

FINAL

**LEBANON CITY COUNCIL
REGULAR SESSION MINUTES
Wednesday, January 22, 2025, 6:00 p.m.
Council Chambers**

Remote Via Microsoft Teams: LebanonNH.gov/Live

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

MEMBERS ABSENT: NONE

STAFF PRESENT: City Manager Shaun Mulholland, Deputy City Manager David Brooks, Director of Planning & Zoning Nate Reichert, Deputy Director of Planning & Zoning Tim Corwin, City Grant Writer Rebecca Owens

1. CALL TO ORDER: Mayor McNamara called the meeting to order at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE: Councilor Simon led the Council in the Pledge.

3. BOARDS AND COMMITTEE REPORTS (4th Quarter 2024)

Mayor McNamara noted that the Council received three written reports were from EDC (Economic Development Committee), the Tree Board and LEAC (Lebanon Energy Advisory Committee).

Sarah Riley, Chair of the Conservation Commission, explained that the Commission reviewed one wetland permit application for DES and for the Lebanon Zoning Board to impact 6,437 s.f. permanently and 799 s.f. temporarily at 424 Mt Support Road. The Commission also spent considerable time reviewing and preparing comments on the Northern Lebanon Community Plan. The Chair and Vice Chair drafted a letter to the Planning Board regarding the Densmore Brickyard project. Three members attended the annual meeting of the New Hampshire Association of Conservation Commissions in Pembroke, NH. The Commission hosted an invasive buckthorn pull with Sustainable Lebanon and many neighbors. The Commission also reviewed and provided comment on some of the proposed zoning amendments that are up for discussion this evening.

Assistant Mayor Below joined the meeting at 6:05pm.

Nicole Ford Burley, Heritage Commission, explained that the Commission had one request for a Certificate of Approval to add an antenna and associated infrastructure to the rear of City Hall. This was approved. The tunnel artwork commissioned by the Heritage Commission and the Arts and Culture Commission was completed this fall. The Commission dedicated a great deal of time to the Brickyard development and ultimately provided the Planning Board with a condition of approval recommendation to preserve two of the kilns and provide public access to at least the exterior of the kilns. This condition was included in the project approval and the developer agreed to produce interpretive educational materials about the Brickyard's history. The Commission drafted text for four potential historical signs along the rail trail. The Commission also discussed the proposed boundary increase of the National Register Historic District and will be making a presentation to City Council at the February 5th meeting.

Councilor Simon explained that the West Lebanon Revitalization Committee met last month and heard a presentation from the Mayor regarding proposed vernacular changes to the Central Business District. The

Committee feels very strongly about this change and about seeing the success of River Park as a link in the revitalization of West Lebanon.

Councilor Wilkie explained that the Diversity, Equity, and Inclusion Commission has continued to work on the equity and environmental justice plans, both of which should include items for consideration for the City's strategic plan, and both of which the Committee hopes to have completed this summer. The Committee has also reviewed a Disability Friendly City Resolution which will come before the Council next month. It has also been discussing an affirming spaces project which City Staff is undertaking.

Councilor Wilkie stated that the Arts & Culture Commission partnered with Recreation, Arts, and Parks on a number of events, including December's Tis the Season Event. The Commission continues to review projects to continue expanding public art in the City in 2025.

Colin Smith, Pedestrian and Bicyclist Advisory Committee, stated that the Committee has provided input on projects before the Planning Board. The Committee is considering non-infrastructure recommendations from the Walk Bike Ride Lebanon plan and is working to revise and update the Complete Streets Policy. The Committee is working on inputs to the Transportation Enhancement Grant for a sidewalk on Mechanic Street.

Assistant Mayor Below stated that the Food Truck Task Force is nearing the end of its work and will be making recommendations to the City Council. The first includes updates to the Vending Ordinance, along with some new alternative locations in Downtown. Updates are also proposed to the Zoning Ordinance.

Andrew Faunce, Planning Board, explained that the Board is at full strength in its membership currently. The Board had two major public hearings over the last quarter, for Brickyard One Nominee Trust and XYZ Dairy. Regarding the Brickyard One Nominee Trust project, multiple public hearings resulted in modifications to the scope to that project, notably adding three bedroom townhomes to a project that was originally only mid-rise apartment buildings. Regarding XYZ Dairy/River Park, the Planning Board found that the applicant had not offered testimony sufficient to support a two year extension request. Separately, the Board offered partial approval for the applicant's appeal of a related administrative decision. A subsequent ruling by the New Hampshire Superior Court on the separate and upstream action by City Staff to revoke the building permit, effectively restored the building permit and granted the applicant a one year extension. The Board will be holding a limited public hearing at the applicant's request on this matter at its February meeting. The Board also heard a site plan approval for the Lebanon Housing Authority to support the construction of an office adjacent to its existing garage facility. The Board participated in a participation by the West Lebanon and Hanover Greenway Trail. It also discussed potential improvements for the site plan review regulations, Articles 4-5 and 7.

4. PUBLIC FORUM: Mayor McNamara made the Public Forum announcement.

5. OPEN TO PUBLIC:

Joan Townsend, Ward 2, explained that there are many people skiing at Storrs Hill Ski Area. She lives on Storrs Hill Road, which is not Storrs Hill Ski Area. The road is already not great and is currently averaging approximately 15-20 cars for the Ski Area. She suggested signs to be placed or potentially a change in name.

Councilor Liot Hill commended the Fire and Police Departments for their work at the Dairy Twirl Fire.

Councilor Wilkie stated that an annual point in time count is being conducted on behalf of the US Department of Housing and Urban Development. This is designated as happening in late January as an effort to try to understand how many people are living out of doors, unsheltered or unhoused. He will update the Council on the numbers.

6. RECOGNITIONS: NONE

7. ACCEPTANCE OF MINUTES: January 8, 2025 (Regular Meeting)
Amendments:

Councilor Heistad MOVED to approve the January 8, 2025, minutes as amended and presented in the January 22, 2025, City Council agenda packet.
Seconded by Councilor Whittlesey.

AMENDMENTS:

Page 11, Line 35: Change “Councilor Simon” to Councilor Whittlesey

***The Vote on the Motion was approved (7-0-1 with Councilor Zook abstaining)**

8. APPOINTMENTS:

- Conservation Commission, Travis Talbert (Alternate Member)

Mayor McNamara MOVED to nominate Travis Talbert as an Alternate Member of the Conservation Commission. Term: 1/2025-1/2028

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

- Board of Cemetery Trustees, David Muzzy (Reappointment Regular Member)

Mayor McNamara MOVED to Nominate David Muzzy for Reappointment as a Regular Member of the Board of Cemetery Trustees. Term: 1/2025-1/2028

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

9. PUBLIC HEARING ITEMS:

- A. Community Revitalization Tax Relief Application** – A public hearing for the purpose of receiving public input and taking action on a Community Revitalization Tax Relief Application (per NH RSA 79-E) by 10 Spencer Studios, LLC for property located at 10 Spencer Street, Lebanon.

Resolution: R-2025-2

Included in the agenda packet: *(All supportive documents and information can be found on pages 40-66, Council agenda packet)*

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. December 3, 2024, Application of 10 Spencer Studios, LLC for Community Revitalization Tax Relief Incentive Program, including supporting documents

Deputy City Manager Brooks reviewed the background on this item. He noted that the Downtown Lebanon TIF Advisory Board met to review this project and voted to recommend the requested nine years. Jennifer Caine, 10 Spencer Studios, LLC, then made a presentation.

Councilor Sykes entered the meeting at 6:48PM.

Deputy City Manager Brooks explained that the base program for 79-E allows the Council discretion to grant up to five years. The Council has to determine that the application is for a qualifying structure, that it will be a substantial rehabilitation, and that it will provide one or more public benefits. For properties that are listed on or eligible for listing on the National Register of Historic Places, the Council, at its discretion, can grant up to four additional years. The requirement is that the renovations must be done in compliance and conformance with the US Secretary of Interior Standards for historic renovation/historic rehabilitation. Part of the TIF Board's recommendation was that the additional four years of the historic designation be followed up by the Heritage Commission to make sure that the historic value is maintained.

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.

Mayor McNamara opened the Public Hearing.

Fran Casale, Ward 2, stated that he believes this should qualify for 79-E. He asked what the property will be worth, and subsequent taxes will be post renovation. Deputy City Manager Brooks explained that the property is currently valued, building and land together, at \$527,000. The current taxes are approximately \$13,852, and the City's portion of that is \$5,091. The Assessor reviewed the building plans and estimated that, post-construction, the building value would increase to \$690,000 leading to a total increased property value of \$954,000. The approximately \$426,000 change represents an additional \$11,218 in taxes, of which the City's portion would be \$4,125. As this property is located in a TIF District, the excess increment is counted for separately by the City and that money gets reinvested within the District. If the value of the building is frozen through a 79-E agreement, the building value will not increase during the period of tax relief. The land could still increase in value leading to some continued appreciation of the property.

Mr. Casale asked if this will be a non-profit organization. Ms. Caine explained that one rental tenant space could be allocated toward a non-profit for emerging artists. The ownership structure of the building will remain the same.

Joan Townsend, Ward 2, agreed that this is a good project for 79-E. She asked the Council to consider only a four year request, as she does not believe this property qualifies as a historic site.

Cindy Casale, Ward 2, asked how the funding is reinvested into the TIF District. City Manager Mulholland explained that the tax increment has to be reinvested within the TIF District itself. Councilor Liot Hill noted that this has recently come in the form of sidewalks and other infrastructure projects.

Hearing no further comments from the public, the Public Hearing was closed.

Council/Staff Comments:

Councilor Liot Hill asked about the historic nature of the property. Ms. Caine stated that she believes the property is historic and could be eligible but is not currently listed on the Historic Register. Deputy City Manager Brooks stated that the property does not require Heritage Commission review, as it is not within the Historic District. Councilor Wilkie noted that the Commission is considering widening the existing District boundary, but this property has not been discussed by the Commission in that context. Councilor Liot Hill noted that there are not many other properties in the area that date back 100 years. Her inclination is that this is a historically important building.

Mayor McNamara stated that he does not think of this as a historic building. He is not inclined to grant the nine years.

Councilor Sykes stated that he likely will not vote, as he is on the AVA Gallery Board of Directors. He believes the relief requested is appropriate and agreed that the designation be followed up on by the Heritage Commission.

Councilor Whittlesey stated that he is leaning toward granting the full amount of relief requested, as this will preserve an important type of architectural design. Also, nine years may be required for the financial aspect of the project.

Councilor Wilkie explained that the narrative and intangible aspects of the space are significant. This appears to be one of the few remaining building that speaks to the working class history of the City. He sees arguments for this building being considered historic. Without the nine years requested, the project may not be able to move forward, further burdening taxpayers without having the future revenue.

Assistant Mayor Below stated that the financials submitted speak to the need for the requested relief. This is a nice gateway building to the area that harkens back to its historic era. He suggested a compromise of a total of 6-7 years, though there is a case for the full nine years. To renovate this building at today's cost may lead the owners to investing more than the property is worth on the market. Ms. Caine agreed that the amount being sought in rent does not support the amount that will be invested. The intention is not to make money off this project, but to work in the building and bring vibrance to the area.

Councilor Sykes noted that the building has been vacant for several years and this should be considered.

Mayor McNamara asked if the renovation estimates provided include a historically accurate renovation. Ms. Caine stated that, if granted the full relief, she would like to work closely with the Heritage Commission and do a lot of research on the historic guidelines.

Councilor Heistad stated that the building is a small symbol of the type of industry that used to occur in this area. He supports the full relief requested.

ACTION:

Councilor Wilkie MOVED the following:

BE IT HEREBY RESOLVED by the Lebanon City Council, after a duly-noticed public hearing, that:

WHEREAS, the City Council has determined that the application of 10 Spencer Studios, LLC (hereinafter the “Applicant”) for property assessment tax relief under the City’s 79-E Program is complete enough to commence consideration, and

WHEREAS, the City Council has determined that the Applicant’s property, 10 Spencer Street, Tax Map 92, Lot 33 (hereinafter the “Property”), is situated in the Downtown Lebanon 79-E District as adopted by the City and, therefore, meets the 79-E Program requirement as a Qualifying Structure, and

WHEREAS, the City Council has determined that the Applicant’s project to complete interior renovation and exterior rehabilitation of the building on the Property pursuant to plans and information provided in the application (hereinafter the “Project”) exceeds the lesser of 15% of the building’s current pre-rehabilitation assessed valuation or \$75,000 and, therefore, meets the 79-E Program requirement as a Substantial Rehabilitation, and

WHEREAS, the City Council has determined that the Applicant’s proposed Project will generate one or more Public Benefits to the City, including:

- 1. Enhancement of the economic vitality of Downtown Lebanon, and***
- 2. Enhancement or improvement of a culturally or historically important structure, and***
- 3. Promotion of the preservation and reuse of existing building stock, and***
- 4. Promotion of the development of municipal centers, providing for efficiency, safety, and a greater sense of community consistent with RSA 9-B.***

NOW THEREFORE, pursuant to the provisions of the Community Revitalization Tax Relief Incentive (NH RSA 79-E) Program, as adopted by the City, the City Council hereby grants to the Applicant 9 years of property assessment tax relief for the Property to commence upon completion of Project, with the following conditions:

- 1. The Applicant shall grant to the City of Lebanon a Declaration of Covenant to be recorded in the Grafton County Registry of Deeds ensuring that the Project shall be maintained and used in a manner that furthers the Public Benefit(s) set forth above for which this property tax relief is granted. The term of the Declaration of Covenant shall be effective for 18 years, which is twice the duration of the approved tax relief period as permitted under RSA 79-E:8, II.***
- 2. The Applicant shall obtain and maintain property and casualty insurance, as well as flood insurance, if appropriate, for the term of the Declaration of Covenant set forth above to ensure proper restoration or replacement of the Project and Property. Such insurance shall, effective as of the date on which the Project is completed, name the City of Lebanon as an additional insured by endorsement and the***

City shall be provided with certificates of insurance annually. Further, the applicant shall agree to 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 proper and timely restoration or demolition of the Property, including any damaged structures thereon. The Applicant shall agree to commence any restoration or demolition of such structures within one year following the date of any occurrence or incident for which an insurance claim is or could be made; otherwise, the Applicant shall be subject to the termination provisions set forth in RSA 79-E:9, I.

- 3. The Applicant shall obtain a Building Permit for the Project and commence construction no later than one year from the date of this Resolution, unless otherwise extended by the City Council in writing. The Project, as approved, shall be completed on or before March 31, 2026, unless otherwise extended by the City Council in writing.*
- 4. The applicant shall coordinate with the City of Lebanon Heritage Commission to ensure the historic aspects of the project are maintained adequately.*

Seconded by Councilor Liot Hill.

**The Vote on the Motion was approved (6-2-1, with Councilor Simon and Mayor McNamara against, and with Councilor Sykes abstaining)*

B. Public Facilities CDBG and Recovery Housing Program Applications for Families Flourish Northeast - Public hearings for the purpose of receiving public input and taking action on Community Development Block Grant (CDBG) and Recovery Housing Program (RHP) grant applications proposed by the City of Lebanon to the NH Community Development Finance Authority (CDFA). Counties and communities can apply for CDBG grants up to \$500,000 annually on a competitive basis for housing, public facilities, economic development, and for emergency activities that directly benefit low- and moderate-income persons. Up to \$25,000 is available for planning grants. The Recovery Housing Program (RHP) is a pilot program for special needs housing, which municipalities and non-profits may apply to for up to \$1,000,000. Public hearings are as follows:

1. A public hearing on a proposed CDBG application for up to \$500,000 in CDBG Public Facilities funds to be sub-granted to Families Flourish Northeast; and to authorize the City Manager to sign, submit, and execute any documents which may be necessary to effectuate the CDBG Application and contract; and
2. A public hearing on a proposed Recovery Housing Program (RHP) grant application for up to \$1,000,000 to be sub-granted to Families Flourish Northeast; and to authorize the City Manager to sign, submit, and execute any documents which may be necessary to effectuate the RHP Application and contract; and
3. A public hearing to adopt the City of Lebanon Anti-Displacement and Relocation Assistance Plan for Families Flourish Northeast

Included in the agenda packet: *(All supportive documents and information can be found on pages 67-75 Council agenda packet)*

1. Project Description – Families Flourish Northeast – Upper Valley Facility
2. City of Lebanon Residential Anti-Displacement and Relocation Assistance Plan for Families Flourish Northeast

Deputy City Manager Brooks reviewed the background for this item. Rebecca Owens, City Grant Writer, noted that a handout is available describing the project. Courtney Tanner, Families Flourish Northeast, then presented on this item. The proposal is to build a 12 bed residential program for pregnant and parenting women to be located at 424 Mt Support Road. This is a good location for the program as it is positioned close to the Medical Center. There will be children in residence at the location with their mothers. The intention is to have an age limit for children of 12 years old, though most will be much younger. The facility will be staffed 24/7. For those receiving treatment, there are strict policies and procedures for receiving treatment. If rules are broken and security is an issue, discharge may be appropriate.

BACKGROUND

The New Hampshire Community Development Finance Authority (CDFA) receives approximately \$9 million annually for the statewide Community Development Block Grant (CDBG) program, which includes all non-entitlement municipalities and counties. Grant funding is available annually to communities or counties on a competitive basis in each of the four categories of housing, public facilities, economic development, and emergency activities that directly benefit low- and moderate-income persons. Additional funds are available for planning grants. The Recovery Housing Program (RHP) is a pilot program for special needs housing, to which municipalities and non-profits may apply for grant funds.

Families Flourish Northeast requests that the Lebanon City Council support the submission of a CDBG application for Public Facilities for up to \$500,000 and an RHP application for up to

\$1,000,000 to support the development of a high-intensity residential substance-use treatment center for pregnant and parenting women and their children in the Upper Valley. The proposed location for the facility is 424 Mount Support Road (Tax Map 24, Lot 6), which is owned by Mary Hitchcock Memorial Hospital. The cost of the construction is estimated at \$9 million. The goal is to begin providing services at the new facility in mid- to late-2026.

A request to submit applications for CDBG and RHP funds was approved by the City Council in May 2023, however, the applications were later withdrawn due to the intended site becoming unavailable. The proposal includes funds from both CDBG and RHP, which are both administered by CDFA and carry similar program criteria to CDBG and a separate application.

Mayor McNamara opened the Public Hearing regarding the proposed CDBG application for up to \$500,000:

Mr. Casale asked if this is a one-time grant. Deputy City Manager Brooks explained that this is a one-time grant request that would not be reapplied for each year.

Lori Key, Ward 3, asked what the City is obligating itself to do as part of this grant. City Manager Mulholland explained that the City is the fiscal agent for the funds and is obligated to make sure the project follows the rules as part of the law. Councilor Liot Key explained that this project would have to go through the Planning Board process and would not otherwise be approved through the Council. Ms. Key asked about the downstream impact to taxpayers and the City regarding this nonprofit. Councilor Liot Hill stated that the Planning Board's process will consider this. Ms. Tanner explained that Mary Hitchcock Memorial Hospital will continue to own the building and Families Flourish is planning to enter

into a long term lease of 30+ years for the building. 424 Mt Support Road is not contemplated in the Dartmouth Hitchcock pilot. This is a tax generating parcel of land right now and it will remain that way in this forthcoming agreement.

David Duncan, Vice President of Facilities for Dartmouth Health, explained that this is a piece of property that Mary Hitchcock owns and pays full taxes on. DH will sign a 30 year lease with Families Flourish and continue to maintain paying full taxes for the property. Ms. Tanner explained that the land is currently generating a small amount of tax revenue for the City of Lebanon. This tax revenue will stay the same as the land will not transfer to Families Flourish. Once constructed, Families Flourish will be a charitable organization that will have the opportunity to go through an exemption process. The exemption status would be determined by the City Assessor, or a pilot could be negotiated with Families Flourish. Mayor McNamara stated that there is some uncertainty on this item, but the taxes on the underlying property will continue to be paid. City Manager Mulholland noted that this is also located within a Special Assessment District.

Mr. Casale asked why the Board is discussing authorizing the grant to be applied for prior to any discussion regarding the potential impacts of this project. Mayor McNamara stated that most projects that depend on some amount of grant funding will not move forward with developing plans and associated costs without knowing that they have full funding. Ms. Tanner explained that the project will cost approximately \$9M to construct the right building. Of the \$9M, other federal funds have already been secured. If the window to apply for these funds is missed, they cannot be applied for again until July, which would be too late for the project timeline. Ms. Tanner explained that the project has secured approximately \$3.5M in federal and state grants alone to date. There is significant bipartisan support for this project. Mr. Casale stated that City services are already stretched to the limit. An impact study for this project would be useful. He stated that he does not believe Council should be ready to move forward with the grant.

Mayor McNamara asked about potential need for Police/Fire/EMS services at similar entities. Ms. Tanner stated that she has previously seen a reduction of emergency response need due to the fact that the building will be staffed 24/7. This will be a supportive environment that can act as a prevention for emergency response.

Lynne Goodwin, Human Services Director, stated she is attending this meeting to be supportive of the Zoning amendment for recovery houses. She does not understand how CDFA funds for recovery housing programs can apply to a residential treatment program. Ms. Tanner stated that the rules on recovery housing have been broadened as there have been very few applicants that have sought funds for recovery housing. For all three applications that the Council is considering tonight, these projects have to be shovel ready. The project can only apply for up to \$1M in recovery housing. Ms. Goodwin noted that recovery housing, in terms of the Zoning amendment, is very different than treatment housing.

Councilor Whittlesey explained that the social cost impact of investing in substance abuse treatment is widely studied. Every dollar invested in substance abuse treatment yields a multiple of that in reduced costs to social services like law enforcement, and other criminal justice items, as well as an overall reduction in the cost of the healthcare system.

Rachel Townsend, Ward 2, asked who will be paying for the children that live at this center to attend the City's school system. It is likely this will fall on the taxpayer. Ms. Tanner explained that Families First could be eligible for a nonprofit exemption in the future. The group is working on an internal analysis that

will help drill down to what the age disparities will likely be for the program. Most children will likely be under five years old. This can be discussed as part of a proposed pilot or exemption process.

Ms. Rachel Townsend stated that it appears this proposal will invite people from outside of the City with this issue into the City. She asked where people that may be removed from the program will be sent to, or if they will likely remain in Lebanon and add to the homeless population. Ms. Tanner explained that Families Flourish will have a large referral base from Dartmouth Health's Moms and Recovery Program and will also be receiving referrals from across the State. There are certain times where women have to leave their geographic area because it is in their best interest for their health. People may discharge back into this community in a healthy way or may go back to where they were living previously. Ms. Townsend stated that there is no way to guarantee that these people will not be an extended burden on the City of Lebanon. The City cannot afford this project.

Councilor Whittlesey stated that there are a fair number of addiction treatment centers in New Hampshire, and they are all located in the southeast. There are many local residents struggling to recover. There is a huge demand for these services in the Upper Valley area. There is not a women and children's center in this area. The research shows that this type of treatment center provides better outcomes overall.

Ms. Key stated that Lebanon is the only academic medical center in the State that costs the taxpayers more money than the pilot provides. It would be nice to have some assurance that the costs of hosting this nonprofit entity will not trickle down and come out of the pockets of the residential taxpayers. There are existing people in the City who cannot afford to remain in their homes and this needs to be part of the conversation.

Ms. Joan Townsend stated that the City is in a poor fiscal state. While this program would benefit 12 women who are struggling, it is hard to balance this against existing taxpayers who are already struggling. There are too many unanswered questions at this time. The City may be better able to accommodate this in five years.

Jay Simms, Ward 2, stated that the proposed pilot discussion for this project is important. The City needs to consider how residents can support their property taxes into the future. He asked about a feasibility study for the project. He expressed concern regarding an existing staffing problem at DH. This project could also add to the City's daycare problem. The Council should be able to see information as to if this project is financially viable. Ms. Tanner stated that this project has been vetted by a number of different federal agencies, State government offices, and is currently working with a financial institution to secure a loan. The program will contemplate support for moms and their babies. There will be a daycare need which will be contemplated during program development. There will also be community information sessions.

Samantha Townsend, Ward 2, asked how this program will work alongside Moms in Recovery. Ms. Tanner stated that a referral would come from a treating organization that may not be able to support the person. Care would then transfer. Ms. Samantha Townsend asked what type of staffing will be available 24/7. Ms. Tanner stated that there will be a certified recovery support staff that are supported by licensed social workers and nurses. There will be a pipeline for those working within the organization to advance their careers. Ms. Samantha Townsend asked about the ratio between staff and patients. Ms. Tanner stated that, during the treatment day the ratio is pretty high in terms of staff, and there will be at least three people on overnight.

Hearing no further comments from the public, Mayor McNamara closed the first Public Hearing.

Mayor McNamara opened the Public Hearing regarding a proposed Recovery Housing Program (RHP) grant application for up to \$1,000,000 to be sub-granted to Families Flourish Northeast:

Mayor McNamara explained that the Council must hold separate public hearings for the requested \$500,000 and the \$1M as they come from different sources. This will be in one concurrent application.

Barbara Hirai, Ward 1, asked about Staff time being used to apply for the grant and why taxpayers are paying a Grant Writer to write grants for a private organization. Ms. Owens explained that the CDBG and RFP grants both include grant writing and administration costs as part of their budgets. Each grant is eligible for up to \$30,000 for grant administration for each grant and up to \$1,000 for grant writing, on top of what goes to Families Flourish Northeast for construction and design costs.

Hearing no further comments from the public, Mayor McNamara closed the second Public Hearing.

Mayor McNamara opened the Public Hearing regarding adopting the City of Lebanon Anti-Displacement and Relocation Assistance Plan for Families Flourish Northeast:

Deputy City Manager Brooks explained that this is part of a requirement of the Uniform Relocation Act, which requires that any displaced household or business in a project using any federal funds must be found comparable housing in a comparable neighborhood at a comparable price. Under the Uniform Relocation Act section of the application, the City will certify that the residential anti displacement and relocation assistance plan is in place. In the event that it is discovered that the specific project does displace persons or households, the implementation plan must be submitted to CDFA prior to obligating or expending funds. He noted an error on page 72 of the packet, the first page of the residential anti displacement and relocation assistance plan document. The second sentence of the first paragraph, should say that Families Flourish, Northeast will not include displacement of existing businesses. This is a vacant property, so there will be no displacement, and this correction will be made.

Hearing no further comments from the public, Mayor McNamara closed the third Public Hearing.

Council/Staff Comments:

Councilor Wilkie explained that he is aware of the concern regarding an impact to the City's emergency services by adding people to the community that are not paying a share of taxes. However, as he has heard from City firefighters, when a program has its own services as is proposed, the amount that is saved tends to exceed the amount that is spent. There are existing people in this community that need these services. He is confident that this will not be a blank check for a huge increase on the tax burden but instead will avoid increasing the burden on City services. If the City refuses to support the grants, the organization will be left to find funds on its own. The City is not necessarily committing itself to a liability by approving the submittal of these grants, if the project does not move forward.

Assistant Mayor Below noted that these two funding sources have to be applied for by municipalities or the County. There is solid evidence that the cost to society, including to taxpayers, for people with substance use disorders that go untreated is much higher than the cost to help people into recovery using clinically proven programs. The proposed program looks to be a state-of-the-art treatment program particularly targeting women with children or those expecting children. There is a generational cost for this situation. The value goes beyond this specific community, but the problems are in this community.

For better for worse, the City hosts a major Regional Medical Center. There is a chance that there will be some incremental costs but there is a compelling need. The City should take advantage of the significant funding opportunities available.

Councilor Heistad stated that Lebanon has a need, and it should be addressed. The responsibility is to the people here at home.

Councilor Sykes stated that he is in favor of supporting the grant requests. He explained that those with options for appropriate care then do not need to receive additional ambulance or police services. This is the right thing to do from a fiscal and moral standpoint. The people that need these services are in this community.

Councilor Zook asked about the types of impact studies and other items that would occur during the Planning Board process for this type of project. Nate Reichert, Director of Planning & Development, explained that the Zoning Board recently saw this application and reviewed the use and wetlands impacts. Typically, a project of this magnitude would not require a traffic study. At the Planning Board level, there would be input received from City Departments. This project could trigger impact fees and/or building permit fees.

ACTION:

As part of the CDBG and RHP application process, the following language must be read into the record:

Community Development Block Grant funds are available to municipalities for economic development, public facility, and housing rehabilitation projects and feasibility studies that primarily benefit low- and moderate-income persons. The purpose of the public hearings required for CDBG funding is to solicit the view of the citizens on community development; furnish the citizens with information concerning the amount of funds available and the range of community development activities which may be undertaken under the Community Development Act.

For the remainder of 2025, there will be approximately \$1.3 million dollars available for housing and \$1.3 million for public facilities projects. Approximately \$1.3 million will be available for economic development, \$500,000 for emergency grants, and \$600,000 for planning grants. Economic development, emergency and planning grant applications are submitted on a rolling basis until the funds are used up. The City of Lebanon is eligible for up to \$750,000 per year for housing applications, \$500,000 for public facilities, up to \$500,000 per year for economic development projects, as well as up to \$500,000 per year in emergency funds. Planning grants are available for up to \$25,000 per year for traditional planning grants and \$100,000 for transformational planning grants.

The Community Development Finance Authority (CDFA) has identified that there is critical need for recovery housing in New Hampshire and that Recovery Housing Program funds aim to help alleviate the significant shortage of this type of housing across the state. CDFA has approximately \$3.6 million in Recovery Housing Program (RHP) funds available on a rolling basis. The City of Lebanon is eligible to apply for up to \$1,000,000.

NOTE: PLEASE CONDUCT THE PUBLIC HEARINGS INDIVIDUALLY AND ACT ON EACH PUBLIC HEARING BY SEPARATE MOTION

PUBLIC HEARING B.1:

Councilor Liot Hill MOVED, that the Lebanon City Council hereby approves the submittal of a Community Development Block Grant (CDBG) application for up to \$500,000 in CDBG Public Facilities funds to be sub-granted to Families Flourish Northeast; and authorizes the City Manager to sign, submit, and execute any documents which may be necessary to effectuate the CDBG Application and contract, as described in the January 22, 2025 City Council Agenda Packet.
Seconded by Councilor Wilkie.

Discussion:

Councilor Liot Hill stated that the need for this program is well documented. The cost effectiveness of this type of clinical program is also well documented. This site seems to be particularly appropriate given the proximity to the Medical Center, as well as access to public transportation, a grocery store, and pedestrian facilities. The limited costs to the City for the grant writing and grant administration will be covered in the CDBG grant.

***The Vote on the Motion was approved (8-1, with Councilor Simon against)**

PUBLIC HEARING B.2:

Councilor Liot Hill MOVED, that the Lebanon City Council hereby approves the submittal of a Recovery Housing Program (RHP) grant application for up to \$1,000,000 to be sub-granted to Families Flourish Northeast; and authorizes the City Manager to sign, submit, and execute any documents which may be necessary to effectuate the RHP Application and contract, as described in the January 22, 2025 City Council Agenda Packet.
Seconded by Councilor Wilkie.

Discussion:

Councilor Wilkie stated that there are costs to inaction. Not allowing the necessary services could lead to a greater burden on the City's emergency services. This is a net positive for all.

Councilor Liot Hill explained that, in the state of New Hampshire, cities and towns are the entities responsible for providing for people who are in need. The way that Lebanon has provided those services is partially through direct services and funds and partially through working in public/private partnerships with nonprofits in the area that help to provide for the neediest people in the community in a very cost effective and humane way.

***The Vote on the Motion was approved (8-1, with Councilor Simon against)**

PUBLIC HEARING B.3:

Councilor Liot Hill MOVED, that the Lebanon City Council hereby adopts the City of Lebanon Residential Anti-Displacement and Relocation Assistance Plan for Families Flourish Northeast, as presented in the January 22, 2025, City Council Agenda Packet, with the following modifications:

- **Second sentence of the first paragraph shall read**, "Families Flourish Northeast will not include displacement of one or more existing businesses."
- **Last sentence of the first paragraph shall read**, "Families Flourish will develop and submit a relocation plan, if necessary."
- **The Certification of Compliance shall read**, "If City of Lebanon anticipates displacement or relocation activities will be necessitated by this project, the City certifies that it will comply with the Uniform Relocation Act in Section 104D of the Housing and Community Development Act of 1974, as amended."

Seconded by Councilor Wilkie.

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

CITY OF LEBANON

**RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN
FAMILIES FLOURISH NORTHEAST**

Every effort will be made to minimize temporary or permanent displacement of persons due to a CDBG project and a Recovery Housing project undertaken by the municipality. THE FAMILIES FLOURISH NORTHEAST WILL NOT INCLUDE DISPLACEMENT of existing businesses. Families Flourish will develop and submit a Relocation Plan if necessary.

However, in the event of displacement as a result of a federally funded award, the CITY OF LEBANON will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, to any household, regardless of income which is involuntarily and permanently displaced.

If the property is acquired, but will not be used for low/moderate income housing under 104(d) of the Housing and Community Development Act of 1974, as amended, the displacement and relocation plan shall provide that before obligating and spending funds that will directly result in such demolition or conversion the municipality will make public and submit to CDFA the following information:

- a. Comparable replacement housing in the community within three (3) years of the commencement date of the demolition or rehabilitation;
- b. A description of the proposed activity;
- c. The general location on a map and appropriate number of dwelling units by number of bedrooms that will be demolished or converted to a use other than as low and moderate income dwelling units as a direct result of the assisted activity;
- d. A time schedule for the commencement and completion date of the demolition or conversion;
- e. The general location on a map and appropriate number of dwelling units by number of bedrooms that will be provided as replacement dwelling units;
- f. The source of funding and a time schedule for the provision of replacement dwelling units;
- g. The basis for concluding that each replacement dwelling unit will remain a low and moderate income dwelling unit for at least ten (10) years from the date of initial occupancy;
- h. Relocation benefits for all low or moderate income persons shall be provided, including reimbursement for moving expenses, security deposits, credit checks, temporary housing, and other related expenses and either:
 1. Sufficient compensation to ensure that, at least for five (5) years after being relocated, any displaced low/moderate income household shall not bear a ratio of shelter costs to income

that exceeds thirty (30) percent, or:

2. If elected by a family, a lump-sum payment equal to the capitalized value of the compensation available under subparagraph 1. above to permit the household to secure participation in a housing cooperative or mutual housing association, or a Section 8 certificate of voucher for rental assistance provided through New Hampshire Housing Finance Authority.
- i. Persons displaced shall be relocated into comparable replacement housing that is decent, safe, and sanitary, adequate in size to accommodate the occupants, functionally equivalent, and in an area not subject to unreasonably adverse environmental conditions;
- j. Provide that persons displaced have the right to elect, as an alternative to the benefits in subparagraph 2. above, to received benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 if such persons determine that it is in their best interest to do so; and
- k. The right of appeal to the executive director of CDFA where a claim for assistance under subparagraph 2. above, is denied by the grantee. The executive director’s decision shall be final unless a court determines the decision was arbitrary and capricious.
- l. Paragraphs a. through k. above shall not apply where the HUD Field Office objectively finds that there is an adequate supply of decent, affordable low/moderate income housing in the area.

CERTIFICATION OF COMPLIANCE

If the CITY OF LEBANON anticipates displacement or relocation activities will be necessitated by this project, and the City certifies that it will comply with the Uniform Relocation Act and Section 104(d) of the Housing and Community Development Act of 1974, as amended.

Printed Municipal Official Name: _____

Title: _____

Signature: _____

Date of Adoption by the Lebanon City Council: January 22, 2025

C. Proposed Amendments to the Zoning Ordinance for 2025 Municipal Ballot - Public hearing for the purpose of receiving public input and taking action to place proposed zoning amendments on the 2025 Municipal Ballot, as follows:

- **Amendment #1** – To create the Pattern Zones Overlay District and regulations to create additional housing that fits the character of the existing neighborhoods in Downtown Lebanon and Downtown West Lebanon; to establish and preserve the characteristics of the historical downtown areas of Lebanon and West Lebanon; and to increase density and housing choices in the district (**Add Zoning Ordinance Section 411 and Zoning Map Amendment**)
- **Amendment #2** – To amend the R-1, R-2, and R-3 District Tables of Uses to allow “recovery house” by Special Exception (**Zoning Ordinance Sections 308.2, 309.2, and**

310.2)

- **Amendment #3** – To rezone Tax Maps/Lots 90-59, 76-4, 76-6, and 76-7 from R-3 to a new MC-2 District (**Zoning Map Amendment**)

Included in the agenda packet: *(All supportive documents, zoning maps and detailed information/changes can be found on pages 76-98, Council agenda packet)*

1. January 9, 2025 Memorandum from Planning & Development Department Staff RE: 2024- 2025 Proposed Zoning Amendments for Ballot

Information available but not included in this section:

1. [January 8, 2025 City Council Agenda Packet](#)

Nate Reichert, Director of Planning & Development reviewed the background on this item.

The Council discussed the proposed options for Section 411.10. A straw poll found a majority of the Councilor in favor of Option A.

***Councilor Wilkie MOVED to extend the meeting to 10:30PM. Seconded by Councilor Liot Hill.
*The Vote on the NOMINATION was approved (9-0)***

BACKGROUND

On October 23, 2024, the City Council was presented with a number of proposed amendments to the Lebanon Zoning Ordinance. The Council took action to accept the amendments for consideration and forwarded them for review and comment by the Planning Board, Conservation Commission, and Zoning Board of Adjustment. Legal review has also been obtained, and all boards have completed their review.

In accordance with Section 1000.4(A) of the Zoning Ordinance, proposed Amendments #1-3, listed below, require voter approval before they can be enacted:

Amendment #1 – To create the Pattern Zones Overlay District and regulations to create additional housing that fits the character of the existing neighborhoods in Downtown Lebanon and Downtown West Lebanon; to establish and preserve the characteristics of the historical downtown areas of Lebanon and West Lebanon; and to increase density and housing choices in the district (**Add Zoning Ordinance Section 411 and Zoning Map Amendment**)

Amendment #2 – To amend the Residential One (R-1), Residential Two (R-2), and Residential Three (R-3) District Tables of Uses to allow “Recovery House” by Special Exception (**Zoning Ordinance Sections 308.2, 309.2, and 310.2**)

Amendment #3 – To rezone Tax Maps/Lots 90-59, 76-4, 76-6, and 76-7, (which comprise the Alice Peck Day Memorial Hospital campus) from Residential Three (R-3) to a new Medical Center Two (MC-2) District (**Zoning Map Amendment**)

Following the public hearing on the proposed amendments listed above, the City Council will be asked to take action to have the amendments placed on the March 11, 2025 Municipal Ballot for consideration by Lebanon voters.

Mayor McNamara opened the Public Hearing.

Sarah Riley, Ward 2, spoke in favor of creating additional housing in the City's two Downtowns, but expressed concerns regarding the currently proposed maps in Amendment 1, as many parcels that are in the proposed overlay district are located in flood zones, wetlands, wetland buffers, or border natural areas. The Conservation Commission advised that parcels bordering natural areas be excluded from these overlay districts. That suggestion does not seem to have been incorporated into the maps. The overlay maps also include some parcels that are not developable, such as subdivision open space.

Barbara Hirai, Ward 1, asked about energy efficiency included in the cottages shown in the proposed options. Mr. Reichert stated that the 2018 NH Energy Code would have to be adopted for these structures.

Ms. Riley expressed concern regarding Amendment 3. She stated that she believes it would be a mistake to rezone all of the APD lands to the new Medical Center 2 Zone. She suggested instead rezoning the current footprint of the APD Campus but exclude the remaining forest lands. This was the recommendation of the Conservation Commission.

Ms. Hirai stated that the land on Starr Hill needs to be protected in some way.

Julie Puttgen, Ward 2, agreed with the previous comments regarding Amendment 3 and protecting the land of Starr Hill.

Hearing no further comments from the public, the Public Hearing was closed.

Council/Staff Comments:

Councilor Liot Hill asked to review the recommendations from the Planning Board, Zoning Board, and ConsCom. Regarding the pattern zoning proposal, would preempt wetlands, buffers, or shoreland protections. Mr. Reichert stated that any of those underlying requirements will still have to be met. Councilor Liot Hill asked if the goal of the Pattern Zoning Overlay District is to increase density where development already exists within the City by relaxing some of the dimensional requirements, in exchange for compliance with particular pre-approved zoning. Mr. Reichert agreed.

Councilor Liot Hill expressed interest in protecting the sensitive areas of the Starr Hill property but noted that it is important to understand that the area is not currently protected. The only parts of this property that are protected are the ones currently protected through permanent easements. Even though APD has chosen not to develop the properties that they own, they are allowed to. There is no guarantee that they will not develop them. Mr. Reichert stated that this could be a discussion for the ConsCom to have further for the good of conservation purposes.

Councilor Heistad MOVED to extend the meeting to 11:00PM. Seconded by Councilor Wilkie.

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

Councilor Wilkie asked about the justification for rezoning all four areas, including those within Starr Hill instead of just the first two. Mr. Reichert explained that the shoulder properties could have elements of development that may cross the boundary lines.

Councilor Sykes stated that he would like to see a concerted effort to speak to APD as a policy matter. This is an important, sensitive area for many. City Manager Mulholland stated that the property owners

requested this change. They should be commenting at this public hearing as to why they want the change, but they have not been heard from.

Councilor Heistad stated that the area is a gem within part of the City. The area should be negotiated to be maintained in this manner.

Assistant Mayor Below suggested excluding the two northern parcels from the rezoning and instead extending the northern line of the southern parcel to cut out an area of steep slopes. Mr. Reichert stated that this would be a possibility.

ACTION:

Assistant Councilor Below MOVED, that the Lebanon City Council hereby requests that the City Clerk place Amendments #1-3, as listed above, onto the March 11, 2025, Municipal Ballot for consideration by Lebanon voters, with the modification to Amendment #3: To exclude Lot 76-6 and Lot 76-7 and exclude the portion of Parcel 76-4 that is north of a straight line extension of the southerly boundary of Lot 76-6 with Lot 76-4 from the zoning change, as depicted on the sketch that was presented to the Council.

Seconded by Councilor Liot Hill.

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

D. Proposed Amendments to the Zoning Ordinance for Council Adoption – Public hearing for the purpose of receiving public input and taking action on proposed zoning amendments for adoption by the City Council, as follows:

Included in the agenda packet: *(All supportive documents, Zoning maps and detailed information can be found on pages 99-164, Council agenda packet)*

1. January 9, 2025, Memorandum from Planning & Development Department Staff RE: 2024- 2025 Proposed Zoning Amendments for Council Approval

Information available but not included in this section:

1. [1. January 8, 2025, City Council Agenda Packet](#)

Due to the late hour, the Council discussed moving this agenda item to the next meeting, while noting a number of members of the public present to speak to the item. The Council asked for public comment on the item, while noting that the Public Hearing would be moved to the February 19, 2025, meeting.

Ms. Riley expressed concerns regarding proposed Amendments #4 and #21. She presented the Council with a statement regarding these concerns.

The Council moved this Public Hearing February 19, 2025.

10. OLD BUSINESS

A. Appointment of 2025 Chair and Vice-Chair for Economic Development Commission

Included in the agenda packet: *(All supportive documents and information can be found on pages 165-166, Council agenda packet)*

1. EDC Member Roster

Mayor McNamara reviewed this item.

BACKGROUND

On July 10, 2019, the City Council approved Ordinance #2019-12 to amend City Code Chapter 31, Boards, Committees, and Commissions, to establish the Economic Development Commission (EDC).

According to §31-46, Establishment; Membership; Qualifications, the City Council shall annually ... appoint a Chairperson and a Vice-Chairperson from the nine members of the Economic Development Commission to serve the following calendar year.

Council/Staff Comments: NONE

ACTION:

Mayor McNamara MOVED, to nominate Dan Nash as Chair of the Economic Development Commission for calendar year 2025.

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

Mayor McNamara MOVED, to nominate Andy Key as Vice-Chair of the Economic Development Commission for calendar year 2025.

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

11. NEW BUSINESS

- A.** Request from Salt hill Pub for an Exemption (per §14-5) of City Code Chapter 14, Alcoholic Beverages, to permit the serving of alcoholic beverages on City property

Included in the agenda packet: *(All supportive documents and information can be found on pages 166-169, Council agenda packet)*

1. January 8, 2025, Letter from Josh Tuohy, Salt hill Pub

Mayor McNamara reviewed this item.

BACKGROUND

Salt hill Pub is requesting renewal of their exemption to serve alcohol in their outdoor seating areas, to include those expanded areas approved since 2020. Please see the attached letter from Josh Tuohy.

City Administration has no objection to the closure of the parking area for use by Salt hill Pub as has been done since 2020.

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.” Whereas the current request is for the alcohol exemption/permit to cover the entire year period from January through December, Council approval is required pursuant to §14-5 above.

Council/Staff Comments: NONE

ACTION:

Councilor Whittlesey MOVED, that the Lebanon City Council hereby grants an exemption to Salt hill Pub pursuant to §14-5 of City Code Chapter 14, Alcoholic Beverages, to serve alcoholic beverages on the Lebanon Pedestrian Mall and the parking area on West Park Street as shown on the map included in the January 22, 2025, City Council Agenda Packet. The exemption shall be valid beginning January 23, 2025, and shall expire on December 31, 2025.

Seconded by Councilor Liot Hill.

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

- B.** Request from Three Tomatoes for an Exemption (per §14-5) of City Code Chapter 14, Alcoholic Beverages, to permit the serving of alcoholic beverages on City property

Included in the agenda packet: *(All supportive documents and information can be found on pages 170-172, Council agenda packet)*

1. January 2, 2025, Letter from Louise Clark, Co-owner of Three Tomatoes
2. Location Map of Outdoor Seating Areas for Three Tomatoes Trattoria and Salt hill Pub

Mayor McNamara reviewed this item.

Assistant Mayor Below recused himself from this item.

BACKGROUND

Three Tomatoes is requesting renewal of their exemption to serve alcohol in their awning area on the Pedestrian Mall and the expanded seating area on Court Street approved since 2020. Please see the attached letter from Louise Clark.

City Administration has no objection to the closure of the portion of Court Street for use by Three Tomatoes as has been done since 2020.

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.” Whereas the current request is for the alcohol exemption/permit to cover the entire year period from January through December, Council approval is required pursuant to §14-5 above.

ACTION:

Councilor Wilkie MOVED, that the Lebanon City Council hereby grants an exemption to Three Tomatoes pursuant to §14-5 of City Code Chapter 14, Alcoholic Beverages, to serve alcoholic beverages on the Lebanon Pedestrian Mall and the closed portion of Court Street as shown on the map included in the January 22, 2025, City Council Agenda Packet. The exemption shall be valid beginning January 23, 2025, and shall expire on December 31, 2025.

Seconded by Councilor Whittlesey.

Discussion:

Councilor Simon stated that the Council may want to direct staff to review different fee structure in order for the City to start to generate revenue.

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

C. Release of Collected Public School Impact Fees (3rd and 4th Quarter 2024)

Included in the agenda packet: *(All supportive documents and information can be found on pages 173-177, Council agenda packet)*

1. Impact Fee Report as of 12/31/2024
2. November 22, 2021, Memorandum of Understanding between the City of Lebanon and the Lebanon School District, SAU#88

City Manager Mulholland reviewed this item.

BACKGROUND

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 between the parties on November 22, 2021.

To date \$994,148.33 of collected impact fees has been disbursed to the Lebanon School District.

7/17/2013	\$83,690.78	11/6/2013	\$14,651.99	5/21/2014	\$19,407.00
8/6/2014	\$2,122.75	2/18/2015	\$723.00	5/20/2015	\$2,819.00
7/15/2015	\$1,627.50	11/4/2015	\$936.00	3/2/2016	\$3,156.00
5/18/2016	\$864.00	5/17/2017	\$5,230.00	12/6/2017	\$6,140.75
2/7/2018	\$41,262.70	9/5/2018	\$12,564.45	2/6/2019	\$1,833.10
8/7/2019	\$8,822.20	4/15/2020	\$40,432.02	7/15/2020	\$123,709.65
12/2/2020	\$57,567.42	1/21/2021	\$102,409.40	8/4/2021	\$12,695.86
1/19/2022	\$9,035.45	4/20/2022	\$3,216.15	10/19/2022	\$261,738.35
2/1/2023	\$2,185.00	4/19/2023	\$3,824.44	9/6/2023	\$3,142.57
11/15/2023	\$9,740.60	2/27/2024	\$6,341.26	5/15/2024	\$11,899.60
9/4/2024	\$140,359.34				

This request is for the City Council to authorize the disbursement of \$46,642.06 in collected Public School Impact Fees (through 12/31/2024) to the Lebanon School District.

Council/Staff Comments: NONE

ACTION:

Councilor Liot Hill 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 \$46,642.06 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 Wilkie.

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

Councilor Heistad MOVED to extend the meeting time to 11:15PM.

Seconded by Councilor Wilkie.

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

- D. Request for Zoning Map Amendment: Hatch Property – 24 Labombard Road, Tax Map 51, Lot 12, Lebanon**

Included in the agenda packet: *(All supportive documents and information can be found on pages 178-180, Council agenda packet)*

1. January 9, 2025, letter from Margaret Hatch
2. Draft Northern Lebanon Zoning Amendment map

Mr. Reichert reviewed this item.

BACKGROUND

On January 9, 2025, Margaret Hatch requested a zoning map amendment for her property located at 24 Labombard Road, Tax Map 51, Lot 12, Lebanon, NH. The property is currently split zoned between Light Industrial (IND-L) along the road frontage and Rural Lands Three (RL-3) to the rear of the parcel.

During the recent Route 120 / Northern Lebanon Community Plan (NLCP) study, the Hatch property was not considered for potential zoning changes under the mistaken impression that the property was completely subject to conservation restrictions. However, Ms. Hatch has clarified that a 3-acre portion of the +/-50-acre parcel is not subject to any development restrictions, and the owner would like to have the property frontage rezoned to General Commercial One (GC-1) as is proposed for other surrounding properties. Attached is a draft map from the Planning & Development Department depicting the existing and proposed zoning for the property.

Since the Hatch property was not reviewed for zoning changes as part of the annual package of amendments, it was determined that the amendment request must be resubmitted to the land use boards and legal counsel for review and comment back to the City Council. The Planning & Development Department has outlined a tentative review schedule for the proposed amendment.

Council/Staff Comments: NONE

ACTION:

Assistant Mayor Below MOVED, that the Lebanon City Council, in accordance with the City of Lebanon Zoning Ordinance, Article X, Section 1000.3, Amendment Procedures, submits the proposed Zoning Map amendment as described in the January 9, 2025, letter from Margaret Hatch to the Planning Board and Conservation Commission for their review and comment. The City Council hereby sets the following tentative review schedule:

Legal Review – by February 6, 2025

Conservation Commission – February 13, 2025

Planning Board – February 24, 2025

City Council Work Session Review – March 5, 2025

City Council Public Hearing – March 19, 2025

Seconded by Councilor Whittlesey.

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

- E.** Preparation of Concise Explanations stating the City Council’s position on the Zoning Amendments to appear on the March 2025 Municipal Ballot

Included in the agenda packet: *(All supportive documents and information can be found on pages 181-184, Council agenda packet)*

1. Memorandum from Planning & Development Department dated January 9, 2025, RE: 2024- 2025 Proposed Zoning Amendments: Ballot Statements

Deputy City Manager Brooks reviewed this item.

BACKGROUND

In accordance with Section 1000.4(C)(2) of the Zoning Ordinance, the City Council, Planning Board, and Conservation Commission must prepare and include on the ballot a brief and concise explanation of their positions on zoning amendments being presented for voter consideration.

To assist this process, the Planning and Development Department has prepared draft concise statements for the Council’s consideration. The Council is free to modify or completely rewrite the draft statements in any way it sees fit.

The Planning Board will review and adopt its concise statements at its regular meeting on January 27, 2025. The Conservation Commission will review and adopt its concise statements at a special meeting on January 27, 2025.

As a reminder, proposed zoning amendments for consideration on the March 11, 2025, election are as follows:

Amendment #1 – To create the Pattern Zones Overlay District and regulations to create additional housing that fits the character of the existing neighborhoods in Downtown Lebanon and Downtown West Lebanon; to establish and preserve the characteristics of the historical downtown areas of Lebanon and West Lebanon; and to increase density and housing choices in the district **(Add Zoning Ordinance Section 411 and Zoning Map Amendment)**

Amendment #2 – To amend the R-1, R-2, and R-3 District Tables of Uses to allow “recovery house” by Special Exception **(Zoning Ordinance Sections 308.2, 309.2, and 310.2)**

Amendment #3 – To rezone Tax Maps/Lots 90-59, 76-4, 76-6, and 76-7 from R-3 to a new MC-2 District **(Zoning Map Amendment)**

Council/Staff Comments:

Councilor Wilkie suggested that the language on the fourth line of Amendment #2 be amended to read that, “the purpose of this amendment is to institute reasonable regulations for the establishment of *certified recovery houses*.” It was noted that this would require a change to Amendment #3 as well. Assistant Mayor Below suggested amending the language to state that, “this will include the rezoning of Tax Lot 90-59 and the majority of Lot 76-4.”

ACTION:

Assistant Mayor Below MOVED to approve for printing on the ballot the language as presented in the Council packet, with the modifications as discussed.

Seconded by Councilor Whittlesey.

Discussion:

Councilor Simon asked, with regard to the R1/R2/R3 changes, how to make it clear to voters that voting no on this Amendment may actually make it easier for someone else to build a non-certified recovery house in those areas.

The Council agreed to amend the language of the second sentence of Amendment #2 to read: The purpose of this Amendment is to prevent the citing of unregulated recovery houses within the City and to institute reasonable regulations for the establishment of certified recovery houses in accordance with RSA 153:10D, and to protect the health, safety, and welfare of the residents of such facilities, and of the citizens of Lebanon.

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

F. Discussion and Authorization for the City Manager to Transfer Funds from Departments within the General Fund to the Legal Services Budget

Resolution: R-2025-3

Included in the agenda packet: *(All supportive documents and information can be found on pages 185-187, Council agenda packet)*

1. Draft Resolution Authorizing the Transfer of Appropriations

City Manager Mulholland reviewed this item.

BACKGROUND

The City Council appropriates a budget on an annual basis. The FY2025 Budget was approved and appropriated on December 18, 2024. The Council may authorize the City Manager to transfer funds from one department to another within the City's General Fund pursuant to the provisions in City Charter §C419:45, Transfer of Appropriations.

During budget discussions, the City Council elected to cut \$50,000 from the Legal Services budget, which is a component of the City Manager's budget. However, numerous issues and actions of governance require legal counsel involvement, either based on statutory or charter requirements, or based on the City's existing codes, ordinances, and regulations. It is already apparent that many issues and actions that are already underway will require legal review and counsel, which will quickly expend the Legal Services budget as appropriated.

For example, City Code Chapter 115 (Ordinances, Enactment of) requires the City Manager to obtain and submit a written legal opinion as to the authority and validity of proposed ordinance changes. The Food Truck Task Force, which was formed by the Council last summer, will be bringing forward recommended changes to City Code 179 (Vendors), which will require a legal review. Other annual changes to the City Code will require similar legal reviews.

Other projects or issues that are expected to require legal services include:

- Review and legal opinion of proposed zoning amendments as required by Section 1000.3 of the City’s Zoning Ordinance, including amendments relative to “research laboratories”, map amendments, and zoning recommendations derived from the Council-initiated Food Truck Task Force, as well as the typical annual slate of amendments.
- Review and legal guidance to address the latest proposal from the NH Department of Transportation and the NH Attorney General’s Office regarding the proposed Purchase and Sale Agreement for portions of the Westboro Yard in West Lebanon.
- Preparation of deeds associated with the acquisition of land from the Grafton County Senior Citizens Council property in order to address and resolve property boundary and title issues in the downtown parking lots.
- Ongoing legal services associated with pursuing the RSA 155-B (Hazardous and Dilapidated Buildings) actions in relation to property at 375 North Main Street.
- Preparation of Owners Association documents, Covenants & Restrictions, and deeds associated with the development and sale of housing units on Barrows Street.
- Preparation and legal review of proposed ballot questions for the March 11, 2025, ballot including proposed charter amendments and zoning amendments required to be placed before voters.

The City Manager recommends that the Council grant authorization to transfer funds from other departments within the General Fund to the Legal Services budget, as needed during the year, to ensure that required legal reviews and actions can be obtained and provided in a timely fashion for the City and its ongoing operations. The City Manager intends to make budget rescissions, as needed, to ensure the overall budget does not exceed the total appropriations in the City’s General Fund Budget for Fiscal Year 2025.

Council/Staff Comments: NONE

RESOLUTION – LEBANON CITY COUNCIL

Title: Authorization for the City Manager to Transfer FY2025 General Fund Appropriations

BE IT HEREBY RESOLVED by the Lebanon City Council, that:

WHEREAS, the City Council appropriates funds in December of each year for the ensuing fiscal year, and City Charter §C419:45, Transfer of Appropriations, provides that the Council may authorize the City Manager to transfer any unencumbered appropriation or a portion thereof from one department to another; and

WHEREAS, numerous issues and actions of governance require legal counsel involvement, either based on statutory or charter requirements, or based on the City’s existing codes, ordinances, and regulations; and

WHEREAS, the costs associated with obtaining and providing legal services will exceed the appropriations set forth within the 2025 Budget.

NOW, THEREFORE, the Lebanon City Council hereby authorizes the City Manager to transfer unencumbered appropriations in the 2025 General Fund Budget to the Legal Services budget from other departments within the General Fund, as needed during the fiscal year, and that the City Manager shall make appropriate budget rescissions, as needed, to ensure the overall budget does not exceed the total appropriations in the City’s General Fund Budget for Fiscal Year 2025.

BE IT FURTHER RESOLVED that this resolution be written upon the minutes of the Lebanon City Council meeting on January 22, 2025.

ACTION:

Councilor Liot Hill MOVED, that the Lebanon City Council, pursuant to City Charter §C419:45, hereby approves the Resolution Authorizing the City Manager to Transfer Fiscal Year 2025 General Fund Appropriations to the Legal Services budget from other departments within the General Fund, as presented in the January 22, 2025 City Council Agenda Packet, to ensure that required legal services and counsel can be obtained and provided in a timely fashion for the City and its ongoing operations Seconded by Councilor Whittlesey.

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

12. City Manager Report:

City Manager Mulholland updated the Council on the following:

- Roundtable for the Upper Valley was productive
- Comcast franchise agreement is up for renewal
- Mascoma River hydro dam relicensing and lease agreement are upcoming
- Strategic Plan Community Engagement sessions on the 28th at 9am, 30th at 6:30pm, and February 6th at 6:30pm
- AI pilot transcription testing is ongoing
- Car fire behind Town Fair Tire this morning highlighted that the shelter is full, and people need a safe, warm place to go to

13. COUNCIL REPRESENTATIVES TO OTHER BODIES:

Councilor Sykes noted that Representative Stavis has introduced a bill that tries to model the program for Barrows Street in a statewide effort. This seems to have bipartisan support.

14. FUTURE AGENDA ITEMS:

15. NON-PUBLIC SESSION: NONE

16. ADJOURNMENT:

***Councilor Heistad MOVED for adjournment.
Seconded by Councilor Wilkie.***

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

The meeting was adjourned at 11:12 PM.

Respectfully submitted,
Kristan Patenaude
Recording Secretary