

FINAL

DOWNTOWN LEBANON TIF ADVISORY BOARD
WEDNESDAY, APRIL 29, 2025 – 6:00PM
Council Chambers – City Hall – or remote via Virtual Platform
MINUTES

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

TIF MEMBERS ABSENT: Tracy Hutchins (Upper Valley Business Alliance), George Sykes, Peter Owens

STAFF PRESENT: City Manager Shaun Mulholland; Deputy City Manager David Brooks; Interim City Manager Jeff Wozmak

1. CALL TO ORDER:

The April 29, 2025, Downtown Lebanon TIF Advisory Board Meeting was called to order at 6:00PM.

2. APPROVAL OF MINUTES:

A. January 14, 2025

Motion by Victoria Smith to approve the minutes of January 14, 2025, as presented. Second by Chris Haidari.

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

3. NEW BUSINESS:

A. Discuss and make recommendations for the projected revenue and proposed appropriations for the 2026 Budget.

City Manager Mulholland stated that the total estimated revenues are \$926,100 for 2026. In terms of expenditures, the City Council took \$300,000 out of the TIF Fund to offset the City's budget in 2025, and the anticipation is for approximately \$313,540 if the Council does so again in 2026. This removal was used to help reduce the tax rate in 2025. The Downtown Tunnel Bond is not physically located in the TIF District, but the payment is accounted for in the TIF Fund. In 2025, \$262,310 was transferred from the TIF Fund to the General Fund to pay off the principal and interest payments on this bond. This payment will go down every year and, after next year, there will 15 years to go. The expense for the architect for the Downtown Study will be closed out and the balance has been accounted for. The TIF Board should make a recommendation to the City Manager regarding the projected revenues and expenditures for 2026.

Sharon Boschert, Lebanon Energy Advisory Committee and Electrical Vehicle Subcommittee, requested including funds for potential EV charging stations Downtown. It has been shown that installing EV charging stations increase revenues for nearby businesses. There are currently no charging stations Downtown. Some of the sites proposed for stations would not be covered by the State or federal grants. The Subcommittee is waiting to find out more about potential costs before looking further into sites. City Manager Mulholland stated that the question is who would pay for the stations. Chair Schuster suggested that the costs could be offset by revenue taken in by the City from those charging their vehicles at the stations.

Fran Casale, Ward 2, asked about the revenue from 2025 and which portion of this is the City's. City Manager Mulholland explained that approximately \$313,000 is the City's portion, depending on the tax rate in the fall.

Motion by Barry Schuster to recommend the budget for 2026, as proposed. Second by Chris Haidari.

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

B. Discuss and make recommendations regarding the Downtown Parking Lot study.

City Manager Mulholland explained that the TIF Board has been working on this Downtown Parking Lot study with the EDC. The study was completed by Manypenny Murphy Architecture, and they provided a range of options. The TIF Advisory Board's function is to provide guidance to the City Council as to a recommendation regarding these options. A final report should be submitted on May 7th to the City Council.

Councilor Below stated that there is tremendous uncertainty moving forward in terms of construction costs, making it hard for developers to plan future projects. The City previously received three proposals for this project, but none seemed to be a clear match. The full development of the site shows no net cost to the City over the long term, but he would like to know more about the assumptions for this option. The problem with all three options is that they reduce the net parking by almost half, and more development would increase the parking demand. There needs to be a balance with these two things.

Chair Schuster stated that the fourth scenario does not price in the quality of life for the City. He explained that the Board believes the concept of the river should be a focal point for any redevelopment of this site, but none of the four options can be recommended at this time due to the economics. This should be revisited within the short-term, 3-5 years.

Chris Haidari stated that safety work for the site should be undertaken as necessary using the available funds. City Manager Mulholland stated that the engineering report for the site should first come back to the TIF Board for review and recommendations can then be made to the City Manager.

Motion by Barry Schuster that the concept of the river should be a focal point for any redevelopment of the Downtown Parking Lot site, but none of the four options can be recommended at this time due to the economics. This should be revisited within the short-term, 3-5 years. Second by Victoria Smith.

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

C. Discuss and make recommendations regarding the future of the Downtown TIF District.

The Board discussed the future of the Downtown TIF District. City Manager Mulholland explained that the City Council has taken the step to remove the City's portion of the District's budget to be used as revenue to offset the General Fund. The Board could recommend whether that should continue or not. Alternatively, the Board could recommend that the City pay back the school district its portion of the TIF District to offset property taxes on the school side. It could also recommend that, for every school aged child within the TIF District, the school district will be provided the cost of education for that child. The City Council will be discussing creating another TIF District, including discussion that the creation of a new District with additional children could lead to offsets for the costs of educating those children. The Board could also consider eliminating the TIF District as it served its purpose.

Chair Schuster stated that he believes there is a real value to having this TIF District in order to consider projects that might provide for quality of life or economic vitality. He would like to know more about the other options mentioned by the City Manager. He does not necessarily feel there is a need to change the structure of the District at this time. City Manager stated that TIF Districts are not meant to act as savings accounts. They are meant to be used for particular projects and then be closed down. Chair Schuster stated that he would like Staff to consider what projects are needed in the TIF District in order to utilize the existing funds. City Manager Mulholland explained that this was previously done, leading to the report that was presented to the TIF Board.

Councilor Below stated that the law also allows for a certain percentage of the incremental tax revenue within the District to be set aside for the TIF fund and a percentage to be returned as tax revenue to the School District, for example. The Board could decide that starting in 2026 or 2027, 50% of the increment will be returned to the county, City, and school district, and the other half will continue be placed into the fund to pay for items such as the amortization of the tunnel and other projects.

Chair Schuster stated that he would like the Board to have a more in-depth discussion on these topics, including a review of the original 2016 study that helped form the District, at its next meeting.

Mr. Casale stated that he believes the TIF District provides valuable funds for projects and should not be dismembered at this time. The Downtown will need this District moving forward.

Barry Schuster stated that the Board would continue this discussion at its next meeting in June, including a review of the 2016 study, and examination of projects and purpose of the District when it was formed.

4. OTHER BUSINESS

Victoria Smith asked for an update on 20 Spencer Street. Deputy City Manager Brooks explained that the Planning Board approval is in hand for an 80 unit project. The applicant applied in the last round of the tax credit funding

through New Hampshire Housing Finance Authority last October but was not selected. It was agreed that this project should be applied for again next year, in order to be better positioned as a returning applicant. The application process will likely run from October-December 2025. The developers believe that, if funding can be obtained through the New Hampshire Housing tax credits, other gap funding will fall into place.

In regard to the Woolen Mill project, Deputy City Manager Brooks stated that the applicant has their approvals in hand and has submitted a building permit application. The application is being reviewed by the Building Department and the applicant continues to comply with the Planning Board requirements. They are seeking other permits from the State. The applicant has not yet paid an application fee, as this normally does not get paid until they are ready to get a building permit. This will be a sizeable amount once issued.

Regarding the project for the grocery stores, Deputy City Manager Brooks stated that the applicant went to the Planning Board seeking an extension of time for the two residential buildings. There is currently a market on the site. The parking issue is still at hand. The approval envisioned a long term lease from the owners of 10 Water St, but the owners of that parking lot did not want to lock themselves into a long term lease. The applicants for the residential buildings have considered other ideas such as structured parking over the parking lot at 10 Water St., possibly as a TIF project. None of the details for this have materialized yet.

5. ADJOURNMENT

Motion by Chris Haidari to adjourn at 7:12PM. Second by Victoria Smith.

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

Respectfully submitted,
Kristan Patenaude