Recreo, LLC has basically lost their allotment.

In response to Councilor Simon's question regarding Recreo, LLC 's allotment, Mr. Vincent explained that an allotment is reserved when the 20% is paid. In this case, the 20% was not paid, so the allotment is not reserved. The 90 days came and passed and felt Mr. Sidore (Recreo, LLC) was here to work through this issue to see if this can be changed.

Mayor McNamara noted we now understand the problem and we now need to wait for staff to come back to the Council with a proposal for us to change the Ordinance in order to address this type of situation.

City Manager Mulholland noted this process takes time (timeframe probably late fall), but at the end of the day Recreo, LLC should keep moving forward with their project to the extent they can. He also noted the new sewer permitting process that he will be recommending should take effect on January 1, 2024. and will come back to the Council in the next 3-4 months so they can review the new sewer permitting process.

The Council and the City Manager discussed the potential for creating a Special Assessment District and the unintended impacts this could have for the City.

Mayor McNamara questioned if the Council wanted staff looking at creating a Special Assessment District or would they like staff looking at modifying the Ordinance to change the time limits? City Manager Mulholland suggested that modifying the Ordinance would be best and explained his reasons, noting it would allow developers some flexibility, then we can look at the other issues which would take more time to review and approve (i.e., the creation of a Special Assessment District, etc.).

ACTION: ***No action was taken by the Council. Future agenda item discussion***

D. Discussion & Set Public Hearing for June 21, 2023: Community Revitalization Tax Relief Program (RSA 79-E) Application – Your Best Day, LLC for rehabilitation of property at 3 Main Street, West Lebanon

Included in the agenda packet: ***(Pages 77-91, Council agenda packet)***

1. May 25, 2023 Memorandum from Deputy Planning & Development Director Tim Corwin re: Community Revitalization Tax Relief Incentive Program (RSA 79-E) ***(page 78-79, Council agenda packet)*** Application of Foremost Builders/Your Best Day, LLC - 3 Main Street; M/L 86-22 ***(pages 81-82 Council agenda packet)***, including a Sample Resolution ***(page 80, Council agenda packet)***
2. 79-E Application & Supporting Documentation: Foremost Builders/Your Best Day, LLC ***(pages 83-91, Council agenda packet)***

Mayor McNamara did not have a problem with setting up a Public Hearing, but in reading the materials submitted he was uncertain if this would meet the qualifications for the 79-E Program.

Mr. Tim Corwin, Planning & Development Deputy Director, reviewed the background of the Community Revitalization Tax Relief Incentive Program (RSA 79-E); described the property at 3 Main Street, West Lebanon and its qualifications under the 79-E Program, and explained what Foremost Builders/Your Best Day, LLC intends to do with this property.

BACKGROUND

On February 17, 2016, the City Council adopted the provisions of the Community Revitalization Tax Relief Incentive Program pursuant to NH RSA 79-E to encourage the rehabilitation of existing buildings and structures in downtown Lebanon and downtown West Lebanon. On May 22, 2023, Foremost Builders and Your Best Day, LLC applied for consideration under the program.

Your Best Day, LLC is the owner of property located at 3 Main Street, West Lebanon (Tax Map 86, Lot 22), which is situated in the Central Business (CB) Zoning District and is currently improved with two attached multi-tenant commercial buildings. The anticipated improvements will include exterior renovations and an interior renovation of +/-2500 sq. ft. of retail space into additional office space for Foremost Builders, a current tenant.

SAMPLE RESOLUTION ***(Please refer to page 80, Council agenda packet, to view the complete Sample Resolution.)***

ACTION:

Councilor Liot Hill MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, June 21, 2023, beginning at 7:00pm, in Council Chambers, City Hall and remote via the City's Virtual Platform, for the purpose of receiving public input and taking action on a request by Your

Best Day, LLC for tax relief under the provisions of the Community Revitalization Tax Relief Incentive Program (NH RSA 79-E) as adopted by the City Council* on *February 17, 2016.
Seconded by Councilor Sykes.

****The Vote on the MOTION was approved (8-0). Councilor Heistad was not present at the time of this vote.***

E. Discussion and Set Public Hearing for July 5, 2023: Request for Supplemental Appropriation in the amount of $116,350 for operation and maintenance of 14, 28 & 30 Main Street, West Lebanon for the remainder of Fiscal Year 2023

Included in the agenda packet: ***(Pages 92-94, Council agenda packet)***
1. Department of Public Works Estimated Annual Budget for 14, 28, and 30 Main Street Properties

Deputy City Manager David Brooks reviewed the background for this request.

BACKGROUND

On February 1, 2023, the City Council authorized the City Manager to negotiate a Purchase & Sale Agreement and to take further actions necessary to pursue acquisition of multiple properties along Main Street in West Lebanon, specifically: 14 Main Street, 28 Main Street, and 30 Main Street. The City and the property owner entered into a Purchase & Sale Agreement on February 27, 2023, and the acquisition of the properties is scheduled to be completed on May 31, 2023.

Following acquisition of the properties, the City anticipates continuing to lease the occupied (or occupiable) commercial and residential spaces to existing and/or future tenants while the City and the community develop a plan for how best to utilize the properties.

The City Council has been requested, under a separate agenda item, to create an Enterprise Properties Revolving Fund to allow for the accrual of lease revenues and for the payment of applicable property taxes, utility bills, and other expenses associated with the ownership, operation, and maintenance of the properties. In conjunction with the Revolving Fund, the City Council must appropriate funds for the City's anticipated expenses associated with the properties, which will be offset to some extent by lease revenues from the existing and potential future tenants.

The Department of Public Works has developed an estimated annual budget for the City to own and operate the existing structures based on revenue and expenditure information provided by the seller as well as from other sources. The cost for a full year of ownership and operation is estimated at just over $156,000. In addition, the expected annual debt service associated with a short-term loan from Mascoma Bank for the purchase of the properties will be $76,500.

The projected full-year expenses for Fiscal Year 2024 will be incorporated into next year's budget. However, a supplemental appropriation in the amount of $116,350, representing approximately one-half of the estimated annual budget, is required to cover the anticipated expenses for the remainder of the current fiscal year (FY2023).

In accordance with City Charter Section C419:43, Appropriations After Budget Is Adopted, no appropriations shall be made for any purpose not included in the annual budget as adopted unless voted by two-thirds majority of the council after a public hearing held to discuss said appropriation, and notice of such public hearing shall be printed in a newspaper published or circulated locally, once a week in two successive calendar weeks, the last publication being at least seven days including the day of publication before the public hearing. The council shall by resolution designate the source of any money so appropriated.

ESTIMATED ANNUAL BUDGET CHART FOR 14, 28, & 30 MAIN STREET can be found below and viewed on ***page 94, Council agenda packet.***

Deputy City Manager David Brooks noted the expenditures in the chart below are only the best guess estimates of what the expenditures will be for budgeting purposes. He did expect that the Revolving Fund would run in the red for these properties until the City decides what to do with them. Public Works will update this information as part of the 2024 budget that will be presented later this year.

ESTIMATED ANNUAL BUDGET FOR 14, 28, & 30 MAIN STREET

	14 MAIN ST	28 MAIN ST	30 MAIN ST	Notes	Remaining FY23
ANNUAL PROPERTY TAXES	$ 10,513.00	$ 12,276.00	$ 10,557.00		
ANNUAL HAZARD INSURANCE					
ANNUAL Winter Maint	$ 5,000.00	$ 12,000.00	$ 12,000.00	Time & material $212.X 26 storms	
CONTRACTED SERVICES (Plumbing/Elect)	$ 2,500.00	$ 2,500.00	$ 2,500.00		
ANNUAL HVAC	$ 3,000.00	$ 3,000.00	$ 3,000.00	$500.00 Per blding for cleaning,	
ANNUAL VLS	$ 500.00	$ 500.00	$ 500.00	Life Safety Inspections	
ANNUAL Summer Maint	$ 500.00	$ 500.00	$ 1,000.00		
ANNUAL FUEL CONSUMPTION	$ 5,900.00	$ 6,700.00		Numbers from seller's information	
ANNUAL ELECTRIC COSTS	$ 7,200.00	$ 7,200.00	$ 12,000.00		
ANNUAL TRASH REMOVAL	$ 4,020.00	$ 4,020.00		335.00 Per month	
ANNUAL WATER/SEWER	$ 2,000.00	$ 1,900.00	$ 900.00	(added 16% for W&S)	
OTHER MAINT SUPPLIES (cleaning,painting,locks)	$ 7,500.00	$ 7,500.00	$ 2,000.00		
Drainage issue			$ 5,000.00	30 Main Street, culvert out back	
Other					
TOTAL EXPENSES	**$ 48,633.00**	**$ 58,096.00**	**$ 49,457.00**	$156,186.00	$78,093.00
Annual debt service payment-Mascoma Bank	**$76,500.00**				$38,250.00
					$116,343.00
MONTHLY RENTAL INCOME	$ 4,000.00	$ 3,000.00	$ -	$ 84,000.00	$48,050.00
SECURITY DEPOSIT AMOUNT	$ 1,250.00	$ 475.00	$ -		

Council Discussion:
Mr. Brooks confirmed that the current tenants will stay and pay the current rent.

The Council discussed the pros/cons of potentially hiring a Property Management Company and whether or not there was a need to do so.

Councilor Simon noted we have to keep in mind the purchase of this property is part of a potential redevelopment of West Lebanon and was not an investment to become the City of Lebanon's Management Company. He urged the Council to inform the Committees they participate in about upcoming joint WLRAC/EDC meetings. Our goal is to get this moving as quickly as possible so we can come up with a plan by the end of the year.

ACTION:
Councilor Sykes MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, July 5, 2023, beginning at 7:00pm, in Council Chambers, City Hall and remote via the City's Virtual Platform, for the purpose of receiving public input and taking action to appropriate the sum of

$116,350 to fund the operation and maintenance of City-acquired properties located at 14, 28 and 30 Main Street, West Lebanon, for the remainder of Fiscal Year 2023.
Seconded by Councilor Wilkie.

****The Vote on the MOTION was approved (9-0)***

MEETING EXTENSION:
Councilor Heistad MOVED to extend the meeting to 10:30PM.
Seconded by Councilor Liot Hill.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, Zook and Mayor McNamara all voting Yea.
None voted Nay.
****The Vote on the MOTION was approved (9-0)***

F. Discussion and Authorization for City Manager to Enter into Lease Agreements with Tenants of 14, 28, and 30 Main Street ***(See page 95, Council agenda packet)***

Deputy City Manager David Brooks reviewed the background behind this request.

BACKGROUND
On February 1, 2023, the City Council authorized the City Manager to negotiate a Purchase & Sale Agreement and to take further actions necessary to pursue acquisition of multiple properties along Main Street in West Lebanon, specifically: 14 Main Street, 28 Main Street, and 30 Main Street. The City and the property owner entered into a Purchase & Sale Agreement on February 27, 2023, and the acquisition of the properties was completed on May 31, 2023.

To continue occupancy of the available spaces, the City's attorney has developed a template lease for the existing occupied commercial and residential units at 14 and 28 Main Street. The 30 Main Street building was occupied by the seller for its own business purposes and is not currently leased. Should a tenant be found for the space, the template lease will be utilized.

The City anticipates continuing to lease the occupied (or occupiable) commercial and residential spaces to existing and/or future tenants while the City and the community develop a plan for how best to utilize the properties.

The City Council is asked to authorize the City Manager to enter into lease agreements with existing and/or future tenants for the occupied or occupiable commercial and residential units within the 14, 28, and 30 Main Street properties.

ACTION:
Councilor Liot Hill MOVED, that the Lebanon City Council hereby authorizes the City Manager to enter into lease agreements with existing and future tenants for all occupied and occupiable spaces in 14, 28, and 30 Main Street until such time as the City elects to move forward with other uses of the above-referenced properties.
Seconded by Councilor Whittlesey.

****The Vote on the MOTION was approved (9-0).***

G. Discussion of Redevelopment of 20 Spencer Street Property

Included in the agenda packet: ***(Pages 96-101, Council agenda packet)***

1. December 17, 2019 memorandum to the City Council summarizing the original RFP review process and results
2. May 25, 2023 letter to Council from Lebanon Economic Development Commission and the Downtown Lebanon TIF Advisory Board

Available through the City's website:

- 20 Spencer Street Redevelopment project webpage
- RFP Response from The Braverman Company
- RFP Response from Northland Residential Corporation
- Spencer Street Reconstruction project webpage

Councilor Liot Hill reviewed the background behind her request to have the Economic Development Commission and the Downtown Lebanon TIF Advisory Board involved with the redevelopment of the 20 Spencer Street property and redeveloping the surface parking areas behind City Hall

BACKGROUND

Councilor Hill submitted an agenda request to have the City Council discuss the redevelopment of the 20 Spencer Street property. The discussion request stems from the withdrawal of The Braverman Company from the previous Development Agreement executed in October 2020, and comes on the heels of recent interest expressed by other development and design firms in potentially redeveloping the surface parking areas behind City Hall, which are proximate to the 20 Spencer Street site.

The Spencer Street Redevelopment project page is still available on the City's website, which includes the original Request for Proposals and other supporting documentation for the site. The City has updated the project page with recent reports and information relating to the environmental clean-up of the property. The original RFP responses from The Braverman Company and from Northland Residential Corporation are available through the links below. In addition, the Spencer Street Reconstruction project page is also available on the City's website, including the contract plans revised through October 2021.

It is noted that during a recent joint meeting of the Economic Development Commission (EDC) and the Downtown Lebanon TIF Advisory Board (TIF), the committees discussed the 20 Spencer Street property and jointly agreed to submit a letter to the Council ***(page 99, Council agenda packet)*** expressing their interest in being involved in further discussions about redeveloping the property

Barry Schuster (Ward 3 and Chair of the Downtown TIF Advisory Committee) and William "Bill" Dunn (Chair of the Economic Development Committee) were present and discussed their reasons behind wanting to be involved with 20 Spencer Street and the surface parking areas behind City Hall projects.

Council Discussions:

Mayor McNamara supported having the EDC/TIF Board involves, especially since things have changed dramatically since 2019.

The Council suggested EDC/TIF Advisory Boards incorporate the Council's Strategic Objectives, Priorities, and Strategic Plans into their discussions and review of 20 Spencer Street and the back parking lots, along with looking into what non-profit organizations can bring to the table and how this would potentially affect (+/-) City property taxes.

ACTION: None was required.

11. City Manager Report:
City Manager Shaun Mulholland updated the Council on the following topics:
- Leadership Summit, Monday, June 12, 2023, 12:00 PM, Fireside, West Lebanon, NH
- Airport TIF District Road
- Patch Family Roads: Discontinuation expected.

12. COUNCIL REPRESENTATIVES TO OTHER BODIES:

13. FUTURE AGENDA ITEMS:
- **Review and discuss changes to Sewer Development Fees.**

14. NON-PUBLIC SESSION:
A. NH RSA 91-A:3, II(d):

Assistant Mayor Below MOVED to go into Non-Public Session for the purpose of discussing NH RSA 91-A:3, II(d) – "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."
Seconded by Councilor Liot Hill

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, Zook and Mayor McNamara all voting Yea.
None voted Nay.
Staff Present: City Manager Mulholland, Deputy City Manager David Brooks, Human Services Director Lynne Goodwin

****The Vote on the MOTION was approved (9-0)***

The Council Entered into Non-Public Session at 10:15 PM

The Council discussed ***91-A:3, II(d) – "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."***….

Assistant Mayor Below MOVED to go out of the Non-Public Session.
Seconded by Councilor Whittlesey.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, Zook and Mayor McNamara all voting Yea.
None voted Nay.
Staff Present: City Manager Mulholland, Deputy City Manager David Brooks

The Council came out of Non-Public Session at 10:40 PM
The Council was now back in the Public Session:

****SEALING THE MINUTES OF THE NON-PUBLIC SESSION**

Councilor Liot Hill MOVED to Seal the Non-Public Session Minutes because it was determined that divulgence of this information likely would render a proposed action ineffective.
Seconded by Councilor Heistad

Roll Call Vote:
Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, Zook and Mayor McNamara all voting Yea.
Voting Nay: Assistant Mayor Below
Staff Present: City Manager Mulholland, Deputy City Manager David Brooks

****The Vote on MOTION to Seal the Minutes of the Non-Public Session was approved (8-1).***

15. ADJOURNMENT:

Assistant Mayor Below MOVED for Adjournment.
Seconded by Councilor Whittlesey.
****The Vote on the MOTION was approved (9-0).***

The meeting was adjourned at 10:42 PM.

Respectfully submitted,
Dona E. Gibson
Recording Secretary