



**DOWNTOWN LEBANON TIF ADVISORY BOARD
JANUARY 14, 2025 - 6:00 PM
COUNCIL CHAMBERS, CITY HALL OR
REMOTE VIA VIRTUAL PLATFORM
LEBANONNH.GOV/LIVE**

1. Call to Order

- A. The January 14, 2025 Downtown Lebanon TIF Advisory Board Meeting is hereby called to order.

2. Approval of Minutes

- A. July 24, 2024
B. December 11, 2024 (Joint Economic Development Commission/Downtown TIF)

3. New Business

- A. Review and make a recommendation to the City Council and TIF District Administrator regarding the RSA 79-E tax exemption application for 10 Spencer Studios, LLC.
B. Update concerning TIF District budget for FY25

4. Other Business

5. Adjournment

Meetings are open for in-person and remote attendance. Members of the public that wish to attend remotely may do so by going to LebanonNH.gov/Live where you will find instructions on how to enter the meeting. Members of the public will be able to participate and ask questions through the City's virtual platform or by phone. Please note: Should technical difficulties occur during the meeting that disrupts virtual or phone connection(s), the meeting will continue without remote access capabilities.

DRAFT

DOWNTOWN LEBANON TIF ADVISORY BOARD
WEDNESDAY, JULY 24, 2024 – 6:00PM
Council Chambers – City Hall – or remote via Virtual Platform
MINUTES

EDC MEMBERS PRESENT: Barry Schuster (Chair), George Sykes, Chris Haidari, Peter Owens

EDC MEMBERS ABSENT: Victoria Smith, Tracy Hutchins (Upper Valley Business Alliance)

STAFF PRESENT: City Manager Shaun Mulholland

1
2 **1. CALL TO ORDER:**

3 The July 24, 2024 Downtown Lebanon TIF Advisory Board Meeting is hereby called to order.
4

5 **2. APPROVAL OF MINUTES:**

6 A. October 30, 2023
7

8 *Motion by Chris Haidari to approve the minutes of October 30, 2023, as presented. Second by George Sykes.*

9 ** The Vote on the MOTION was approved (3-0-1, with Mr. Owens abstaining).*
10

11 **3. NEW BUSINESS:**

12 A. Discuss and make recommendations for the projected revenues and proposed appropriations for the 2025
13 Budget
14

15 City Manager Shaun Mulholland explained that the Board needs to make a recommendation to the District
16 Administrator, which is himself, with regards to the proposed 2025 budget. The City Council will make ultimate
17 decisions on the City budget after a public hearing. This new budget will take effect on January 1, 2025. The
18 estimated revenues for the first half of the year were approximately \$4,000. This will likely increase to more than
19 the \$410,000 in the second half. There is a bond payment included in the budget which goes down every year. The
20 architectural firm putting together the back parking lots proposal is estimated to cost \$313,500 this year. The EV
21 charger expansion is expected to cost approximately \$50,000. The artwork project on both sides of the tunnel is
22 estimated to cost \$100,000. Survey work from VHB is an additional \$20,000. All of this totals to an estimated
23 budget for next year of approximately \$810,000. The Board could consider voting to recommend to the District
24 Administrator a budget of \$810,000 in revenues and \$810,000 in expenditures in 2025.
25

26 Chair Schuster asked what the \$810,000 in expenditures will be used for. City Manager Shaun Mulholland stated
27 that this is yet unknown. As the Board will be bringing in a certain amount of funding, it has to go someplace, as this
28 is a special TIF Fund. If this money is not all allocated within the budget year, it will go back into the TIF fund,
29 which will continue to accumulate beyond the existing \$1.5M.
30

31 City Manager Shaun Mulholland stated that on September 25, 2024, there will be a joint meeting with this Board
32 and the EDC.
33

34 B. Discuss Lebanon Energy Advisory Committee (LEAC) proposal to utilize tax increment funds (TIF)
35 funds to purchase and install a solar electric vehicle (EV) charging station
36

37 Sherry Boschert, Chair of the EV Subcommittee, explained that EV charging reduces greenhouse gases, saves
38 drivers money, reduces pollution, etc. Most of Lebanon's and New Hampshire's greenhouse gases come from
39 transportation, with the largest percentage coming from passenger cars and trucks. Currently, people who have
40 electric vehicles and have access to that cleaner way of driving are saving money. These are mostly people who live
41 in single family homes and can charge at home. However, in Lebanon nearly half of the housing is not single-family
42 family housing. It is multi-unit housing, where it is much more difficult to find charging for these cars. Thus, people
43 are less likely to switch to EV's and end up paying more for gasoline. For public EV charging, the City has been
44 applying for federal grants and the Charging and Fueling Infrastructure Grant program. There is also a potential to
45 use TIF funds for downtown EV charging stations. The City is also finishing a workplace charging program for City
46 employees to be able to use the City's existing EV chargers for their personal cars as long as they pay for the

1 electricity. Lebanon recently changed its Zoning Code so that any new developments must have EV charging. The
2 City continues to gradually electrify its fleet. The Subcommittee has continued to do outreach to the public trying to
3 get private landowners and businesses to install EV chargers.

4
5 Ms. Boschert stated that last year the City applied for a Charging and Fueling Infrastructure Grant program to put
6 EV chargers all over Lebanon. Each of the proposed sites is, by design, near multi-unit housing, especially
7 affordable housing. The City did not receive this award, but in late May, the Department of Transportation allowed
8 those communities that were turned down to reapply for an extra half billion dollars. The City resubmitted its
9 application for this \$5.2M in federal funding. There is also a second round of CFI funding that will be available. The
10 Subcommittee issued an RFI request for information on EV charger installers and responses should be received by
11 Friday. There is currently no public charging in downtown Lebanon. The Subcommittee believes it is appropriate to
12 use TIF funds for this, as there is a proven economic benefit from installing EV chargers. As the Taylor Street area
13 is slated for redevelopment, the Subcommittee considered installing a freestanding solar EV charger. The City
14 Council gave their unanimous support for this idea. This project would cost \$50,000 but it is expected that the City
15 could receive a rebate from the IRS through elective pay or direct pay. The Subcommittee is also considering this
16 for other sites. Most of these EV chargers would not be owned by the City, but instead by the property owners or
17 third parties that own and operate the chargers. The City would recoup expenses from revenue sharing agreements
18 with them for any of those that can charge user fees. The Fire Chief has agreed to come to the next Subcommittee
19 meeting regarding the future plan for EV chargers and the EV charging power structure.

20
21 ***Motion by George Sykes that the requested amount of \$810,000 be appropriated from the Downtown TIF District***
22 ***for the year 2025, with estimated revenues of \$810,000. Second by Peter Owens.***

23 **** The Vote on the MOTION was approved (4-0).***

- 24
25 C. Discuss LEAC Request for Interest (RFI) & Request for Proposal (RFP) for EV charging facilities within
26 the Downtown TIF District and possible use of TIF funds

27
28 *This item was discussed as part of the previous agenda item.*

- 29
30 D. Provide update on status of the Downtown Parking Study

31
32 City Manager Shaun Mulholland stated that there have been many surveys that have come back so far. This
33 information and parking study data will be reviewed with the contractor at the joint meeting on September 25th.

34
35 **4. FUTURE AGENDA ITEMS:**

36
37 As discussed during the meeting.

38
39 **5. NEXT MEETING DATE:**

- 40 A. September 25, 2024

41
42 **6. OTHER BUSINESS**

43
44 None at this time.

45
46 **7. ADJOURNMENT**

47
48 ***Motion by George Sykes to adjourn at 6:50PM. Second by Peter Owens.***

49 **** The Vote on the MOTION was approved (4-0).***

50
51
52 Respectfully submitted,
53 Kristan Patenaude

DRAFT

**ECONOMIC DEVELOPMENT COMMISSION
JOINT MEETING WITH
DOWNTOWN LEBANON TIF ADVISORY BOARD
WEDNESDAY, DECEMBER 11, 2024 – 4:00PM
Council Chambers – City Hall – or remote via Virtual Platform
MINUTES**

EDC MEMBERS PRESENT: David Newlove (Chair), Chip Brown, Councilor Karen Liot Hill (Vice Chair), Dean Cashman

EDC MEMBERS ABSENT: Councilor Doug Whittlesey, Dan Nash Andrew Key, Tracy Hutchins (Upper Valley Business Alliance)

TIF MEMBERS PRESENT: Barry Schuster (Chair), Chris Haidari, Victoria Smith

TIF MEMBERS ABSENT: Peter Owens, George Sykes

STAFF PRESENT: Deputy City Manager David Brooks, City Manager Shaun Mulholland

1
2 **1. CALL TO ORDER:**

- 3 • The December 11, 2024, Joint Economic Development Commission and Downtown Lebanon TIF Advisory
4 Board meeting is hereby called to order.
5

6 *It was noted that the Economic Development Commission meeting was not yet called to order as it was awaiting a*
7 *quorum.*
8

9 **2. APPROVAL OF MINUTES:**

- 10 A. October 16, 2024 (Economic Development Commission)

11 *Discussion on the October 16, 2024, minutes was tabled due to lack of a quorum for the EDC.*
12
13

14 **3. NEW BUSINESS:**

- 15 A. Update and Presentation on Downtown Parking Lot Redevelopment Study
16

17 A presentation was made by Josh Lacasse and Sarah Mountford, Placework; Jon Tremontozzi, Landwise; and Kate
18 Tooke, Berit Schurke, and Rachel Dowley Alexander, Agency Landscape and Planning. They explained that the
19 scenario development process is approximately 2/3 complete. The next engagement session will be held in January,
20 at which time the consultants will present the vetted scenarios to the public. The site in question is the parking lot
21 area behind the City Hall. The City has a number of goals in mind for the project, including strengthening the
22 downtown experience, increasing visual access to the Mascoma River, demonstrating economic viability, increasing
23 housing availability, and enhancing bike and pedestrian connectivity.
24

25 *Councilor Hill arrived at 4:10PM.*
26

27 Some of the planning takeaways include that there will be assumed property line negotiation in development-heavy
28 schemes, there will be economic viability challenges in most scenarios, development in the floodplain will be likely
29 in scenarios #3 and 4, and free parking for 225 cars and development footprint will be challenging.
30

31 The team reviewed the four potential scenarios.

- 32 1) Parking lot repair – this would also offer an improved Rail Trail experience. This would be a slight
33 reduction in parking to allow for a more robust riverfront trail. The parking lot would still have 270 spaces
34 and be greener.
35 2) Riverfront Park – this would include benches, a walkway, plantings, and a park. Parking would still be
36 supported. This can be a multipurpose space to access the water’s edge. A flexible lawn and river deck are
37 also proposed. Flynn and Court Street would become a one way route.
38 3) Partial Redevelopment of the Upper level and a Lower level Park – this would incorporate architectural
39 elements with free public space, including the river corridor. A 144 space parking garage is included in this

proposal, with Taylor Street allowing vehicular access through the site. There would be approximately half an acre less of landscaped areas than Scenario 2.

4) Full redevelopment –

- a. Most similar to the Downtown Vision Study, with the upper portion of the site maximized for the build environment. Rerouting Taylor Street toward Flynn Street and building a structured parking garage along with a podium parking deck. The closure of Court Street and a green connection from Colburn Park. Consolidation of some commercial development. This option offers higher parking counts and a higher estimated price. The very large building proposed on this site does have some precedence historically and in surrounding areas. Creation of 90 residential units.
- b. Taylor Street would be disconnected, and its traffic rerouted. An emphasis on the Rail Trail as an organizing element of the site. Placing a deck over the lower parking area to create sheltered parking, and parsing the site into two areas, one of which would be sold to a developer and the other kept by the city. Converting Court Street to a one way street, allowing the space to be split with a narrower green connection to the River. Creation of 81 residential units.

The scenario comparison reviewed the parking availability, long-term fiscal impact, open space/river access/resilience, bike & pedestrian connectivity, and new housing created. Regarding the financial model, scenarios 1 and 2 would be public projects and would likely have annual maintenance costs of between \$100,000-\$160,000. Scenarios 3, 4A, and 4B the required public investment ranges from \$9M-\$14M. Scenario 3 would eventually be a break even option. As the housing density ramps up, Scenarios 4A and 4B lead to projects that are increasingly fiscally positive. Scenarios 1 and 2 would require the identification of funding sources for both construction and ongoing maintenance. TIF funds would only partially fund these schemes. Scenarios 3, 4A, and 4B are likely not feasible without public investment, including provision of the land for no cost. Feasibility can be increased using a number of levers, such as pursuing a market rate project, modifying the building programs to add leasable space, altering the designs so that more of the open space and parking are at-grade, and eliminating the replacement of public parking spaces or charging for public parking. A rental project would likely yield higher values, though for-sale condos would likely be well received in the market. Scenarios that include full redevelopment will have net-positive annual fiscal impacts, which increases with greater taxable square footage.

There was discussion regarding the options for Taylor Street, including increasing two-way traffic flows, closing it in one direction, or closing it in both directions. Any option which decouples Taylor Street may exacerbate the issue around the Park with additional traffic.

Ms. Smith asked if the cost and revenue impact numbers include the impact on City services. Mr. Trementozzi explained that most of what was considered was the maintenance of the new facilities and any School costs.

Ms. Smith asked for an update on the title issue. Mr. Brooks explained that information has been provided to the title company to consider either title insurance or title certification. He noted that the Grafton County Senior Citizens Council has agreed to convey approximately 2,200 s.f. of its property to the City. The portion that exists under the City’s parking lot along with a couple of large trees will become City property. There may still be some sticking points with the DOT regarding the B&M railroad corridor.

Mr. Lacasse explained that comments from this presentation will be used to clarify the presentation for the January public forum. Mr. Brooks explained that staff is seeking input as to whether the proposed scenarios are moving in the right direction.

Mr. Schuster asked if traffic on Taylor Street was considered as a primary goal in order to then be built around. The financial numbers seem daunting, and the City is not looking to incur greater liability.

Councilor Liot Hill explained that the City is about to adopt a budget with a 12% tax rate increase, followed by three years of double digit tax rate increases. There will likely not be a public appetite for an expansive project. She noted that a sheltered bus station behind City Hall has been discussed for years. She would like to see a robust sheltered bus station/stop on one of the options.

Mr. Newlove stated that most of the scenarios seem to convert some/all of the parking to park and installing under-building parking instead. He asked if some parking could be retained on the lower level, while still opening up the park to the river. The taxable assessed values of the various scenarios seem light, along with the number of proposed units. Solutions that could have no impact to the taxbase, while still including a waterfront park should be

1 considered. A waterfront park will likely add value to the tax base and there should be creative solutions on the
2 table.

3
4 *Mr. Cashman left the meeting at 5:05PM.*

5
6 Mr. Trementozzi stated the study showed that approximately 160 units would essentially lead to a self-supporting
7 project that would not require the City to put in additional monies and would produce a more positive fiscal impact.
8 However, this would lead to a mostly developed area.

9
10 Mr. Newlove asked if making upgrades to the existing parking area will lead to open space and green requirements.
11 Mr. Brooks explained that the City is exempt from site plan requirements. However, even the “do nothing” scenario
12 will require some items to be updated which could align with the site plan requirements. These will lead to future
13 maintenance costs as well.

14
15 Councilor Liot Hill suggested creating options that include a smaller park area or other versions of Scenarios 2 and
16 3.

17
18 Mr. Schuster suggested designs with flexibility and a sensitivity toward economics.

19
20 **4. FUTURE AGENDA ITEMS:**

21
22 None at this time.

23
24 **5. NEXT MEETING DATE:**

25 A. January 22, 2025

26
27 **6. OTHER BUSINESS**

28
29 None at this time.

30
31 **7. ADJOURNMENT.**

32
33 *Motion by Ms. Smith to adjourn the TIF meeting at 5:37pm.*

34 *Second by Mr. Schuster.*

35 ** The Vote on the MOTION was approved (3-0-0).*

36
37 *The meeting was adjourned at 5:37PM.*

38
39 Respectfully submitted,
40 Kristan Patenaude

Agenda

Lebanon City Council

January 08, 2025

10. New Business:

10.D – Discussion & Set Public Hearing for January 22, 2025: Community Revitalization Tax Relief Incentive (RSA 79-E) Program Application – 10 Spencer Studios, LLC

Background

In February 2016, the City Council adopted the provisions of the Community Revitalization Tax Relief Incentive Program pursuant to NH RSA 79-E. Subsequently, in August 2021, the Council adopted City Council Policy CC-105, Community Revitalization Tax Relief Incentive Program, which outlines the purposes of the program and the procedures to be utilized when considering applications for tax relief. Council Policy CC-105 was revised and updated in September 2024 to expand and clarify the guidelines and procedures.

10 Spencer Studios, LLC, owner of the building at 10 Spencer Street, Lebanon, is applying for tax relief under the program, as they are converting the structure from an industrial use (a former rug cleaning business) to an art studio use.

The City Manager's Office received the application from 10 Spencer Studios, LLC on November 19, 2024. Following an initial review, the applicant was advised of the changes to Council Policy CC-105, and was asked to submit revised and additional information, which were received on December 3, 2024.

Under the terms of the 79-E program, the City Council must hold a public hearing within 60 days of receipt of a complete application to determine whether the structure 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.

For detailed information regarding the project, please see the attached memo from City administration, along with the accompanying application and supporting documentation submitted by 10 Spencer Studios, LLC.

Action

Should the Council decide to schedule a public hearing on this application, the following motion is offered for consideration:

MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, January 22, 2025, beginning at 6:00pm, 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 10 Spencer Studios, 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 this Section:

1. December 27, 2024 Memo from Deputy City Manager David Brooks, RE: Community Revitalization Tax Relief Incentive Program (RSA 79-E) Application from 10 Spencer Studios, LLC – 10 Spencer Street; Tax Map 92, Lot 33
2. Application of 10 Spencer Studios, LLC for Community Revitalization Tax Relief Incentive Program, including supporting documents
3. Council Policy CC-105, Community Revitalization Tax Relief Incentive Program, last revised September 18, 2024



CITY MANAGER'S OFFICE
City of Lebanon, NH
51 North Park Street
Lebanon, NH 03766
(603) 448-4220 fax (603) 966-3122

TO: Honorable Mayor and City Councilors
FROM: David Brooks, Deputy City Manager
CC: Shaun Mulholland, City Manager
DATE: Community Revitalization Tax Relief Incentive Program (RSA 79-E) Application from
10 Spencer Studios, LLC – 10 Spencer Street, Lebanon; 92-33
RE: December 27, 2024

Introduction:

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. Subsequently, in August 2021, the Council adopted City Council Policy CC-105, Community Revitalization Tax Relief Incentive Program Guidelines, which outlines the purposes of the program and the procedures to be utilized when considering applications for tax relief. Council Policy CC-105 was revised and updated in September 2024 to expand and clarify the guidelines and procedures.

On November 19, 2024, 10 Spencer Studios, LLC applied for consideration under the program. Following an initial review, the applicant was advised of the recent changes to Council Policy CC-105, and was asked to submit revised and additional information, which were received on December 3, 2024.

10 Spencer Studios, LLC is the owner of property located at 10 Spencer Street, Lebanon (Tax Map 92, Lot 33), which is situated in the Lebanon Downtown (LD) Zoning District. On September 23, 2024, the Planning Board granted Conditional Use Permit approval to convert the existing building from an industrial use (formerly a rug cleaning business) to an art studio use. The anticipated improvements will include complete interior renovation and exterior rehabilitation as well as electrical, plumbing, mechanical, and fire protection upgrades. Excerpts of project plans, photos of the existing building, and cost estimates from the proposed building permit application are attached for review.

Under the terms of the 79-E program, the City Council must hold a public hearing within 60 days from receipt of a complete 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 building, located at 10 Spencer Street, is situated within the Downtown Lebanon 79-E District as adopted by the City Council and, therefore, the property can be considered a Qualifying Structure.

Is the project a Substantial Rehabilitation?

Since receiving the application, the City Assessor has reviewed the property and verified that the current pre-rehabilitation assessed valuation of the building is \$263,800 and the land is valued at \$263,300, for a total valuation of \$527,100. Under the terms of the 79-E program as adopted by the City, and as further clarified within Council Policy CC-105, the rehabilitation project must cost at least 15% of the building's pre-rehabilitation assessed valuation (excluding the value of the land and the cost of real estate acquisition, which is \$39,570) or \$75,000, whichever is less, in order to be considered substantial.

The applicant has provided a cost estimate of \$825,000 for completing the entire renovation and rehabilitation project based on construction estimates from their general contractor. The Building Inspector has reviewed the proposed project plans to verify that the estimated cost is reasonable based on the scope of the project and is comfortable that the project will exceed 15% of the building's 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 under the 79-E program are specified 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, III); 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 suggested that the project will address several of the stated public benefits, including enhancing economic vitality, enhancing and improving a culturally or historically important structure, promoting the preservation and reuse of existing building stock, and promoting the development of 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 four (4) additional years of tax relief for a 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, provided that the Substantial Rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation. (RSA 79-E:5, III)

For any amount of tax relief approved, such tax relief begins upon the completion of the Substantial Rehabilitation of the structure(s). In addition, all taxes, utility fees, impact fees, and any other user fees assessed by the City for the property on which the structure is located must be paid in full before any 79-E tax assessment relief goes into effect.

The applicant has requested a minimum of five (5) years of tax relief for the project, which appears to comply with program requirements. In addition, the applicant has asked the City Council to consider extending the tax relief for a period of four (4) additional years, for a total of 9 years, for the Substantial Rehabilitation of an historic building in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation.

In accordance with the updated Council Policy CC-105, the applicant has provided financial information about the project, including a basic *pro forma* and a listing of sources and uses for the project. The applicant has indicated that they are not pursuing the project as a money-making venture, but rather as owner/operators of the building in which they will contribute rental income as occupants of a portion of the rentable space.

Since the City Council is essentially deciding whether to forego potential property tax revenue by granting limited tax relief through the 79-E program, the Administration 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.

Recommendation:

Staff recommends that the City Council schedule and hold a public hearing on the application in order to receive public input on the request prior to making a final determination. Following the public hearing, the City Council will make a determination as to whether the applicant's Project and Property comply with the requirements of the 79-E Program as set forth above, and if so, whether to grant the requested tax relief and for how long.

10 Spencer Studios, LLC

23 S. Main St. Ste 2d
Hanover, NH 03755

APPLICATION FOR:

COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE PROGRAM (RSA 79-E)

December 3, 2024

City of Lebanon

51 N. Park St.

Attn: Planning & Development

Lebanon, NH 03766

To Whom It May Concern:

I am writing to request your review of our application for the Community Revitalization Tax Relief Incentive Program (RSA 79-E).

10 Spencer Studios, LLC, an artist-owned partnership, purchased the property on November 13. Our intention is to complete a full rehabilitation of the building, within the existing footprint. Our intended renovations will preserve the historic charm of the building but make it functional, attractive, energy efficient, and safe. As an owner/manager, I will occupy one studio in the building, and the other artist/owner of the LLC, painter Enrico Riley, will occupy a second. The remaining two spaces will be rented to artists/creatives or other appropriate business use tenants.

We believe we meet the requirements of a Substantial Rehabilitation of a Qualifying Structure, with respect to cost of rehabilitation and also to energy efficiency improvements. We are requesting tax relief for a period of 5 years.

We also would ask that The Council consider extending tax relief for a period of 4 additional years, as we believe 10 Spencer is eligible for historic designation. Though it is not already designated, it meets the following requirements for historic designation 1) Building must be least 50 years old (*10 Spencer was built in 1928*) 2) Building must have significant historical association with events or people (*please see attached Nabisco article*) 3) Building retains a high degree of architectural integrity (*exterior masonry construction including distinctive parapet is unharmed, other than natural wear due to age*) 4) Building is considered important within its local context (*10 Spencer is importantly sited at the beginning of the Rail Trail and entry to Spencer Street, just outside of the Colburn Park historic district, a short walk from AVA Gallery and directly adjacent to CCBA*).

Our intention is to begin renovations as soon as possible, so that we can limit further deterioration of the building and begin to use our art studios and bring life to the building. In order to take on the amount of debt we will need to finance our project, we are counting on a period of tax relief to be able to generate a small profit (~\$5k per year, if all goes smoothly) or at least minimize our losses. We are not taking on this project as a money-making venture. Rather, as two working artists who have both had studios in Lebanon in the past, we fell in love with this building, and we want to dedicate the next chapter of our lives as artists to painting there.

Our long-term aspiration for the building is for it to also be home to a 501c3 non-profit organization offering studios, mentorship, and community engagement to high potential emerging artists. This non-profit is in its conception phase and thus is not part of our application, but in the short term we are looking for other tenants who share our love of the unique historic space of 10 Spencer and who will contribute to the revitalization of the area. It is clear from our pro forma that if we complete the thorough and extensive rehabilitation of the building we plan, we will barely break-even on a cash flow basis, even after we contribute rental income to the building partnership for the spaces we occupy as owner-artist-occupants of more than half the building's rentable square footage; however, the tax relief provided by the Community Revitalization Tax Relief Incentive Program will enable us to proceed with our project with confidence that we will be able to make it work, even as the numbers will be tight.

We appreciate your consideration of our application and would be happy to provide any additional information that might be helpful.

Sincerely,



Jennifer Caine

Manager

10 Spencer Studios LLC

617-304-3544

jennifercainerussell@gmail.com

www.jlcaine.com



APPLICATION FOR COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE PROGRAM (RSA 79-E)

Date application submitted: _____ Received by: _____

Note: Application must be accompanied by a \$50 application fee at the time of submission.

| | |
|---|---|
| APPLICANT: | OWNER: (if different from applicant) |
| Name: Jennifer Caine | Name: 10 Spencer Studios, LLC |
| Mailing Address: 23 S. Main St., Ste 2d | Mailing Address: 23 S. Main St., Ste 2d |
| City, State, Zip: Hanover, NH 03755 | City, State, Zip: Hanover, NH 03755 |
| Phone / Fax: 617-304-3544 | Phone / Fax: 617-304-3544 |
| Email: jennifercainerussell@gmail.com | Email: jennifercainerussell@gmail.com |

| | | | |
|---|--------------------|--|--|
| PROPERTY / BUILDING INFORMATION: | | | |
| Building Name (if any): 10 Spencer Street | | Year Built: 1928 | |
| Building Address: 10 Spencer Street | | Gross Square Footage of Building: 7836 | |
| Tax Map # 92 | Lot # 33 | Plot # 92-33 | |
| Grafton County Registry Book # 4903 | | Page # 222 | |

| |
|--|
| <p>Existing Property / Building Information: (Describe <i>current</i> use, size, number of units, number of employees, etc.) The building is currently vacant and has been for some time. However, it was previously used for various businesses, most recently a rug cleaning business. ,</p> |
| <p>Proposed Property / Building Information: (Describe <i>proposed</i> use, size, number of units, number of employees, etc.) The proposed use retains the existing footprint to create two owner-occupied professional artist studios. Two other rentable spaces will target other professional artists, creatives, or other appropriate business-use tenants.</p> |
| <p>Is there a change of use associated with this project? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, please describe</p> |
| <p>Will the project include new residential units? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, please describe</p> |
| <p>Will the project include new subsidized residential units? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, please describe</p> |

| |
|---|
| Is the building eligible for listing or listed individually on the State or National Register of Historic Places or located within a State or National Register Historic District? Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> If yes, provide a copy of the approved designation by the State or National Register of the building or the district. |
| Is the building located within and is it significant to a locally-designated historic district? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| Is the property located in an existing Tax Increment Finance (TIF) District? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| Has an abatement application been filed or has abatement been awarded on this property within the last year? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| Will any state or federal grants or funds or low income subsidies or tax credits be used in this project? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, what is the amount of the aid? \$ _____ Describe and detail any terms of repayment, if applicable. |

PROJECT INFORMATION:
 Describe the work to be done and the estimated cost. Please attach additional sheets, if necessary, as well as any written construction cost estimates. Please attach any construction contracts, plot plans, building plans, sketches, renderings or photographs that would help describe and explain this application.

Expected Project Start Date: 1/5/2025 Expected Project Completion Date: 6/1/2025

| | |
|---|-----------|
| Structural: | \$ _____ |
| Exterior Alterations: (storefront/façade, walls, windows, doors, etc.) New replacement windows and doors throughout, ADA ramps, repointing of existing brick, roof. | \$ 262000 |
| Interior Alterations: (walls, ceilings, moldings, doors, etc.) Full insulation of the entire building, new demising walls, molding, floors, interior painting. | \$ 206000 |
| Electrical: All new electrical | \$ 155000 |
| Plumbing/Heating: All new plumbing | \$ 36000 |
| Mechanical: HVAC will be new and energy efficient. | \$ 141000 |
| Fire Protection: New monitoring and alarm systems. | \$ 25000 |
| Other: These are preliminary estimates, based on information furnished by Estes & Gallup Construction (details attached) | \$ _____ |
| Total: NOTE: In completing this form, the applicant certifies that the estimated costs provided herein are reasonable and that such costs meet the above program requirements. Failure to meet the program requirements or the listing of unreasonable construction costs will result in denial of the application and forfeiture of the application fee. | \$ 825000 |

To be considered for this tax relief incentive program, the total project cost must be at least 15% of the pre-rehabilitation assessed value or \$75,000, whichever is less. In the case of historic structures, the project must devote at least 10% of the pre-rehabilitation assessed value or \$5,000, whichever is less, to energy efficiency in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation.

TO BE COMPLETED BY CITY ASSESSING DEPARTMENT:

Pre-Rehabilitation Assessed Valuation as of date of application submission: \$ _____

Are the cost threshold requirements satisfied by the project as proposed? Yes ___ / No ___

PROPOSED PUBLIC BENEFIT (RSA 79-E:7)

In order to qualify for property assessment tax relief under this program, the proposed substantial rehabilitation must provide at least one of the public benefits listed below. Any proposed *replacement* of a qualifying structure must provide one or more of the public benefits listed below to a greater degree than would a substantial rehabilitation of the same qualifying structure.

Does the Project provide the following public benefits? (Check all that apply)

| | |
|--|---|
| <p>Enhances the economic vitality of the designated areas. If yes, please describe.</p> <p>The renovation and rehabilitation of 10 Spencer Street will contribute to the revitalization of Spencer Street, taking a dilapidated and vacant building and bringing it back to life. In addition, it will contribute to an "Arts District" in the downtown area of Lebanon, providing complementary building use activities to AVA Gallery and the adjacent 20 Spencer Street housing/gallery project. Whether in small towns or large cities, artist studios are a hub of creativity and craftsmanship, and along with other art spaces, are known to serve as cultural anchors, attracting visitors and members of the community alike. In addition to infusing the vibrancy of the arts into a vacant building, 10 Spencer will provide direct economic benefits as well, as artists often collaborate with local businesses and source materials locally.</p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> |
| <p>Enhances and improves a culturally or historically important structure. If yes, please describe.</p> <p>The renovation/rehabilitation of the building will significantly beautify the former historic National Biscuit Co, Nabisco, warehouse. The building was well built in 1928 of masonry construction, sited on the Lebanon rail line with an attractive façade on Spencer Street. However, it has fallen into disrepair in recent years. The owners plan to entirely rejuvenate the building while preserving the historic charm of the structure. Restoration will include new windows and doors, a new roof, exterior repointing of the brick, attractive landscaping and a full renovation of the interior.</p> <p>The warehouse directly abuts the Lebanon Rail Trail near its Spencer Street entrance, and the improvements to the building and site will make the area inviting for trail use.</p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> |
| <p>Promotes preservation and reuse of existing building stock by rehabilitation of historic structures in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation. If yes, please describe.</p> <p>The artist owners of 10 Spencer are committed to preserving the historic and architecturally distinctive building, which lends charm and texture to the neighborhood. The extensive rehabilitation of the existing building will happen within the existing footprint and will preserve the original structure while repairing and restoring every surface. Renovation plans will dramatically improve the appearance, safety, energy efficiency and functionality of the building with virtually no change to the façade. Any outward facing renovations will only change the appearance of the building in compliance with current ADA requirements.</p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> |
| <p>Promotes development in the designated areas, providing for efficiency, safety, and a greater sense of community, consistent with RSA Chapter 9-B. If yes, please describe.</p> <p>The clustering of arts-related buildings in the downtown area will further establish Lebanon as a cultural hub and draw visitors and residents to the area. Following renovation, 10 Spencer's welcoming facade at the start of Spencer St. will invite exploration of the neighborhood, helping create a vibrant atmosphere. Currently sitting vacant and overgrown with brush, 10 Spencer has begun to attract graffiti and dumping. The renovation will improve safety by providing an attractive, well-lit structure. Two of the owners will have studios in the building, and their presence will ensure that the building is properly maintained.</p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> |
| <p>Increases residential housing in the designated areas. If yes, please describe.</p> <p>NA</p> | <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> |

HISTORICAL REQUIREMENT FOR REPLACEMENT OF QUALIFYING STRUCTURES

In the case of replacement of qualifying structure(s), the applicant shall submit a New Hampshire Division of Historical Resources Individual Inventory Form prepared by a qualified architectural historian and a letter issued by the Lebanon Heritage Commission that identifies any and all historical, cultural, and architectural value of the structure(s) that are proposed to be replaced and the property on which those structure(s) are located.

Note: An application for replacement of a qualifying structure shall not be considered complete, and no public hearing shall be scheduled, until the Individual Inventory Form and the Heritage Commission letter, as well as any other required information, have been submitted.

IMPORTANT

Per RSA 79-E:13, II, the Base or "Original" Assessed Value for any tax relief period is only set after the following two conditions are met:


1. Approval of the tax relief by the City Council following a public hearing.
2. The applicant's entering into a Covenant with the City of Lebanon to protect the public benefit(s).

Therefore, the applicant and/or property owner shall not commence any of the improvements included in this application until such time as he or she has satisfied the above requirements. This prohibition shall include any demolition to the existing structure.

AFFIDAVIT

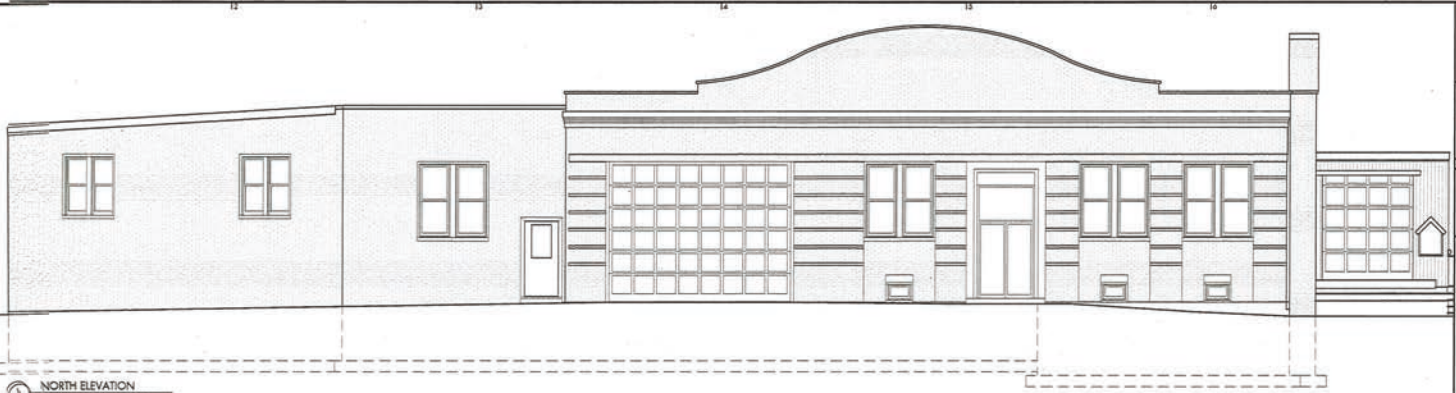
I/We have read and understand the Community Revitalization Tax Relief Incentive (RSA 79-E) and am/are aware that this will be a public process, including a public hearing to be held to discuss the merits of this application and the subsequent need to enter into a covenant with the City and pay any reasonable expenses associated with the drafting of the covenant. I/We understand the application will not be determined as complete or recommended to the City Council for consideration until all of the necessary information is provided.

The undersigned hereby acknowledge understanding of the above statement and certify that the information provided herein are true and correct:

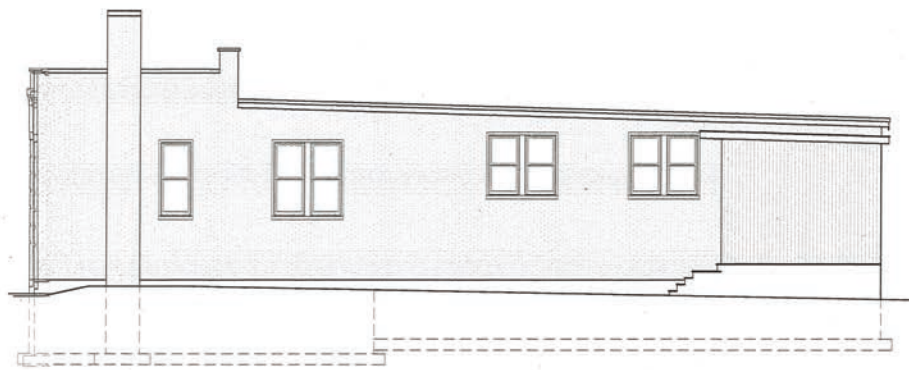
| | | |
|---|------------------------------------|---------------------------|
| Signature  | Print Name Jennifer Cain | Date: 12/3/2024 |
| Signature | Print Name | Date: |
| Signature | Print Name | Date: |
| Signature | Print Name | Date: |
| Signature | Print Name | Date: |



08/19/2024 12:08



1 NORTH ELEVATION
Scale: 1/4" = 1'-0"

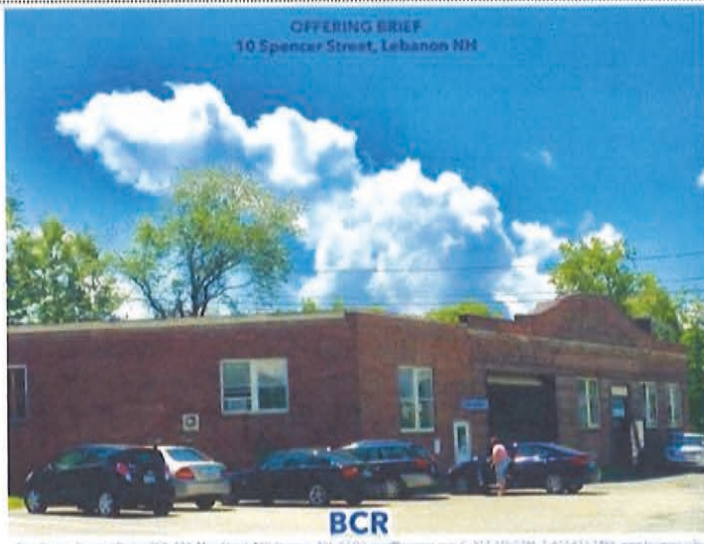


2 WEST ELEVATION
Scale: 1/4" = 1'-0"

| | |
|---|---------------|
|  | |
| b a architecture 201 S. Union St., A-1A Colchester, VT 05445 | |
| Telephone: 802-256-0004 info@baa.net | |
| Project: | |
| 10 SPENCER STREET LEBANON, NEW HAMPSHIRE | |
| DATE REVISIONS | DRAWN BY: JPB |
| EXISTING ELEVATIONS | |
| Revision: | |
| Sheet: | |
| X4 | |
| Date: 11 NOV 2024 | |



Property Images



2. Exterior photo

4. Pending Adjacent Artist Housing

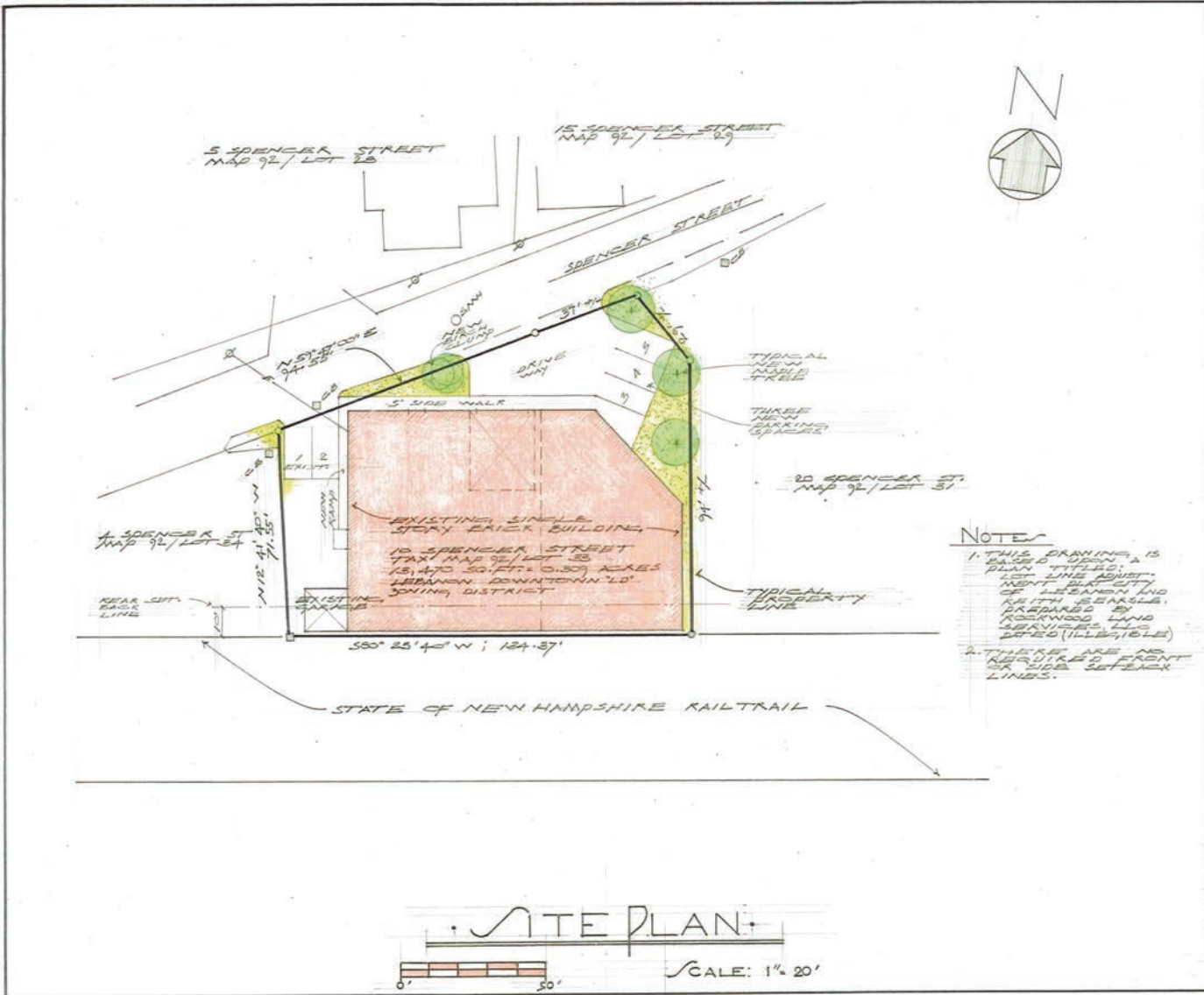


3. Aerial-Looking East

5. Aerial of Downtown

LEBANON, N. H.

The Lebanon Realty Company has been established here with its object the building and financing the building of a warehouse here for the National Biscuit Co. following its decision to establish warehouse headquarters in Lebanon provided a building to be leased by the Company for a number of years could be furnished by local capital. The matter has been under discussion by the Lebanon Chamber of Commerce and other local business men for sometime past and the Realty Company is negotiating with the Boston & Maine railroad for the lease of a siding as soon as the contract for the building is awarded and for which bids are not out. It is expected that the National Biscuit Co. will employ at least about 15 men here at the warehouse. The officers of the new corporation are Dean N. Dwinell, president; Alfred J. Densmore, vice-president; Arthur H. Hill, treasurer; Richard H. Kelley, clerk.



10 SPENCER STREET
LEBANON, NEW HAMPSHIRE

ba barrett architecture
 PIANA J BARRETT - AIA
 281 The Bend Road • Greenboro Bend • VT 05842
 (802) 296-0001 • info@barrettba.com

DATE: SEPT. 21, 2024
 REVISED:

1 OF 1



Standard Estimate Report
10 Spencer Street Lebanon 09.2024

Project name 10 Spencer Street Lebanon
09.2024

Labor rate table Bare Rates

Job size 8187 SF

Notes *General Budget*
Interior Fitup
975 SF Coondor / Common
Jen 2325 SF
Enrico 1837 SF
Total Building = 8187 SF

Report format Sorted by 'Group phase/Phase'
'Detail' summary
Print item notes
Paginate



Standard Estimate Report
10 Spencer Street Lebanon 09.2024

| Item | Description | Takeoff Qty | Labor | | Material | | Subcontract | | Total | |
|------------------------------------|--|-------------|--------------|--------|--------------|--------|-------------|------|--------|--------|
| | | | Unit Cost | Amount | Unit Cost | Amount | Amount | Name | Amount | |
| 1000.000 GENERAL CONDITIONS | | | | | | | | | | |
| 1050.000 | Permits | | | | | | | | | |
| 10 | Building Permits by Owner | | - | - | | | | - | | |
| 10 | Electrical Utility Fees NIC | 0.00 ls | - | - | | | | - | | |
| 1060.000 | Documents | | | | | | | | | |
| 10 | Prints & Records Permit Drawings Allowance Documents | 1.00 ls | - | - | 4,500.00 /ls | 4,500 | | - | | 4,500 |
| | | | | | | 4,500 | | | | 4,500 |
| 1100.000 | Project Management | | | | | | | | | |
| 14 | Project Manager | 120.00 hr | 95.00 /hr | 11,400 | - | - | | - | | 11,400 |
| | Project Management | | | 11,400 | | | | | | 11,400 |
| | 120.00 Labor hours | | | | | | | | | |
| | 4,800.00 Equipment hours | | | | | | | | | |
| 1102.000 | Site Supervision | | | | | | | | | |
| 14 | Superintendent | 12.00 wk | 3,000.00 /wk | 36,000 | - | - | | - | | 36,000 |
| | Site Supervision | | | 36,000 | | | | | | 36,000 |
| | 480.00 Labor hours | | | | | | | | | |
| | 480.00 Equipment hours | | | | | | | | | |
| 1260.000 | Utilities | | | | | | | | | |
| 14 | Electric Power By OWNER | 0.00 mo | - | - | | | | - | | |
| 18 | Telephone Charges | 3.00 mo | - | - | 125.00 /mo | 375 | | - | | 375 |
| 20 | Temporary Toilets | 3.00 mo | - | - | 150.00 /mo | 450 | | - | | 450 |
| | Utilities | | | | | 825 | | | | 825 |
| 1272.000 | Safety Protection | | | | | | | | | |
| 50 | Temporary Protection | 0.00 ls | 0.00 | 0 | 0.00 | 0 | | - | | |
| 1300.000 | Project Clean Up | | | | | | | | | |
| 12 | Weekly Cleaning Misc Labor, Safety. | 12.00 wk | 150.00 /wk | 1,800 | 50.00 /wk | 600 | | - | | 2,400 |
| 14 | Final Cleaning | 1.00 ls | 5,000.00 /ls | 5,000 | 1,000.00 /ls | 1,000 | | - | | 6,000 |
| 46 | Dump Fees LS | 3.00 ea | - | - | 1,200.00 /ea | 3,600 | | - | | 3,600 |
| | Project Clean Up | | | 6,800 | | 5,200 | | | | 12,000 |
| | 480.00 Labor hours | | | | | | | | | |
| 1350.000 | Tools & Equipment | | | | | | | | | |
| 16 | Misc. Tools / Blades | 1.00 ls | - | - | 500.00 /ls | 500 | | - | | 500 |



| Item | Description | Takeoff Qty | Labor | | Material | | Subcontract | | Name | Total |
|------------------------|--|-------------|------------|---------------|--------------|---------------|--------------|--------|------|---------------|
| | | | Unit Cost | Amount | Unit Cost | Amount | Amount | Amount | | |
| CONCRETE | | | | 2,640 | | 1,925 | 0 | | | 4,565 |
| 4000.000 | MASONRY | | | | | | | | | |
| 4001.000 | Masonry Sub | | | | | | | | | |
| 10 | Masonry Subcontract Misc Cut Patch Parge Infil Allowance | 1.00 ls | - | - | - | - | 7,500 | | | 7,500 |
| | Masonry Sub | | | | | | 7,500 | | | 7,500 |
| MASONRY | | | | 0 | | 0 | 7,500 | | | 7,500 |
| 5000.000 | METALS | | | | | | | | | |
| 5122.000 | Structural Erection | | | | | | | | | |
| 100 | Misc Steel Lintels, Hangers, Misc Allowance | 1.00 ls | - | - | - | - | 2,500 | | | 2,500 |
| | Structural Erection | | | | | | 2,500 | | | 2,500 |
| METALS | | | | 0 | | 0 | 2,500 | | | 2,500 |
| 6000.000 | ROUGH CARPENTRY | | | | | | | | | |
| 6002.000 | Rough Carpentry | | | | | | | | | |
| 10 | Rough Carpentry Materials Ramp Right Side | 140.00 sf | - | - | 30.00 /sf | 4,200 | | | | 4,200 |
| 10 | Rough Carpentry Materials Interior Ramp / Landing | 300.00 sf | - | - | 30.00 /sf | 9,000 | | | | 9,000 |
| 10 | Ramp stair Left Side | 67.00 sf | - | - | 30.00 /sf | 2,010 | | | | 2,010 |
| 10 | Rough Carpentry Materials Misc Interior Blocking, Etc. | 1.00 ls | - | - | 2,500.00 /ls | 2,500 | | | | 2,500 |
| 15 | Rough Carpentry Labor | 40.00 md | 480.00 /md | 19,200 | - | - | - | - | | 19,200 |
| | Rough Carpentry | | | 19,200 | | 17,710 | | | | 36,910 |
| | 320.00 Labor hours | | | | | | | | | |
| ROUGH CARPENTRY | | | | 19,200 | | 17,710 | 0 | | | 36,910 |
| | 320.00 Labor hours | | | | | | | | | |
| 6200.000 | FINISH CARPENTRY | | | | | | | | | |
| 6210.000 | Interior Door Trim | | | | | | | | | |
| 10 | Interior Door Trim Poplar 1x4 | 504.00 lf | | | 1.74 /lf | 877 | | | | 877 |
| | Interior Running Trim Labor | 10.00 md | 480.00 /md | 4,800 | | | | | | 4,800 |



**ESTES &
GALLUP
CONSTRUCTION**

Standard Estimate Report
10 Spencer Street Lebanon 09.2024

| Item | Description | Takeoff Qty | Labor | | Material | | Subcontract | | Total | |
|-----------------|---|-------------|------------|------------|-------------|--------|-------------|------|---------|--|
| | | | Unit Cost | Amount | Unit Cost | Amount | Amount | Name | Amount | |
| | Interior Door Trim | | | 4,800 | | 877 | | | 5,677 | |
| | 584.00 Labor hours | | | | | | | | | |
| 6211.000 | Interior Window Trim | | | 4,800 | 1.74 /lf | 3,758 | - | | 8,558 | |
| | 30 Int Window Trim if needed or Not Drywall returns | 2,160.00 lf | 2,222 /lf | 4,800 | | 3,758 | | | 8,558 | |
| | Interior Window Trim | | | 4,800 | | 3,758 | | | | |
| | 54.00 Labor hours | | | | | | | | | |
| 6212.000 | Base Molding | | | 0 | 0.00 | 0 | - | | | |
| | 10 Interior Base | 0.00 lf | 0.00 | 0 | 0.00 | 0 | | | | |
| | Assumed Vinyl | | | | | | | | | |
| | FINISH CARPENTRY | | | 9,600 | | 4,635 | 0 | | 14,235 | |
| | 638.00 Labor hours | | | | | | | | | |
| 7000.000 | THERMAL & MOIST PROTECT | | | | | | | | | |
| 7210.000 | Blown-In Insulation | | | - | - | - | 20,949 | | 20,949 | |
| sub | Foam / Cellulose/ Vapor Barrier Insulation Sub | 1.00 ls | - | - | - | - | 7,261 | | 7,261 | |
| sub | Foam Insulation Sub at basement PO walls | 1.00 ls | - | - | - | - | 28,210 | | 28,210 | |
| | Blown-In Insulation | | | | | | | | | |
| 7530.000 | Membrane Roofing | | | - | - | - | 160,000 | | 160,000 | |
| | 20 Membrane Roofing Base Price Budget (+/- 10k) | 8,188.00 sf | - | - | - | - | 21,000 | | 21,000 | |
| | Range 150-170,000 | | | | | | 23,000 | | 23,000 | |
| | 20 Add for 1/2" Gypsum thermal barrier (if needed) | 8,188.00 sf | - | - | - | - | 8,000 | | 8,000 | |
| | 20 Asbestos Abatement allowance | 8,188.00 sf | - | - | - | - | | | | |
| | 20 Roof at small garage area if needed | 307.00 sf | - | - | - | - | 210,000 | | 210,000 | |
| | Membrane Roofing | | | | | | | | | |
| | THERMAL & MOIST PROTECT | | | 0 | | 0 | 238,210 | | 238,210 | |
| 8000.000 | DOORS & WINDOWS | | | | | | | | | |
| 8100.000 | Hollow Metal Purchase | | | - | 556.667 /ea | 6,680 | - | | 6,680 | |
| | 10 Semi Residential Interior Door Allowance | 12.00 ea | - | - | 556.667 /ea | 6,680 | | | 6,680 | |
| | Hollow Metal Purchase | | | | | | | | | |
| 8102.000 | Hollow Metal Frames | | | 480.00 /ea | 5,760 | | - | | 5,760 | |
| | 10 Install Door Frame and Hardware | 12.00 ea | 480.00 /ea | 5,760 | | | | | 5,760 | |



Standard Estimate Report
10 Spencer Street Lebanon 09.2024

| Item | Description | Takeoff Qty | Labor | | Material | | Subcontract | | Total | |
|----------|---|--------------|--------------|--------|---------------|--------|-------------|------|--------|---------|
| | | | Unit Cost | Amount | Unit Cost | Amount | Amount | Name | Amount | |
| | Hollow Metal Frames | | | 5,760 | | | | | | 5,760 |
| | 320.000 Labor hours | | | | | | | | | |
| 8205.000 | Wood Door | | | | | | | | | |
| | 1000 Wood Door Exterior Plain Therna Tru Allowance | 2.00 ea | | | 750.00 /ea | 1,500 | - | | | 1,500 |
| | 1000 Door Hardware Allowance | 12.00 ea | | | 175.00 /ea | 2,100 | - | | | 2,100 |
| | Wood Door | | | | | 3,600 | | | | 3,600 |
| | 28.00 Labor hours | | | | | | | | | |
| 8410.000 | Aluminum Storefront | | | | | | | | | |
| | 10 Aluminum Frame Storefronts | 2.00 ea | - | - | - | - | 41,826 | | | 41,826 |
| | Aluminum Storefront | | | | | | 41,826 | | | 41,826 |
| 8500.000 | Window Schedule | | | | | | | | | |
| | 1 Purchase Marvin Elevate Series | 18.00 ea | - | - | 2,177.222 /ea | 39,190 | - | | | 39,190 |
| | Window installation accessories | 18.00 ea | | | 125.00 /ea | 2,250 | | | | 2,250 |
| | Window Installation labor | 18.00 unit | 480.00 /unit | 8,640 | | | | | | 8,640 |
| | Window Schedule | | | 8,640 | | 41,440 | | | | 50,080 |
| | DOORS & WINDOWS | | | 14,400 | | 51,720 | 41,826 | | | 107,946 |
| | 348.000 Labor hours | | | | | | | | | |
| 9000.000 | FINISHES | | | | | | | | | |
| 9250.000 | Drywall | | | | | | | | | |
| | 10 GVB Interior Partitions 5/8 20g Insulated Partitions | 16,375.00 sf | - | - | - | - | 56,000 | | | 56,000 |
| | Drywall | | | | | | 56,000 | | | 56,000 |
| 9680.000 | Flooring Allowance | | | | | | | | | |
| sub | Floor Underlayment (new finished areas only) ? | 5,500.00 sf | - | - | - | - | 10,950 | | | 10,950 |
| sub | Complete Flooring Contract (Budget) | 5,500.00 ls | - | - | - | - | 61,081 | | | 61,081 |
| | Flooring Allowance | | | | | | 72,031 | | | 72,031 |
| 9910.000 | Painting Exterior | | | | | | | | | |
| sub | Painting Exterior Sub | 0.00 ls | - | - | - | - | 0 | | | 0 |
| | <i>Not Included</i> | | | | | | | | | |
| sub | Misc Painting Exterior / Touchup Allowance | 1.00 ls | - | - | - | - | 1,500 | | | 1,500 |
| | Painting Exterior | | | | | | 1,500 | | | 1,500 |
| 9920.000 | Painting Interior (budget | | | | | | | | | |
| sub | Painting Interior Sub | 22,000.00 sf | - | - | - | - | 33,000 | | | 33,000 |



Standard Estimate Report
10 Spencer Street Lebanon 09.2024

| Item | Description | Takeoff Qty | Labor | | Material | | Subcontract | | Total | |
|--------------------|---|-------------|------------|--------|------------|--------|-------------|---------|--------|---------|
| | | | Unit Cost | Amount | Unit Cost | Amount | Amount | Name | Amount | |
| | Painting Interior (budget) | | | | | | | 33,000 | | 33,000 |
| FINISHES | | | | | | | | | | |
| | | | | 0 | | 0 | | 162,531 | | 162,531 |
| 10000.000 | SPECIALTIES | | | | | | | | | |
| 10820.000 | Bath Accessories by LS | | | | | | | | | |
| | 12 Bath Accessories | 2.00 ea | | | 525.00 /ea | 1,050 | | - | | 1,050 |
| | 12 Install Bath Accessories | 1.00 md | 480.00 /md | 480 | - | - | | - | | 480 |
| | <i>Added Bathroom (assumed wall mount sink, no vanities)</i> | | | | | | | | | |
| | Bath Accessories by LS | | | 480 | | 1,050 | | | | 1,530 |
| | 8.00 Labor hours | | | | | | | | | |
| SPECIALTIES | | | | | | | | | | |
| | | | | 480 | | 1,050 | | 0 | | 1,530 |
| | 8.00 Labor hours | | | | | | | | | |
| 15000.000 | MECHANICAL | | | | | | | | | |
| 15050.000 | Project Mechanical | | | | | | | | | |
| | 10 Mechanical HP Tenant A, B. (add Alternate) | 0.00 ls | - | - | - | - | | 0 | | |
| | <i>58000</i> | | | | | | | | | |
| | 10 Mechanical HP Jen, Enrico Area | 1.00 ls | - | - | - | - | | 115,000 | | 115,000 |
| | Project Mechanical | | | | | | | 115,000 | | 115,000 |
| 15110.000 | Plumbing | | | | | | | | | |
| sub | Plumbing Subcontract Toilet Rm, Jan Closet | 1.00 ls | - | - | - | - | | 22,000 | | 22,000 |
| | Plumbing | | | | | | | 22,000 | | 22,000 |
| 15470.000 | Sprinkler Systems | | | | | | | | | |
| sub | Sprinklers Allowance | 1.00 ls | - | - | - | - | | 40,500 | | 40,500 |
| | Sprinkler Systems | | | | | | | 40,500 | | 40,500 |
| MECHANICAL | | | | | | | | | | |
| | | | | 0 | | 0 | | 177,500 | | 177,500 |
| 16000.000 | ELECTRICAL | | | | | | | | | |
| 16110.000 | Electrical Allowances | | | | | | | | | |
| sub | Fire Alarm System Allowance | 1.00 ls | - | - | - | - | | 25,000 | | 25,000 |
| sub | 3 phase 400 amp service upgrade allowance | 1.00 ls | - | - | - | - | | 31,000 | | 31,000 |
| sub | Lighting allowance | 1.00 ls | - | - | - | - | | 10,000 | | 10,000 |
| sub | Hvac Mech Eq Allowance, Electric heating at Bath, Janitor, corridor | 1.00 ls | - | - | - | - | | 7,500 | | 7,500 |



Standard Estimate Report
 10 Spencer Street Lebanon 09.2024

| Item | Description | Takeoff Qty | Labor | | Material | | Subcontract | | Total | |
|-------------------|------------------------|-------------|-----------|----------|-----------|----------|----------------|------|--------|----------------|
| | | | Unit Cost | Amount | Unit Cost | Amount | Amount | Name | Amount | |
| 16110.000 | Electrical Allowances | | | | | | | | | |
| sub | Electrical Subcontract | 1.00 ls | - | - | - | - | 81,500 | | | 81,500 |
| | Electrical Allowances | | | | | | 155,000 | | | 155,000 |
| ELECTRICAL | | | | 0 | 0 | 0 | 155,000 | | | 155,000 |

10 Spencer Studios, LLC - Pro Forma P&L

| Revenues: | 2025 | 2029 |
|---|-----------|---------|
| Base rental income (includes owner occupants) | \$100,200 | 116,400 |
| CAM reimbursements | \$10,000 | 10,000 |

| Expenses: | 2025 | 2029 |
|---|----------|----------|
| CAM expenses | \$10,000 | 10,000 |
| Property taxes | \$14,906 | 14,906 |
| Insurance | \$5,000 | 6,000 |
| Property Management, Professional fees, Maintenance | \$9,500 | 10,000 |
| Accounting and Legal Admin | \$2,500 | 3,000 |
| Total Expenses | \$41,906 | \$43,906 |
| Net Operating Income (Before Depreciation and Interest) | \$68,294 | \$82,494 |
| Depreciation and amortization | | |

Non-cash Expense:

| | | |
|---|------------|----------|
| Other income (expense): | | |
| Mortgage expense (2025-29: interest only. 2029: interest and principal) | (\$63,373) | (81,600) |
| Net Operating Income (Before Depreciation) | \$4,921 | 894 |

Rental Income Assumptions

| Rental Income | Per Month | PerMonth | Approx Sq Ft. |
|---|-----------|----------|---------------|
| Tenant 1 (Enrico Riley - owner artist occupant) | \$2,000 | \$2,400 | 1850 |
| Tenant 2 (Jennifer Caine - owner artist occupant) | \$2,000 | \$2,400 | 1850 |
| Tenant 3 | \$2,400 | \$2,700 | 1800 |
| Tenant 4 | \$1,950 | \$2,200 | 1400 |
| Common Space | 810 | | 810 |
| | 7830 | \$9,700 | 7830 |

Project Sources and Uses

| | | |
|--------------------------|---------------|------------|
| Financing Sources | | |
| Equity | \$200,000 | |
| Debt | \$1,270,000 | |
| Total Sources | \$1,470,000 | |
| | Interest only | Amortizing |
| Rate | 4.99% | 5% |
| Annual Cost of Debt | (\$63,373) | (81,600) |
| Investment Uses | | |
| Building Purchase | \$555,000 | |
| Due Diligence/Soft Costs | \$15,000 | |
| Restoration Expenses | \$900,000 | |
| Total Uses | \$1,470,000 | |



City of Lebanon
New Hampshire

| COUNCIL POLICY | | | |
|--|-----------------------|-------------------------------|---------------------------|
| COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE PROGRAM | | | |
| <i>Policy Number</i> | <i>Effective Date</i> | <i>Last Revision</i> | <i>Page No.</i> |
| CC-105 | 08/04/2021 | 09/18/2024 | Page 1 of 6 |
| <i>Approved by:</i> | | City Council – Sept. 18, 2024 | |

Section 1.0: Purpose

This document details the guidelines City Council will be utilizing when considering applications for the Community Revitalization Tax Relief Incentive Program, commonly known as 79-E. The guidelines are intended to assist applicants as they develop their applications allowing them to take full advantage of the program and meet the City’s community revitalization goals.

The Community Revitalization Tax Relief Incentive Program has multiple purposes as detailed below. The program is designed to provide short-term, limited property assessment tax relief for property owners who wish to undertake a substantial rehabilitation of a qualifying structure, or in certain cases, the replacement of a qualifying structure, which will provide one or more public benefits as defined in RSA 79-E. A recorded covenant is required to protect the demonstrated public benefit(s) for at least the length of the short-term property tax relief. The program is intended to assist property owners by providing a subsidy in the form of tax relief to enable projects providing a public benefit that would otherwise not be fiscally feasible.

Section 2.0: Scope

The guidelines apply to applicants, City Staff in the Planning & Development Department, the City Manager’s Office, the Downtown Tax Increment Financing District Advisory Board, and the City Council.

Section 3.0: Definitions

Workforce Housing – (as provided in New Hampshire RSA 674:58, IV) means housing which is intended for sale and which is affordable to a household with an income of no more than 100 percent of the median income for a 4-person household for Grafton County as published annually by the United States Department of Housing and Urban Development. "Workforce housing" also means 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 for Grafton County as published annually by the United States Department of Housing and Urban Development.

Qualifying Structure – (as provided in RSA 79-E:2, II) A qualifying structure is a building or structure located within the designated Community Revitalization Tax Relief Incentive areas of the City including but not limited to the Downtown 79-E District and the Downtown West Lebanon 79-E District, an any other district established pursuant to RSA 79-E:2, II(a). Maps of the designated Downtown Lebanon 79-E District and the Downtown West Lebanon 79-E District, are attached to this Policy in Appendix A. In addition, historic structures located anywhere in the City are also considered qualifying structures for purposes of the 79-E program.

Substantial Rehabilitation – (as provided in RSA 79-E:2, IV) A substantial rehabilitation is a project which meets the following requirements:



City of Lebanon
New Hampshire

| COUNCIL POLICY | | | |
|--|-----------------------|-------------------------------|---------------------------|
| COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE PROGRAM | | | |
| <i>Policy Number</i> | <i>Effective Date</i> | <i>Last Revision</i> | <i>Page No.</i> |
| CC-105 | 08/04/2021 | 09/18/2024 | Page 2 of 6 |
| <i>Approved by:</i> | | City Council – Sept. 18, 2024 | |

- Rehabilitation projects must cost at least fifteen percent (15%) of the building’s pre-rehabilitation assessed value (excluding the value of the land and cost of real estate acquisition, if any), or at least \$75,000, whichever is less.
- Excluding the value of the land and cost of real estate acquisition, if any, projects involving the demolition and replacement of qualifying structures must cost more than fifteen percent (15%) of the pre-replacement assessed value of the qualifying structure (excluding the value of the land and cost of real estate acquisition, if any), or \$75,000, whichever is less.
- In the case of historic structures, substantial rehabilitation means devoting at least ten percent (10%) of the pre-rehabilitation assessed valuation, or \$5,000, whichever is less, to energy efficiency improvements in accordance with the Secretary of Interior’s Standards for Rehabilitation guidelines for historic structures.

Section 4.0: Policy Detail

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. At that time, the City Council established a Downtown Lebanon 79-E District and a Downtown West Lebanon 79-E District. Maps of the designated 79-E Districts are attached to this Policy in Appendix A.

Section 5.0: Procedures

Upon receipt of an application for tax relief under the City’s 79-E program for a project that involves the *substantial rehabilitation* of a *qualifying structure*, as those terms are defined in RSA 79-E:2, the City Council shall hold a public hearing within 60 days.

5.1 The Council must determine if a project will 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, III); or



City of Lebanon
New Hampshire

| COUNCIL POLICY | | | |
|--|-------------------------------|----------------------|---------------------------|
| COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE PROGRAM | | | |
| <i>Policy Number</i> | <i>Effective Date</i> | <i>Last Revision</i> | <i>Page No.</i> |
| CC-105 | 08/04/2021 | 09/18/2024 | Page 3 of 6 |
| <i>Approved by:</i> | City Council – Sept. 18, 2024 | | |

- Increase of residential housing in urban or town centers. (RSA 79-E:7, IV)

5.2 The Council must find that the proposed use is consistent with the City’s Master Plan or development regulations.

5.3 The Council must determine the period of time for which tax relief will be granted.

1. 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. (RSA 79-E:5, I)
2. The City Council may, 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. (RSA 79-E:5, II)
3. The City Council may, in its discretion, grant up to four (4) additional years of tax relief for the Substantial Rehabilitation of a Qualifying Structure that is listed on or determined 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, provided that the Substantial Rehabilitation is conducted in accordance with the U.S. Secretary of Interior’s Standards for Rehabilitation. (RSA 79-E:5, III)

For any amount of tax relief approved, such tax relief begins upon the completion of the substantial rehabilitation of the structure(s). In addition, all taxes, utility fees, impact fees, and any other user fees assessed by the City for the property on which the structure(s) is located must be paid in full before any 79-E tax assessment relief goes into effect.

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 within a development that must be considered affordable in order to merit the tax relief. Therefore, the City has adopted the definition of “workforce housing” from RSA 674:58 to define affordability as it relates to the RSA 79-E program.

For purposes of considering additional years of tax assessment relief for affordable housing allowed under RSA 79-E:5, II, the City Council will consider granting additional years of tax relief on a sliding scale depending on the targeted level of affordability (based on Area Median Income figures as published by the US Department of Housing and Urban Development (HUD)) and the percentage of units in a development subject to such affordability requirements. In general, greater levels of affordability and/or larger percentages of units subject to such affordability levels will be considered for more years of tax assessment relief, as follows:



City of Lebanon
New Hampshire

| COUNCIL POLICY | | | |
|--|-----------------------|-------------------------------|---------------------------|
| COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE PROGRAM | | | |
| <i>Policy Number</i> | <i>Effective Date</i> | <i>Last Revision</i> | <i>Page No.</i> |
| CC-105 | 08/04/2021 | 09/18/2024 | Page 4 of 6 |
| <i>Approved by:</i> | | City Council – Sept. 18, 2024 | |

TARGETED AREA MEDIAN INCOME (AMI)

| <u>% OF UNITS IN PROJECT</u> | <u>TARGETED AREA MEDIAN INCOME (AMI)</u> | | | | |
|------------------------------|--|----------|----------|----------|-----------|
| | 60% or less | 60 - 70% | 70 - 80% | 80 - 90% | 90 - 100% |
| 40% or more | 4 | 4 | 4 | 3 | 2 |
| 30-40% | 4 | 3 | 3 | 2 | 2 |
| 20-30% | 3* | 3 | 3 | 2 | 1 |
| 10-20% | 3* | 2 | 2 | 2 | 1 |
| 0-10% | 2* | 2 | 1 | 1 | 1 |

* Units targeted for 50% or less of AMI qualify for 1 additional year of tax relief

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

5.4 Tax Increment Financing (TIF) Districts

Applications for tax relief under this program for properties located within a Tax Increment Financing (TIF) District shall be reviewed by the applicable TIF Advisory Board. The TIF Advisory Board shall provide recommendations to the City Council and the District Administrator regarding the impacts to the administration and operation of the TIF District relative to the proposed tax relief requested.

5.5 Program Details & Requirements

1. Eligibility.
 - a. An owner / applicant shall not begin their project, including demolition or site preparation, until:
 - o The City Council has held a public hearing and approved the application for tax assessment relief, and
 - o The protective covenant has been granted to the City and recorded at the Grafton County Registry of Deeds.
 - o Individuals who commence their projects prior to securing these items may be ineligible to participate in the 79-E Program.
 - b. Properties located within Tax Increment Finance (TIF) Districts or which receive



City of Lebanon
New Hampshire

| COUNCIL POLICY | | | |
|--|-----------------------|-------------------------------|---------------------------|
| COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE PROGRAM | | | |
| <i>Policy Number</i> | <i>Effective Date</i> | <i>Last Revision</i> | <i>Page No.</i> |
| CC-105 | 08/04/2021 | 09/18/2024 | Page 5 of 6 |
| <i>Approved by:</i> | | City Council – Sept. 18, 2024 | |

State or Federal funds, might be ineligible for this program. (See RSA 79-E:4,VI and 79-E:14.)

- c. Affordable housing developments which elect to have their assessed valuation and payment of property taxes determined under the provisions of RSA 75-1:a are ineligible for RSA 79-E. (See RSA 79-E:5,I-a.)
2. Property Owner Obligations. If tax relief is granted by the City Council, the property owner shall:
- a. Grant to the City of Lebanon a covenant to:
 - i. Protect the public benefits of the development for a period of twice the duration of the tax relief term granted, to include payback and penalty provisions.
 - ii. Ensure the property remains taxable for the entire tax relief term.
 - b. Have the City made a Loss Payee of the proceeds of any property or casualty insurance coverage, subject to the rights of any current or future mortgagee of the property and any structures thereon, for the purpose of ensuring the proper and timely restoration or demolition of the property, including any damaged structures thereon.
 - c. In addition to the covenant, enter into a development agreement as may be required by the City Council to ensure the public benefits and any other requirements are met.
3. Application of Tax Relief
- a. Tax relief is only granted on the value of the new improvements. For the duration of the tax relief period, the pre-rehabilitation assessed value of the structure(s) is subject to adjustment due to market appreciation or depreciation.
 - b. The tax assessment relief shall run with the land and shall accrue to future property owners if the property is sold during the tax assessment relief period, provided that the property and any structures thereon are maintained in accordance with the terms and conditions of the recorded covenant.
 - c. Upon expiration of the tax relief period, the property shall be taxed at its market value in accordance with RSA 75:1.

5.6 Determination of Revenues and Expenses

The purpose of the 79-E program is to incentivize property owners to rehabilitate or replace structures on their property that meet the criteria and intent of the program. Additionally, the program is intended to help offset the costs by providing short-term, limited tax relief for projects that would not otherwise be financially viable for the property owner. A reasonable amount of profit for the property owner is expected, however the program is not intended to enhance profits by subsidy through the City for projects that are already profitable. As a result, applicants are required to provide detailed information about their financing package for the project, including a statement of sources and uses (i.e. Project Budget), as well as a financial pro forma.



City of Lebanon
New Hampshire

| COUNCIL POLICY | | | |
|--|-------------------------------|----------------------|---------------------------|
| COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE PROGRAM | | | |
| <i>Policy Number</i> | <i>Effective Date</i> | <i>Last Revision</i> | <i>Page No.</i> |
| CC-105 | 08/04/2021 | 09/18/2024 | Page 6 of 6 |
| <i>Approved by:</i> | City Council – Sept. 18, 2024 | | |

Property owners will be required to and must agree to provide complete documentation at the completion of the project to demonstrate the actual project costs and revenues. Additionally, the property owner will be required to provide expense and revenue data in a format required by the City annually by April 15 of each year during the tax relief period to continue to receive the tax exemption. Revenues generated by the use of the property in excess of the amounts agreed to in the development agreement may be the basis for a reduction or termination of the tax relief period.

5.7 Appeals

The decision to award a NH RSA 79-E Community Revitalization Tax Relief Incentive is within the sole discretion of City Council. The City Council’s denial of an application may be appealed either to the Board of Tax and Land Appeals or the Grafton County Superior Court, in the same manner as provided for appeals of current use classification, pursuant to RSA 79-A:9 or 79-A:11, provided, however, that such denial shall be deemed discretionary and shall not be set aside by the Board of Tax and Land Appeals or the Superior Court except for bad faith or discrimination.

Section 6.0: References (Charter/Code/State Statues)

1. NH RSA Chapter 79-E Community Revitalization Tax Relief Incentive
2. NH RSA 674:58 Definitions-Workforce Housing
3. City Code Chapter 31-43,2. Downtown TIF Advisory Board, Purposes; Authority and Duties

Section 7.0: Policy & Procedure Revision History

| | Section | Revisions | Date |
|-------------------|----------------|---|-------------|
| Original Adoption | | | 08/04/2021 |
| Amendment | All | Clarification of Purposes, Definitions, Eligibility, Procedures, and Requirements | 09/18/2024 |
| Amendment | | | |
| Amendment | | | |