FINAL

LEBANON CITY COUNCIL
REGULAR SESSION MINUTES
Wednesday, November 15, 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 (Remote), Devin Wilkie, and Karen Zook
MEMBERS ABSENT:	
STAFF PRESENT:	City Manager Shaun Mulholland, Deputy City Manager David Brooks, Deputy Director Planning & Development Tim Corwin, Finance Director Vicki Lee, Finance Payroll Specialist Conni Brown, Airport Director Carl Gross, Director of Planning & Development Nathan Reichert, Human Services Director Lynne Goodwin, HR Director Samantha Lauzon, Planning/Development Administrative Assistant Crystal Taplin

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1. **CALL TO ORDER:** Mayor McNamara called the meeting to order at 7:00 p.m.
   - City Manager Shaun Mulholland announced the meeting criteria for the public.
   - Councilor Whittlesey attended the meeting remotely because he was ill.

2. **PLEDGE OF ALLEGIANCE:** Councilor Liot Hill led the Council in the Pledge.

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

4. **OPEN TO PUBLIC: No one came forth.**

5. **RECOGNITIONS:**

SMALL BUSINESS SATURDAY PROCLAMATION

WHEREAS, the City of Lebanon, New Hampshire, takes pride in acknowledging the invaluable contributions of our local small businesses to our vibrant economy and community; and

WHEREAS, as per data from the U.S. Small Business Administration, the United States is home to a staggering 33.2 million small businesses, representing a remarkable 99.7% of all firms with paid employees. Small businesses have been instrumental in generating 62.7% of net new jobs since 1995, and they employ a substantial 46.4% of the private sector workforce in the United States; and

WHEREAS, it is a known fact that a remarkable 68 cents of every dollar spent at a small business in the United States reverberates through our local communities, fostering a dynamic environment where every dollar spent at small businesses creates an additional 48 cents in local business activity. This ripple effect is a result of both employees and local businesses supporting one another through the purchase of local goods and services; and

WHEREAS, the City of Lebanon, New Hampshire, wholeheartedly endorses and stands by our local businesses that consistently play a pivotal role in job creation, economic advancement, and the preservation of our Upper Valley communities; and

WHEREAS, numerous advocacy groups, as well as public and private organizations nationwide, have collectively endorsed the Saturday after Thanksgiving as Small Business Saturday.

THEREFORE, BE IT NOW RESOLVED, that the City of Lebanon proclaims November 25, 2023, to be Small Business Saturday and encourages everyone to support our small businesses and merchants and consistently "Shop Small" throughout the year.

Proclaimed this 15th Day of November in the year 2023.

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Timothy J. McNamara
Mayor, City of Lebanon

6. ACCEPTANCE OF MINUTES:

- October 25, 2023 (Joint Meeting with Economic Development Commission and Downtown Lebanon TIF Advisory Board)
- November 1, 2023 (Regular Meeting)

Councilor Heistad MOVED **to approve the October 25, 2023 Joint Economic Development Commission and Downtown Lebanon TIF Advisory Boards Meeting and the November 1, 2023 Regular Session minutes as written and presented in the November 15, 2023 City Council agenda packet.**
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).***

7. APPOINTMENTS:

- Tree Advisory Board, Kelsey Haigh (Reappointment Regular Member)
- Tree Advisory Board, Mary Maxfield (Reappointment Regular Member)

City Manager Mulholland appointed Kelsey Haigh and Mary Maxfield for Reappointment to the Tree Advisory Board for a three-year term. Terms: 11/23-11/26

- Lebanon Energy Advisory Board, Henry Bromberg (Regular Member)

Councilor Wilkie MOVED to NOMINATE Henry Bromberg as a Regular Member of Lebanon Energy Advisory Board for a two-year term. Term: 11/23-11/25

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 NOMINATION was approved (9-0)

- Zoning Board of Adjustment, Michael Morris (Alternate Member)

Councilor Sykes MOVED to NOMINATE Michael Morris as an Alternate Member of the Zoning Board of Adjustment for a three-year term. Term: 11/23-11/26

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 NOMINATION was approved (9-0)

8. PUBLIC HEARING ITEMS

A. Community Revitalization Tax Relief Application - A public hearing for the purpose of receiving public input and taking action on a request by LWM Residential 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.

Included in the agenda packet: ***NOTE: All supportive documents and information can be found on pages 41-57, Council agenda packet.***

Available but not included in agenda packet:
All renderings from Mr. Livadas can be viewed in the Video for the November 15, 2023 City Council Meeting.

BACKGROUND

In February 2016, the City Council adopted the provisions of the Community Revitalization Tax Relief Incentive Program pursuant to NH RSA 79-E to encourage rehabilitation of existing buildings and structures in downtown Lebanon and downtown West Lebanon. On February 26, 2021, One Mechanic Street, LLC applied for consideration under the program.

LWM Residential LLC is the owner of 1 Foundry Street (Tax Map 91, Lot 263) and 25 Mechanic Street (Tax Map 91, Lot 267) in downtown Lebanon. On October 24, 2022, the Planning Board granted Site Plan approval for a phased, 196-unit, multi-family development to include the renovation of the existing mill building at 1 Foundry Street and the construction of three new buildings to be located on 1 Foundry Street and 25 & 43 Mechanic Street. LWM is planning to return to the Planning Board to request an amendment of their original site plan approval to remove the 43 Mechanic Street site from the development and construct a total of 183 new units on the Foundry Street and 25 Mechanic Street parcels. The development will include the renovation of the existing mill structure, the construction of two new buildings, the demolition of blighted buildings, and the remediation of a longstanding brownfields site. The central area of the site will be preserved as a park (the "Mill Yard") which will be open to the public. Below grade parking and surface parking will be available for both tenants and visitors.

Under the terms of the 79-E program, the City Council must hold a public hearing on the application within 60 days from receipt of the application to determine whether the structure at issue is a Qualifying Structure; whether the proposed project is a Substantial Rehabilitation; and whether there is a Public Benefit to granting the requested tax relief, and if so, for what duration.

Does the project involve a Qualifying Structure?
The existing buildings, located at 1 Foundry Street and 25 Mechanic Street, are situated within the Downtown Lebanon 79- E District as adopted by the City Council and, therefore, are considered Qualifying Structures.

Is the project a Substantial Rehabilitation?

Under the terms of the 79-E program as adopted by the City, the project must cost at least 15% of the pre-rehabilitation assessed valuation or $75,000, whichever is less, in order to be considered substantial. The applicant has provided a cost estimate of $55,000,000 for completing the entire renovation and rehabilitation project as proposed. Based on the combined current assessed value totaling approximately $1,660,000 the project will far exceed 15% of the current assessed valuation as required. As a result, the project can be considered a Substantial Rehabilitation.

Does the project generate one or more Public Benefits?
Appropriate public benefits for consideration of the 79-E program are specifically identified within the state law, including:

- Enhancement of the economic vitality of the downtown; (RSA 79-E:7, I)
- Enhancement and improvement of a structure that is culturally or historically important on a local, regional, state or national level, either independently or within the context of an historic district, town center, or village center; (RSA 79-E:7, II)
- Promotion of the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures; (RSA 79-E:7, II-a)
- Promotion of the development of municipal centers, providing for efficiency, safety, and a greater sense of community consistent with RSA 9-B (State Economic Growth, Resource Protection, and Planning Policy) (RSA 79-E:7, Ill); or
- Increase of residential housing in urban or town centers. (RSA 79-E:7, IV)

As noted in the application form and cover letter, the applicant has indicated that the project will address several of the stated public benefits, including enhancing economic vitality, enhancing and improving a historically important structure, promoting the preservation and reuse of existing building stock, promoting the development of municipal centers, and increasing residential housing in municipal centers. If the City Council agrees with the above statements, the project can be considered to generate one or more Public Benefits in furtherance of the purposes of the 79-E program.

For how long may tax relief be granted?
Under the terms of the 79-E program, the City Council may, in its discretion, grant up to five (5) years of tax assessment relief for a project that complies with the program requirements. The City Council may also, in its discretion, grant up to two (2) additional years of tax relief for a project that results in new residential units and up to four (4) additional years of tax relief for a project that includes affordable housing. An additional four (4) years of tax relief may also be granted for the substantial rehabilitation of

a qualifying structure that is listed on or determined to be eligible for listing on the National Register of Historic Places, state register of historic places, or is located within and important to a locally designated historic district. For any amount of tax relief approved, such tax relief begins upon the completion of the Substantial Rehabilitation.

The applicant has requested fifteen (15) years of tax relief for the project:

- **5 years for a project that complies with the program requirements;**
- **2 years for a project that results in new residential units;**
- **4 years for a project that includes affordable housing; and**
- **4 years for a project that substantially rehabilitates a qualifying historic structure**

RSA 79-E does not define the term "affordable" for purposes of the tax relief incentive program nor does it specify any minimum number or percentage of units that must be considered affordable in order to merit the tax relief. LWM Residential is proposing that ten percent (10%) of the total units in the development will be affordable and spread evenly across unit types and 60%, 80%, and 100% of AMI classifications

Since the City Council is essentially deciding whether to forego potential property tax revenue by granting limited tax relief through the 79-E program, staff recommends that the City Council carefully balance the benefit of enabling projects that might not otherwise "pencil out" and the public benefits to be derived from such projects versus the property tax revenue foregone through the tax relief.

The 79-E statute, and the program as adopted by the City, already requires the City Council to determine that one or more of the enumerated public benefits is generated by a project in order to grant up to five (5) years of tax relief. And whereas an increase of residential housing in our downtowns is a goal expressed in the 2012 Master Plan as well as the recent visioning efforts conducted for both Downtown Lebanon and West Lebanon Village, granting two (2) more years for projects that result in new downtown housing seems to address stated community goals.

For purposes of determining whether to grant additional years of tax relief for projects that will include affordable housing, staff recommends that the City utilize the definition of "workforce housing" instead of the term "affordable" from RSA 674:58. In that statute, the State defines workforce housing for rental units to mean "rental housing which is affordable to a household with an income of no more than 60 percent of the median income for a 3-person household". While "affordable" connotes a relative and variable threshold as determined by an individual household's gross annual income, "workforce housing" provides a rental threshold that is specifically tied to the region's Area Median Incomes (AMI) and the community's need for truly affordable housing. New Hampshire Housing Finance Authority annually publishes "Workforce Housing Purchase and Rent Limits", which provides information about the estimated maximum affordable amounts for purchase and rent in each of the State's Metropolitan or County (Non- Metro) Fair Market Rent Areas and which incorporates the 60% of AMI threshold for rental units (see attached).

In exchange for granting the additional four (4) years of tax relief for projects that include "workforce" housing, staff recommends that the City Council require developers to provide either: a) at least 40% of residential units at rates affordable to households with an income of no more than 60% of AMI or, b) at least 20% of units at rates affordable to households with an income of no more than 50% of AMI. These thresholds are the same as those associated with the Low Income Housing Tax Credit (LIHTC) program administered through the New Hampshire Housing Finance Authority and provide clearly definable requirements for the number of units and level of affordability necessary to merit the additional tax relief.

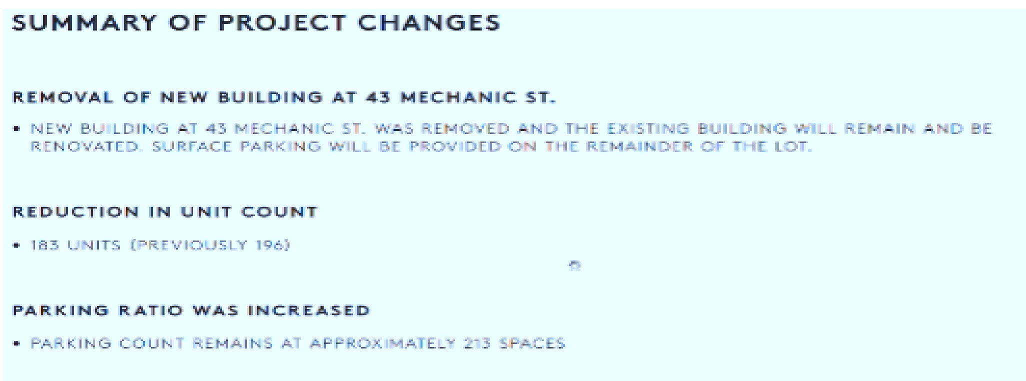
However, staff understands that a significant purpose of the 79-E program is to enable and incentive rehabilitation projects that may not otherwise be financially viable. If the City Council concludes that requiring a project to achieve the recommended affordability standards would undermine the viability of the project and prevent it from occurring at all, then the Council should have the discretion and freedom to vary the affordability requirements while still balancing the overall benefit to the community against the potential tax revenue foregone.

PRESENTATION & COUNCIL DISCUSSIONS

City Manager Mulholland noted this is a statutory process that the City has adopted. The Council will have to act on this within 60 days one way or the other. There are a number of things required:

- Make a determination of the years in the different categories, and
- Make a finding of public value.

Mr. Jon Livadas, Developer & Representative of LWM Residential LLC, walked the Council through their proposal for the Woolen Mill and gave a few pictorial renderings in his presentation. He spoke about the new changes made to the Woolen Mill, the new site plan, ingress/egress to the Woolen Mill, and a rendering of what the mill will look like once completed.



New Site Plan:

Mill Court Yard Rendering:

The applicant has requested fifteen (15) years of 79-E abatement (tax relief) for the project:

- **5 years for the base project that complies with the program requirements;**
- **2 years for the rehabilitation project that results in new residential units;**
- **4 years for a project that substantially rehabilitates a qualifying historic structure,**
- **4 years for a project that includes 10% of their units for affordable housing, with that affordability being spread evenly across unit type and 60%/80%/100% of AMI classifications.**

Mr. Livadas added that they are aware that there are funds that the City has received from an H&S Grant for the Heater Road Development, and we would like to also ask for the ability to utilize that money immediately for remediation/demolition and explained his reasons, noting this is a brown site.

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

Council Discussions:

Mayor McNamara noted that 15 years (tax abatement) is something that the City has never had. What is being asked for (from the applicant) is +/- $11M-$18M over the 15-year period. This is essentially money the taxpayers are going to be funding for this project. He felt this is a really good project in an area of the City that is not attractive; it does bring a large amount of housing into Lebanon's Downtown; and also noted it is a brown site. From the Council's perspective we want to make sure that this taxpayer investment is enough to make this pencil out for Mr. Livadas, but do not spend more tax money than we need to.

Mr. Livadas spoke about the present net value of the Mill and noted it is pretty clear they qualify for 7 years and with the historic component it will get us to 11 years. The value of those additional 4-years at the end are the least valuable for them. The reality of the situation they are in is an unprecedented time for inflation (up 40%), interest rates have more than doubled (theirs went up by $1M). In terms of just trying to quantify those dollar amounts by adding affordability, in today's dollar, that reduction in rent is a loss in value of $6M on their project. Fast forward to 12 years, it goes to $8M in (lost) value. If we are talking about today, we are talking about today, the economic and finance availability is the biggest issue because lenders aren't lending and investors are not willing to take the risk. They are not just here asking because for this it is not viable, this is the legislation that was passed years ago, and our development is exactly what this legislation is for and further explained his reasoning.

Mayor McNamara reiterated again that while this is a wonderful project the Council still answers to the taxpayers. This is an investment, by them, in the downtown and we want to make sure we get the best investment we can for the taxpayers. The first 11-years is pretty clear to him, but he was not as confident in the last 4-years for the 18 affordable units. With regard for the funds the City received from the State for the Heater Landing Project, he was less inclined to throw that into the pot because the City would be better off in using that $440K to help facilitate a project that is dealing to what we referred to as the "missing middle" (small, affordable owner occupied housing). The $440K will go a long way toward prepping a site for that type of housing project. He was inclined toward giving 79-E funding to some extent but was dis-inclined to add the Heater Landing funds.

Council Liot Hill noted the Council received an email from the City Manager and read the memo verbatim into the record as follows:

Mayor McNamara and Councilors;

In advance of the public hearing on 11/15 regarding the 79-E application for the Woolen Mill I wanted to make sure the Council takes certain pieces of information into consideration.

1. To clarify it is important to remember that the statutory provisions allowing for the number of years of tax exemption are the maximums the City can provide. The Council has the flexibility to provide none, some or the maximum number of years requested. Similar projects that Jon has been involved in, in the Town of Newport and City of Claremont in which he has requested 79-E relief have resulted in 3 years and 7 years, respectively.
2. I would highly encourage the Council to have very specific language to be included in the covenant regarding the public use components that Jon is proposing. There is no going back once we ink the agreement. Jon is a good person to work with however he is not the only partner, and it is common for these enterprises to be sold after they are built.
3. The City of Nashua only provides the number of years of tax exemption that are necessary to ensure the project pencils out. We haven't but we could ask Jon to provide his financials and demonstrate the gap. Nashua has been very successful in this effort involving similar projects. Everyone else who applies for a property tax exemption including our elderly residents must provide their financials. All our non-profits must do the same on forms that we provide (state forms). Because of the size of his project the Council may wish to consider this.
4. Although no one has asked I am providing what the project tax exemption amount would be. If you use Jon's value he indicated on application, it would be approximately $1.2 million in tax dollars per year based on the 2022 tax rate. That is likely to go up every year as you well know. If you use Jon's numbers that would equate to $18 million dollars in exempted tax revenue over a 15-year period. Jon has subsequently stated that he thinks the buildings will equal a value of $36 million. That is about $700,000 a year or $11 million over a 15-year period again based on the 2022 tax rate which is of course higher now and is likely to increase each year resulting in a higher number.

5. There has been much talk about the island. The Council may want to consider having Jon agree to a conservation easement for the island if we do not want him to turn it over to the City.
6. The timing of this discussion could not be worse. We just announced the tax rate would be going up $1.24 for 2023 and we are projecting a 4.6% increase in the City rate for 2024, unknown what the school, county or SWEPT rates will be. While most residents will be paying more in the tax bills, they will be receiving probably around the time of this public hearing in two weeks, we will be providing a tax exemption to a for profit entity. This will likely be a front-page Valley News article. I am sure the timing is not lost on you.

Staff has been working with Jon for several years on this project to help him be successful. The present derelict structure is a drain on our downtown. Jon's plans are a real plus for the City in so many ways. Critical housing will be provided in our downtown core. When we generated the policy for 79-E it was written in the context of the Woolen Mill Project as we anticipated there would be an application at some point for this project. The Woolen Mill is exactly the type of project that RSA 79-E was created for. We very much want Jon to proceed with this project. What I am suggesting is that the Council look at this critically as I know you will. We should be careful that we do not give up more than we need to and that we clearly delineate in the covenants the public use that has been proffered. If anyone has any questions, please do not hesitate to contact me.

Shaun Mulholland
City Manager
City of Lebanon, NH
51 N. Park St.

City Manager Mulholland noted this is a critical project and Deputy City Manager David Brooks helped to draft this policy we were looking at for this project. At the time there was no application in consideration, but we expected there would be. The Woolen Mill is probably the worst looking building in our downtown area, and it has a lot of hazardous material. This is what our City's 79-E Program was designed for: to help make these projects viable so that they can be cleaned up by the private sector. He also suggested that we do not give up more than we have to and further explained his reasons.

Mr. Livadas spoke about the design of the building around the public plaza, noting they did not have to do this and did not have to build a river walk, or connect off Mechanic Street. We have 196 units approved. While he agreed with the City about this project being a partnership, he could not guarantee he would be here in 15 years, but his desire is to own this project and they have gone above and beyond in thinking about the public good. In terms of financials, he thought it was a dangerous precedent to start sending financials around. We are at the inflection point of whether or not we risk building this project. In terms of the island, his desire is to one day have access to that island noting that for conservation everyone may be looking at it differently in 15 years. While he was open for a discussion (on a conservation easement) he felt this would just get in the way of the bigger discussion at hand.

In response to Mayor McNamara's question regarding the approximate premium for turning this into a public space vs. parking/parking garage, Mr. Livadas noted that a surface parking space costs +/- $35K per space and a parking garage is +/- $50K. Additionally, the parking garage would be built into a hillside and spoke about the work/cost that would be needed.

At the request of Councilor Liot Hill, Mr. Livadas spoke about his background, experiences, personal investments over the last 15 years as a developer, and the locations/companies where he previously worked. Both he and his partners are Dartmouth/Tuck School of Engineering Alumni.

In response to Councilor Liot Hill's question regarding whether or not this project would be viable if he was only granted a 7-year (tax abatement) instead of 11 or 15 years, Mr. Livadas noted it would make things more difficult and he would have to check with the investors. We need every bit of assistance to move this along. In response to Councilor Liot Hill's question regarding whether or not this project is more or less viable if it's 11-years without the affordability component, or if it is 15-years with the affordability component, Mr. Livadas said it would be close to the same and explained his financial reasons.

Councilor Sykes spoke about his reasons why he felt a conservation easement would be a good thing for the island. Mr. Livadas noted he has no problem with an easement but he has no information about the island. He was just saying that making a decision on that now with no information would just be getting in the way of the big decisions. Councilor Sykes was interested in either a conservation easement or something else that prohibits any development of the island forever.

Councilor Wilkie concurred with Mayor McNamara around the affordability and questioned whether this project is actually a good benefit to the community and asked for rent projections. He spoke about the many open positions in the retail/food services and the wages people make in these areas who will require more affordable housing. His concern is that if most of the units (90%) are going to be more than the AMI, we are creating a greater need for affordable housing rather than lessening the burden.

Mr. Livadas explained the income needed for a one person household would be $80K/year; a studio for a single person would be $2K per month and noted that the market now is 99% leased. Building 200 units will create more supply, which will help with demand. The issue we have now is that people are paying $2K to live in a 300 sq. ft basement/apartment. There are people who are making enough money to live in these apartments (i.e., DHMC staff). We feel like we are developing a true market rate development in a prime walkable location that will justify those rents and further explained his reasons.

Councilor Wilkie felt the Council was being pushed into the smallest and most expensive opportunity. He understands that we are trying to alleviate the incredible low vacancy rate in the City and spoke about his reasons why he was concerned about the City entering into this partnership, noting that the 11-15 year (tax abatement) is unprecedented and wanted to make sure that if the City becomes a partner without seeing the financials that we are not shooting ourselves in the foot by providing rental housing at rates that people might expect to be purchasing a home at. He was excited about this project, but was uncertain if it was worth having the taxpayers support 15-years of tax abatement for primarily market rate housing.

Councilor Heistad spoke about why he agreed with Councilor Sykes' comments regarding a Conservation Easement for the island.

Assistant Mayor Below suggested that one part of this deal could be that the City ends up owning this island, which could then be preserved for public access further down the road. He further suggested the open plaza be formalized in an agreement that public access be maintained. We are at a point of whether or not we can balance the employment opportunities with the hot residential real estate market and felt this project would be a significant step moving forward and it would be attractive housing for many people. There is value in getting those 10% of affordable units.

Mr. Livadas said he would be open to the proposals regarding public access and can figure out a way to make it work out, but we are not going to be in a position to put in easements, or anything legally speaking that would hinder the value of the property or creating friction with the ownerships of the property. In terms of making the City comfortable, they will be giving access to the public.

Assistant Mayor Below noted this would make it tough and suggested that in between an easement and just a good faith intent there should be some form of license. City Manager Mulholland noted this could be a covenant and explained the difference between an easement and a covenant. Mayor McNamara also noted there is a difference between a formal easement and a legally binding agreement for usage. Further discussion ensued regarding the legal language and the time requirements for a covenant.

Councilor Simon spoke about the $440K to dismantle 25 Mechanic Street, noting that as much he would like to see this (property) gone tomorrow, we have an obligation to not only work with Mr. Livadas but with other folks who are trying to develop our community. We own several pieces of vacant property where we have talked about putting in cottage clusters and other types of housing. He was not inclined to give them that money right now, noting the City has other needs for those funds. He wholeheartedly agreed with Assistant Mayor Below regarding the positive effects this housing project would have and the unique situation we are in with the shortage of employment in the area. He also noting he had friends that would have stayed in Lebanon if there were apartments like this because they wanted all the amenities. We are in the process of building affordable workforce housing on Spencer Street, so this is not the only project that will attempt to provide some need. It is somewhat of a victory that we have this proposal with the affordable housing component. He struggled with the 15-year (tax abatement) because at the end of the day, he has to look at what his taxpayers say to him: Geesh, I can’t remodel my house under any of these rules, but I get a visit from the tax assessor and my tax bill goes up, but now you are giving millions of dollars of tax abatement. He also concurred with Assistant Mayor Below and the City Manager regarding (a covenant) for the island.

Councilor Sykes spoke about his reasons why it was important to address the issue of a conservation easement for the island and to have a requirement for public access that is clearly laid out. He also felt the 10% of affordable housing was an important component for this project and was against adding the Heater Landing funds items to this project.

Councilor Whittlesey spoke about his reasons why he supported having legal rights built into any agreement. Like any other investor, we are seeking assurances regarding our rights and would not want to move forward without some kind of covenant that protects our rights. His concern overall is the financials because it is really hard to evaluate what is a reasonable amount of the 79-E request vs. the public/taxpayer needs and the needs of the developer. The scale is so much different than the other 79-E programs he has been involved with for the City and because of all this, he believed Mr. Livadas was seeing a higher degree of review by the Council and felt this was warranted and justified. He did not feel the extra 4-years (tax abatement) for affordable housing made sense and further explained his reasons.

Mr. Livadas wanted to compare what they are doing as compared to the other 79-E projects, noting we are renovating a historic mill, building a park, and a riverwalk and going out of our way to do these. We want to work together to get there but it feels a little bit like because of these things, we are now in this broader discussion about how many years should we give them, even though we qualify. He is just trying to understand, if we are looking at past precedent, when was 9-years given; what year was that; what was the interest rate; what was the cost to build it; did they have a public plaza? We want the City to feel comfortable knowing you will have access (public access) forever, and we can figure that out. Conservation for the island, there is no issue with that. He also talked about the current parking lot in the Mill.

Mayor McNamara could not recall the specifics of other 79-E projects. In generalities, the delta between their condition when the 79-E approval was given, and theirs was a smaller delta than Mr. Lavada's project. In those projects, the City was an investor but we were relatively a minor investor for a relatively short period of time. In this project, the City is truly a very major investor. Let's say this is a $50M project and even at $1M-$3M in forgone tax revenue over 15 years, we are an $18M investor on a $55M project. For him, this is the most major 79-E project the Council has ever had come before us.

In response to Councilor Liot Hill's question, Deputy City Manager David Brooks noted that since the program was adopted by the Council in 2016 there have been 4 projects that have received tax relief. Two projects resulted in new residential dwelling units, so they received 5-years for the base program (renovation/restore an existing structure) and received 2-years for the creation of new residential units: 7-years total. There were two other projects (Hanover St/Main Street W. Leb) that involved energy upgrades, façade improvements, etc. that did not result in residential units. In both of those cases they requested and received 5-years for the base program. No project has ever received more than 7-years. He was also not aware of any project that has ever been proposed that would hit all the boxes to even request more than 7-years. City Manager Mulholland noted it is important to understand that these structures already existed and we are talking about really small numbers compared to this project, which is huge. Mayor McNamara noted that while there are some new buildings in this project, this is not all historic preservation of an existing building.

Councilor Liot Hill spoke about the history of the State's legislation for the 79-E program, noting that each community has to actually adopt (the 79-E Program) for themselves. Our past precedence has been that projects who qualify have been given the maximum base, which is 5-years. Based on the Council's precedent, we can get to 11 years on a very basic project, a project that does not have to include the island or any public access to the property. To her, it seems this (Mill) project qualifies for 11 years without some of the additional public amenities. The law requires that we find public benefit. The law does not require that there be public amenities. The river trail, access to the Mill yard, and access to the island are actually public amenities. To her, this project qualifies for the public benefit. The question then becomes:

- Do we add an additional 4-years for affordability (housing)?
- How do we address the public amenities (an additional public benefit) in an equitable way?

She further talked about the affordability component; the location of the Mill and all that it offers to the public; the cost to the taxpayers of $18M over time; do we think that this project is worth somewhere between $2.8 - $4.8M to add 20 units of affordable housing to the downtown and further explained her reasons. She felt it was worth investing that additional amount and spoke about her reasons.

In response to Councilor Wilkie's clarifying questions, Deputy City Manager Brooks noted that the application for 1 Mechanic Street predated the creation of the (AMI) template and used a different definition (30% of income). The Council concluded that this property did not qualify for the additional 4-years. For South Park Street, renovation of the main building was started before the City's 79-E program was even adopted. What was granted for this project only applied to the new addition.

Mayor McNamara did not feel there was a lack of flexibility, nor did he necessarily feel the need to pay an additional amount for public amenities and explained his reasonings. He did not feel tied to 11/15-years and thought the Council had a lot of flexibility based on the characteristics of the project.

Councilor Sykes spoke about his reasons why he felt the public good was huge for this project, noting employers need more housing units and the City needs more housing units.

Mayor McNamara felt it important to make the distinction that not all applications apply to new units (i.e., no subsidy for units on Mt. Support Road). The importance of this project is these units are being created in downtown and in a 79-E District.

Councilor Heistad spoke about how the Mill is depreciating and is not being repaired or maintained and by going forward with this project, we would be making a better use of an asset we have and will not lose it.

Mr. Livadas again spoke about his reasons why this project actually qualifies for 2 additional years and then spoke again about the benefits to the City. He also respectfully informed the Council that if they do not get the 79-E funds as requested, those public amenities will be the first to go away due to finances.

The Council, including Mr. Livadas, discussed: whether or not to move forward with a Motion tonight; the need to address public access to the island in any agreement; how time is of the essence for Mr. Livadas; making a Motion of Intent; discussions around the 15-year tax abatement; discussions around having the tax abatement go to 11 or 12 years; the rental affordability of the Mill's apartments; potentially raising the affordability housing units to 20% instead of 10%; expressing the intent in a motion that includes 15-years providing all language regarding public access and a covenant to protection the island are included.

Councilor Liot Hill MOVED, that the Lebanon City Council expresses the intent to enter into and approve the application of LWM Residential LLC for a 79-E for property assessment tax relief under 79-E as expressed in the City Council packet of November 15, 2023, provided that agreements be executed regarding public access to the development and public access or ownership of the island for 15-years.

Seconded by Assistant Mayor Below.

The Council continued to debate the wording of the Motion at 15-years; whether or not Mr. Livadas should withdraw his application and resubmit it adding the terms of an agreement that addresses public access to the amenities, public access to the island (Conservation Agreement); Opening/closing times of access to the public ; how agreeing to 11-years tonight would help give Mr. Livadas the direction LWM Residential LLC should go; if potentially withdrawing the Motion would provide a faster turnaround time; the need to not rush into this project ($18M) because the City needs to know what they are buying into; how the public hearing must be held within 60 days of receiving the application and the Council would then have up to 45-days to make a determination; adding into the Motion: " the results of the negotiation, if any, shall come back to us (Council) by such and such a date."

In response to Mr. Livadas' question about whether it was possible to have a consensus that would make LWM Residential LLC feel a little more comfortable and allow them to keep on working as we are marketing it; Mayor McNamara said a Straw Poll could be taken.

Councilor Zook suggested that the Motion by Councilor Liot Hill be withdrawn, and a Straw Poll be taken that would give LWM Residential LLC some direction without committing the Council to the details of what an arrangement would be.

Councilor Liot Hill withdrew her Motion.

City Manager Mulholland explained to Mr. Livadas that we would be setting a Public Hearing tonight and then he would come back at a future date. When we come to that Public Hearing we will have the information that the public can actually see what is being proposed.

Mayor McNamara called for a Straw Poll regarding a re-application for 11-years (tax abatement) without the affordable housing but with some more definitive language on the public amenities and the island.

Councilors in support of 11-years (tax abatement): Whittlesey, Zook, Simon, , Heistad, Wilkie, Assistant Mayor Below (prefers to the affordable component to this with 15-years), Councilor Liot Hill also prefers to see the 15-years with the affordability; Sykes voted against the 11 years because he would like to see 15-years: Mayor McNamara would vote for 12-years with an affordable component.
Voting for: (5)
Voting against: (4)

Councilor Simon MOVED to table this matter until a Special Meeting can be held on December 14, 2023, at 7:00PM in Council Chambers.
Seconded by Councilor Sykes.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, Zook and Mayor McNamara all voting Yea.
Voting Nay: Council Wilkie

****The Vote on the Motion was approved (8-1).***

NOTE: The Draft Resolution presented in the Council agenda packet was removed as this may be changing after the Council and Mr. Livadas meet again in December.

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

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).***

ACTION:

B. City Charter Amendments - A public hearing for the purpose of receiving public input and taking action on a resolution to direct the City Manager to file a report with the City Clerk and subsequently with required State agencies for review of proposed Charter amendments in accordance with NH RSA 49-B:5,I(b).

Included in the agenda: ***NOTE: All supportive documents and information can be found on pages 58-62, Council agenda packet.***

1. Draft Proposed Charter Amendment Language

BACKGROUND
The Charter was first created and formally effectuated in 1957 when Lebanon chose to become a City with a City Council-City Manager form of government. As we continue to evolve with changes in laws, regulations, processes, and technology, it has become apparent that changes to the Charter are needed to create consistency and increase efficiency.

In accordance with the provisions of RSA 49-C, to change the Lebanon Charter, the City Council must first schedule and hold a public hearing concerning the proposed amendment(s). Following the public hearing, if the Council votes to proceed with the amendment process, the Council must cause a report to be filed with the City Clerk containing the final draft of the proposed Charter amendment(s). The City Clerk must then file a certified copy of the report with the NH Secretary of State, the NH Attorney General, and the Commissioner of the NH Department of Revenue Administration, each of whom has 45 days to review the proposed amendment to ensure that it is consistent with the general laws of the state. Only after the three state agencies have approved the proposed amendment can the Council take action to have the proposed Charter amendment placed on the ballot at the next municipal election.

The 2024 Municipal Election will take place on March 12th. If passed by the voters, the Charter amendments would not be effective until July 1, 2024.

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

ACTION:
Councilor Liot Hill MOVED to,

BE IT RESOLVED that the Lebanon City Council hereby determines that the proposed amendments to the Lebanon City Charter to remove the requirements for a Personnel Advisory Board and a Grievance Board is necessary and appropriate.

Proposed amendments are as follows:

Amend Section III, Administration, §C419:17 by deleting reference to the manager's power to appoint a member of the personnel advisory board under Section 53.

Amend Section IV, Merit Plan, §C419:53 and §C419:53a by deleting and repealing the sections in their entirety.

Explanation: The purpose of these amendments is to remove the provisions from the Charter as they are administrative in nature and governed by the City Manager through provisions in the Employee Handbook and the four collective bargaining agreements. The Employee Handbook is amended from time to time through the process outlined in

§C419:51 of the City Charter.

BE IT FURTHER RESOLVED that the Lebanon City Council hereby directs the City Manager to cause a report to be filed with the City Clerk containing the final draft of the proposed Charter amendments to delete and repeal §C419:53 & §C419:53a; and to amend

§C419:17 by deleting reference to the manager's power to appoint a member of the personnel advisory board as summarized in the agenda packet materials for the City Council's November 15, 2023 meeting, after which the City Clerk, in accordance with NH RSA 49-B:4-a, I, shall cause a certified copy of such report to be filed with the New Hampshire Secretary of State, the New Hampshire Attorney General, and the Commissioner of the New Hampshire Department of Revenue Administration.

Seconded by Councilor Simon.

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).***

CHAPTER C
CHARTER

CITY OF LEBANON, NEW HAMPSHIRE

CHAPTER 419 – Excerpt of Relevant Sections to be Amended

III
Administration

§ C419:17 **Mayor.**

[Amended 11-6-1973; 11-16-2022]

Each year the council shall elect one of its members mayor at its first meeting after the terms of office of the newly elected members begin. A majority vote of all members of the council is necessary for election of the mayor. The mayor shall preside at council meetings and may speak and vote at those meetings. The mayor shall be head of the city for all ceremonial purposes. The mayor and council voting as a unit, neither with a veto over the other, shall make appointments of members of the Lebanon Housing Authority and the Zoning Board of Adjustment. All other administrative duties prescribed by the general statutes shall be exercised by the manager. Nothing in this section shall be construed to take away the manager's power to appoint all administrative officers listed in Section 32 of this chapter, ~~or his or her power to appoint a member of the personnel advisory board under Section 53 of this chapter,~~ or the manager's power to appoint an administrative official of the city to the Planning Board, or the manager's general power to appoint any administrative officers authorized under any ordinance. Each year the council shall elect from its members an assistant mayor who shall act as mayor during the absence or disability of the mayor, and if a vacancy occurs, shall become mayor for the completion of the unexpired term.

IV
MERIT PLAN

~~**§ C419:53** Personnel Advisory Board.~~

~~[Amended 3-8-1977]~~

~~There is hereby established a personnel advisory board of three citizens holding no other political office and appointed, one member by the manager, one by the council, and the third by these two appointees. In the first instance only, the member appointed by the manager shall serve for one year, the member~~ appointed by the ~~council for two years and the third member for three years, in each case beginning on the date of appointment; the term of all succeeding members shall be for three years beginning on the~~ expiration of the ~~term each succeeds. It shall be the duty of the personnel advisory board to study the broad problems of personnel policy and administration, to advise the council concerning the personnel~~ policies of the city and ~~the manager regarding the administration of the merit plan.~~

~~**§ C419:53a** The Grievance Board.~~

~~[Amended 3-8-1977]~~

~~There is also hereby established the Grievance Board of the City of Lebanon whose duty shall be to hear appeals of any employees aggrieved as to their status or condition of their employment. The Grievance Board shall consist of three members: one member shall be appointed by the city council, one member shall be appointed by the employee association, group or union from which the aggrieved employee may come, and the third member shall be appointed by the first two appointees. The member appointed by the~~ city council ~~shall serve for a two year term. The other two members will be appointed at the time of a request for a specific grievance hearing. In case of an unavailability to serve by any member during any~~

~~grievance procedure, a replacement will be chosen for the term of that procedure in the same manner as the original holder of the appointment.~~

9. OLD BUSINESS: NONE

10. NEW BUSINESS

A. Request from the Lebanon Opera House for an Exemption (per §14-5) of City Code Chapter 14, Alcoholic Beverages, to permit the serving of alcoholic beverages on City property in 2024.

Included in the agenda packet: ***NOTE: All supportive documents and information can be found on pages 63-68, Council agenda packet.***

BACKGROUND
Lebanon Opera House (LOH) is requesting the City Council grant an alcohol exemption to provide them with the ability to serve alcoholic beverages on certain City property and within City Hall during LOH events and performances. City property outside of City Hall to be included in this request are the alley between City Hall and the neighboring building located at 55 North Park Street (Dutille's Jewelry building), the back parking lot behind City Hall, the sidewalk in front of City Hall, and all other areas immediately surrounding the building. The request is from January 1, 2024, through December 31, 2024.

City Administration has no objection to any of the above.

City Code Chapter 14, Alcoholic Beverages, §14-5, Exemption states that, "Any person, publicly recognized organization, organized group, family group or business may be exempted from the provisions of this article for a short period of time not exceeding 12 hours, upon first obtaining permission from the City Manager after consultation with and approval by the Chief of Police.

For a period of time exceeding 12 hours but not exceeding one year, permission must first be obtained from the Lebanon City Council and reviewed on an annual basis." Due to the nature of the business and the desire to continue to serve alcohol on City-owned property, Council approval is required pursuant to §14-5 above.

ACTION:
Assistant Mayor Below MOVED, that the Lebanon City Council hereby grants an exemption pursuant to §14-5 of City Code Chapter 14, Alcoholic Beverages, to Lebanon Opera House to serve alcoholic beverages during LOH events and performances in areas as described in the November 15, 2023 City Council Agenda Packet. Exemption shall be valid beginning January 1, 2024 and shall expire on December 31, 2024

Seconded by Councilor Wilkie.

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).***

B. Presentation of First Reading & Set Public Hearing for December 13, 2023: Amendments to Ordinance #18, Salary Plan, to include implementation of a 2.2% General Wage Increase, and to retitle, reclassify, and add positions to the existing salary plan.

Included in the agenda packet: ***NOTE: All supportive documents and detailed information can be found on pages 69-78, Council agenda packet.***

BACKGROUND

The City Council is asked to take action to amend Ordinance #18, Salary Plan, as follows:

1. Implement a 2.2% General Wage Increase for 2024, for all Non-Affiliated positions, and all positions within the following Bargaining Units: Lebanon Professional, Administrative, and Salaried Employees (LPASE), Lebanon Permanent Firefighters' Association, Local 3197/International Association of Fire Fighters (LPFFA/IAFF) and Lebanon Police Benevolent Association (LPBA)/New England Police Benevolent Association (NEPBA)
2. Article II, Non-Affiliated Employees to:
    - I. Add the non-exempt position of Facilities Maintenance Specialist, within the Public Works Department, to Grade 4.
3. Article II, LPASE Employees to:
    - I. Add the non-exempt position of Cemetery Supervisor, within the Public Works Department, to Grade 9.
    - II. Retitle Solid Waste Foreperson, Grade 9 position, to Solid Waste Supervisor.
4. Article II, Seasonal/Temporary & Stipend Employees to:
    - I. Retitle the following positions, with the Library Department:
        - a. Circulation Substitutes retitled to Library Clerk I
        - b. Custodian Substitutes retitled to Library Custodian Substitute
        - c. Reference Librarian Substitutes retitled to Library Clerk II
    - II. Implement additional wage adjustments to the following positions:
        - a. Outdoor Adventurer – Educator
        - b. Library Clerk I (Newly Retitled)
        - c. Library Custodian Substitute (Newly Retitled)
    - III. Relocate the following positions:
        - a. Tree Warden from Recreation, Arts & Parks Stipend Positions, to Public Works Positions, as a non-exempt position.
        - b. Softball Coordinator position from Recreation, Arts & Parks Positions, to Recreation, Arts & Parks as a stipend position.
5. Article III, Bargaining Unit Employees, Section A, AFSCME LOCAL #1348/COUNCIL 93 AFL-CIO, to:
    - I. Retitle the following positions:
        - a. Airport Maintenance Foreman to Airport Maintenance Supervisor
        - b. Foreman to Supervisor
        - c. Parks & Grounds Crew Foreman to Parks & Grounds

Crew Supervisor

6. Article III, Bargaining Unit Employees, Section B, Lebanon Permanent Firefighters' Association, LOCAL 3197/International Association of Fire Fighters (IAFF), to:
   I. Adjust pay grades in conformance to the Collective Bargaining Agreement, and the Wage Study conducted in May of 2021.

2024 General Wage Increase (GWI)

The City Manager is responsible for maintaining the City's Compensation and Classification Plan. Within Ordinance #18, compensation for exempt (salaried) and non-exempt (hourly) Non-Affiliated employees is expressed as a minimum and maximum grade range, via hourly rates for non- exempt employees, and weekly rates for exempt (salaried) employees. Movement within ranges is achieved through annual General Wage Increases, and merit or step adjustments, applicable for employees who are not already at the top of their wage range. To be useful, it is imperative that compensation and classification systems be kept current. This is achieved primarily by revising compensation ranges through regular general wage adjustments and by systematically reviewing all positions on a regular basis. This is achieved by meaningful sampling of the labor market and internally relative to other positions.

For general wage adjustments, the City's practice is to use the percentage change in the Northeast Region CPI for June, from 12 months prior, with a minimum adjustment of 1% (floor), and a maximum adjustment of 3% (ceiling). This is true for Non-Affiliated (non-union) employees, as well as those that belong to our Collective Bargaining Units, which include:

- Lebanon Professional, Administrative, and Salaried Employees (LPASE)
- American Federation of State, County and Municipal Employees, Local #1348/Council 93 AFL-CIO (AFSCME)
- Lebanon Permanent Firefighters' Association, Local 3197/International Association of Fire Fighters (LPFFA/IAFF)
- Lebanon Police Benevolent Association (LPBA)/New England Police Benevolent Association (NEPBA)

The increase in the Northeast Region CPI, for the period of June 2022-June 2023, was 2.2%. As a result, the City Council is being asked to take action, and implement a 2.2% General Wage Increase for all employees, as part of the 2024 City Budget. This change would be effective as of the first pay period of 2024.

In addition to the General Wage Increase (GWI), City Administration is proposing additional amendments, as outlined below.

Article II, Non-Affiliated Employees

City Administration is proposing the addition of a Facilities Maintenance Specialist position. The Facilities Maintenance Specialist is a non-exempt, Grade 4 position.

Article II, LPASE Employees

City Administration is proposing the addition of a Cemetery Supervisor position. The Cemetery Supervisor is a non-exempt, Grade 9 position.

Administration is also proposing that the Grade 9, Solid Waste Foreperson position be retitled Solid Waste Supervisor.

Article II, Seasonal/Temporary & Stipend Employees

The following positions within the Library Department are to be retitled:

1. Circulation Substitutes retitled to Library Clerk I
2. Custodian Substitutes retitled to Library Custodian Substitutes
3. Reference Librarian retitled to Library Clerk II

Furthermore, due to the difficultly hiring for specific positions within the Seasonal/Temporary & Stipend classification, Administration is proposing additional wage adjustments, above the 2.2% GWI, for three positions, to include:

1. Outdoor Adventurer – Educator
2. Library Clerk I (Newly Titled)
3. Library Custodian Substitutes (Newly Titled)

Administration is proposing that the Tree Warden position, currently a position within the Recreation, Arts and Parks Department, be relocated to the Public Works Department and be changed from a stipend employee to an hourly employee; and that the Softball Coordinator position be relocated from an hourly employee to a stipend employee.

Article III, Bargaining Unit Employees

SECTION A, AFSCME LOCAL #1348/COUNCIL 93 AFL-CIO

For consistency purposes, City Administration is proposing that the following AFSCME positions be retitled:

1. Foreman retitled to Supervisor
2. Airport Maintenance Foreman retitled to Airport Maintenance Supervisor
3. Parks & Grounds Crew Foreman retitled to Parks & Grounds Crew Supervisor

SECTION B, LEBANON PERMANENT FIREFIGHTERS' ASSOCIATION, LOCAL 3197/ INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS (IAFF)

In conformance with the Collective Bargaining Agreement, and in addition to the GWI of 2.2%, pay grades in this Bargaining Unit will be escalated to the 60th percentile of the Wage and Salary Study, conducted in May of 2021.

SECTION C, LEBANON POLICE BENEVOLENT ASSOCIATION (LPBA)/NEW ENGLAND POLICE BENEVOLENT ASSOCIATION (NEPBA)

No additional amendments are proposed.

Amendment Process

Amending Ordinance #18 requires three separate presentations (see City Charter subsections §419:22, §419:24, §419:25, §419:52), followed by a public hearing, and the vote of at least two-thirds (2/3) of all members of the City Council - six (6) members - to adopt.

The Council is asked to recognize the first of three presentations on November 15, 2023, and to schedule a public hearing for December 13, 2023, to amend the Ordinance. The second and third presentations will occur on December 6, 2023, and December 13, 2023, respectively.

The tables in the Council agenda packet reflect all changes (as shown in red text), to include the addition of new positions, changes in position titles and/or classification, as well as the 2.2% General Wage Increase. These changes would be effective as of the first pay period of 2024.

ACTION:
1. ACKNOWLEDGE FIRST PRESENTATION:
Councilor Whittlesey MOVED,* that *the Lebanon City Council acknowledges the first of three presentations to amend Ordinance #18, Salary Plan, as outlined in the tables contained on pages 70 through 78 of the November 15, 2023, City Council Agenda Packet

2. SCHEDULE PUBLIC HEARING:
Councilor Whittlesey further MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, December 13, 2023, beginning at 6:00 PM, Council Chambers, City Hall, Lebanon, and Remote via City's Virtual Platform, for the purpose of receiving public input and taking action to amend Ordinance No. 18, Salary Plan, as fully described and contained in the November 15, 2023, City Council Agenda Packet.

Seconded by Councilor Simon.

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).***

C. Discussion & Set Public Hearing for December 6, 2023: Ordinance #2023-05 to amend City Code Chapter 68, Fees, Article III, Miscellaneous Fees, §68-15, Enumeration of Fees, to authorize a 7.2% increase to the Water Service Rate and a 5.2% increase to the Sewer Service Rate.

Included in the agenda packet: ***NOTE: All supportive documents and information can be found on pages 79-81, Council agenda packet.***

BACKGROUND

An increase of 7.2% to the Water Service Rate (base user rate and minimum charge) and 5.2% to the Sewer Service Rate (base user rates, minimum charge, and residential flat rate), effective January 1, 2024, is being requested.

The proposed increases are in-line with projections offered by Raftelis as part of the 2018 Water and Sewer Rate Study and are suggested in order to provide current and future resources to absorb projected operations and maintenance and debt service expenses in both enterprise funds.

ACTION:
Councilor Liot Hill MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, December 6, 2023, beginning at 7:00 pm, in Council Chambers, City Hall, and Remote via City's Virtual Platform, for the purpose of receiving public input and taking action on proposed Ordinance #2023-05 to amend City Code Chapter 68, Fees, Article III, Miscellaneous Fees, §68-15, Enumeration of Fees, to authorize an 7.2% increase to the water service rate and a 5.2% increase to the sewer service rate, effective January 1, 2024.

Seconded by Councilor Wilkie.

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).***

D. Discussion & Set Public Hearing for December 6, 2023: Ordinance #2023-06 to amend City Code Chapter 97, Landfill Regulations, by updating the current fee schedule

Included in the agenda packet: ***NOTE: All supportive documents and information can be found on pages 82-84, Council agenda packet.***

BACKGROUND
City Code Chapter 97, Landfill Regulations, was fully updated in July 2019 to incorporate the language from the former Chapter 143, Solid Waste, (which was repealed on July 24, 2019), and to include a fee schedule for disposal of refuse and recycling of certain materials. The fee schedule is to be reviewed annually for possible updates based on current market rates.

Ordinance #2023-06 amends the current fee schedule to reflect increased disposal rates and proposes a minor amendment to the definition of "Bulky Waste."

ACTION:
Assistant Mayor Below MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, December 6, 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 proposed Ordinance #2023-06, to amend the Code of the City of Lebanon, Chapter 97, Landfill Regulations, effective January 1, 2024.

Seconded by Councilor Simon.

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).***

E. Discussion & Set Public Hearing for December 6, 2023: Ordinance #2023-07 to amend City Code Chapter 8, Airport Operations, §8-4, Airport Rules and Regulations, to amend Airport Landing Fees

Included in the agenda packet: ***NOTE: All supportive documents and information can be found on pages 85-86, Council agenda packet.***

BACKGROUND
Landing fees at the Lebanon Municipal Airport were last adjusted in 2021, along with an update of the Rules & Regulations and Minimum Standards. A comparison of the existing landing fees and the landing fees adjusted by the CPI-U Northeast was completed and the recommended adjustments to the existing landing fees is shown in Ordinance 2023-07. A new category, Aircraft Detailer, was added to the fees. The airport will continue to monitor the CPI-U and existing fees to request adjustments as necessary.

ACTION:
Councilor Sykes MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, December 6, 2023, beginning at 7:00 pm in Council Chambers, City Hall, and Remote via City's Virtual Platform, for the purpose of receiving public input and taking action on Ordinance #2023-07 to amend City Code Chapter 8, Section 8.4, Airport Rules and Regulations, to amend Airport Landing Fees, effective January 1, 2024.

Seconded by Councilor Heistad.

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. Review and Discussion of 2023 3rd Quarter Budget Report and Release of Collected Public Schools Impact Fees

Included in the agenda packet: ***NOTE: All supportive documents and information can be found on pages 87-130, Council agenda packet.***

BACKGROUND
Finance Director Vicki Lee was present at the meeting to review the 3rd Quarter Budget Report.

The Budget Report presents in summary form year-to-date activity for both expenditures and revenues. City Charter §C419:44 requires financial information to be presented to the City Council for each quarterly period of the year. Administration typically provides required financial information on a monthly basis during the 4th quarter.

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

Release Of Collected Public School Impact Fees

A Memorandum of Understanding (MOU) was developed in 2010 between the City and the School District for the quarterly transfer of collected Public School Impact Fees to the Lebanon School District for application toward the payment of debt on the (then) new middle school.

On October 12, 2021, the Planning Board authorized a broader use of Public School Impact Fees to include construction, renovation, improvement, or expansion of K-12 school buildings and related building systems, equipment, and furnishings. A revised MOU was developed and signed on November 22, 2021.

To date $825,807.53 has been disbursed to the Lebanon School District.

7/17/2013	$83,690.78	5/17/2017	$5,230.00	1/19/2022	$9,035.45
11/6/2013	$14,651.99	12/6/2017	$6,140.75	4/20/2022	$3,216.15
5/21/2014	$19,407.00	2/7/2018	$41,262.70	10/19/2022	$261,738.35
8/6/2014	$2,122.75	9/5/2018	$12,564.45	2/1/2023	$2,185.00
2/18/2015	$723.00	2/6/2019	$1,833.10	4/19/2023	$3,824.44
5/20/2015	$2,819.00	8/7/2019	$8,822.20	9/6/2023	$3,142.57
7/15/2015	$1,627.50	4/15/2020	$40,432.02		
11/4/2015	$936.00	7/15/2020	$123,709.65		
3/2/2016	$3,156.00	12/2/2020	$57,567.42		
5/18/2016	$864.00	1/21/2021	$102,409.40		
		8/4/2021	$12,695.86		

This request is for the City Council to authorize disbursement of $9,740.60 in collected Public School Impact Fees (through 09/30/2023) to the Lebanon School District.

ACTION:
Councilor Whittlesey MOVED, that in accordance with Section 213.10 (Administration of Impact Fees) of the Lebanon Zoning Ordinance, and the November 22, 2021 Memorandum of Understanding between the City of Lebanon and the Lebanon School District, SAU 88, the City Council hereby authorizes the disbursement of $9,740.60 in collected Public School Impact Fees to the Lebanon School District to be applied toward the construction, renovation, improvement or expansion of K-12 school buildings and related building systems, equipment, and furnishings.

Seconded by Councilor Simon.

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).***

Councilor Wilkie left the meeting at approximately 10:05PM.

G. Review and adoption of revised Allowable Levels of Assistance contained in Appendix A of the General Assistance Program Guidelines

Included in the agenda packet: ***NOTE: All supportive documents and information can be found on pages 131-142, Council agenda packet.***

Ms. Lynne Goodwin, Human Services Director reviewed the background and explained the data changes as presented in the November 15, 2023 Council agenda packet.

BACKGROUND

The City's General Assistance Program is governed by New Hampshire RSA 165, Aid to Assisted Persons. Section 165:1, Who Entitled; Local Responsibility states in part:

II. "The local governing body, as defined in RSA 672:6, of every town and city in the state shall adopt written guidelines relative to general assistance. The guidelines shall include, but not be limited to the following:

(a) The process for application for general assistance.
(b) The criteria for determining eligibility
(c) The process for appealing a decision relative to the granting of general assistance.
(d) The process for the application of rents under RSA 165:4-b, if the municipality uses the offset provisions of RSA 165:4-a.
(e) A statement that qualified state assistance reductions under RSA 167:82,VIII may be deemed as income, if the local governing body has permitted the welfare administrator to treat a qualified state assistance reduction as deemed income under RSA 165:1-e."

Beyond the requirements listed in Section 165:1(II), RSA 165 also requires that municipalities adopt Payment Levels for Allowable Expenses. The Allowable Levels of Assistance are included in Appendix A of the City's General Assistance Program Guidelines. Food allowances have been updated annually to coincide with the current data available from the Supplemental Nutrition Assistance Program (formerly known as "Food Stamps"). Existing shelter allowances were updated in 2022. Non-food allowances have not been updated since 2015.

Non-food allowances are meant to cover basic expenses for toiletries, paper products, and personal items. Existing non-food allowances have been updated to include a 15% increase for a single-person household. Subsequent household sizes receive incremental increases of $20.

According to NH Housing Finance Authority's 2023 Residential Rental Cost Survey Report, the median rent for a 2-bedroom unit in Grafton County has increased 82% from 2018-2023. The high rental costs in Grafton County are driven by the Lebanon/Enfield area and Holderness/Plymouth area. Existing shelter allowances for Lebanon have been updated to include 15-21% increases.

ACTION:
Councilor Liot Hill MOVED, that the Lebanon City Council hereby adopts the amended Allowable Levels of Assistance as presented in the November 15, 2023 City Council Agenda Packet.

Seconded by Councilor Sykes.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Zook and Mayor McNamara all voting Yea.
None voted Nay.
Absent from vote: Councilor Wilkie

****The Vote on the Motion was approved (8-0).***

H. Authorization for the City Manager to enter into a Development Agreement with Upper Valley Tech Park for Improvements to Technology Drive

Included in the agenda packet: ***NOTE: All supportive documents and information can be found on pages 143-147, Council agenda packet.***

BACKGROUND
On August 2, 2023, the City Council accepted the dedication of the road rights-of-way for both Commerce Avenue and Technology Drive and subsequently approved the expansion of the boundary of the Airport Tech-Park Tax Increment Finance (TIF) District to include approximately 221 feet of an unconstructed portion of Technology Drive. Construction of this portion of Technology Drive will allow access to the adjacent property owned by Upper Valley Tech Park, LLC (UVTP, LLC).

UVTP, LLC plans to develop the property for industrial purposes. They will be responsible for the construction of the roadway, sewer, water, drainage, and associated roadway infrastructure in accordance with City standards. In return the City would reimburse them for the cost of the construction of the infrastructure when TIF increment revenue is generated from the development of their parcel.

The City Manager has worked with UVTP, LLC and the City's legal counsel to create a development agreement specifying the obligations of the parties, which is attached for your use.

ACTION:
Assistant Mayor Below MOVED, that the Lebanon City Council hereby authorizes the City Manager to enter into a development agreement with Upper Valley Tech Park, LLC, to construct the extension of Technology Drive and all associated utility infrastructure as described in the proposed Development Agreement between the City of Lebanon and Upper Valley Tech Park, LLC included in the November 15, 2023, City Council Agenda Packet.

Seconded by Councilor Simon.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Zook and Mayor McNamara all voting Yea.
None voted Nay.
Absent from vote: Councilor Wilkie

****The Vote on the Motion was approved (8-0).***

I. Discussion & Set Public Hearing for December 6, 2023: Amendment to the Development Program for the Lebanon Airport-Tech Park Tax Increment Finance (TIF) District

Included in the agenda packet: ***NOTE: All supportive documents and information can be found on pages 148-165, Council agenda packet.***

BACKGROUND
On November 6, 2019, the City Council created the Lebanon Airport-Tech Park Tax Increment Finance (TIF) District. Since the creation of the District, the City has extended Airpark Road to access developable areas on both the City's land as well as the Upper Valley Tech Park (UVTP) parcel. To date, UVTP has received approval for a 3-lot Planned Unit Development of its property, and development applications have been approved by the Planning Board for the two parcels accessed from the extended Airpark Road (see the attached plan of the UVTP Planned Unit Development). In addition, the City is planning for the development of an Early Childhood Learning Center facility on the City's parcel.

The owners of the UVTP parcel have also received interest for a potential development on the westerly side of their property (the third lot of the 3-lot PUD), which would be accessed from Technology Drive within the Phase 1A Airport Business Park. However, the constructed portion of Technology Drive and the associated water and sewer infrastructure do not extend the full length of the public right-of-way and stop short of the UVTP parcel boundary. Since the Technology Drive right-of-way is already publicly owned, it is expected that any further extension of the roadway and utility infrastructure within the right-of-way will become the City's responsibility for ownership and maintenance.

On August 2, 2023, the City Council amended the boundary of the TIF district to include the southernmost +/-220 feet of the Technology Drive right-of-way. Including the area of right-of- way will not have any fiscal impact on the district itself since the area is non-taxable, but will allow for TIF revenues to be used for the construction and maintenance of the new segments of roadway and utility infrastructure within the right-of-way.

The development plan for the TIF district needs to be amended to include the construction of this roadway and related utilities as required by RSA 162-K.

ACTION:
Assistant Mayor Below MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, December 6, 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 amend the Lebanon Airport-Tech Park Tax Increment Finance (TIF) District Development Plan to include the construction of the roadway and related infrastructure of the southernmost approximately 220 feet of the right-of-way of Technology Drive adjacent to the TIF District previously added to the TIF District on August 2, 2023.

Seconded by Councilor Simon.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Zook and Mayor McNamara all voting Yea.
None voted Nay.
Absent from vote: Councilor Wilkie

****The Vote on the Motion was approved (8-0).***

NOTE: The Council will not act on the amendment until January 3, 2024 as the RSA 162-K:4 requires that action can only be taken after at least 15 days have passed since the public hearing

J. Discuss Potential TIF District for West Lebanon
Councilor Simon requested this item be discussed at a future meeting.

BACKGROUND
Councilor Simon has submitted an agenda request to discuss the potential creation of a Tax Increment Finance District in the downtown (Main Street) area of West Lebanon.

11. CITY MANAGER REPORT: NONE

12. COUNCIL REPRESENTATIVES TO OTHER BODIES: NONE

13. FUTURE AGENDA ITEMS:
- Discuss Potential TIF District for West Lebanon
- Non-Public Session: RSA 91-A:3, II(a) "The dismissal, promotion, or compensation of any public employee…": Move to a December 2023 date.

14. NON-PUBLIC SESSION: Mayor McNamar and City Councilors agreed to have this session postponed to December 2023.

A. RSA 91-A:3, II(a) "The dismissal, promotion, or compensation of any public employee…"

15. ADJOURNMENT:

Councilor Heistad MOVED for adjournment.
Seconded by Councilor Simon.

<u>Roll Call Vote:</u>

Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Zook and Mayor McNamara all voting Yea.
None voted Nay.
Absent from vote: Councilor Wilkie

****The Vote on the Motion was approved (8-0).***

The meeting was adjourned at 10:15 PM.

Respectfully submitted,
Dona E. Gibson
Recording Secretary