

This set of minutes was approved at the June 6, 2011 Town Council meeting

**Durham Town Council
Monday April 25, 2011
Durham Town Hall - Council Chambers
7:00 P.M.
MINUTES**

MEMBERS PRESENT: Council Chair Diana Carroll; Council Chair Pro Tem Jay Gooze; Councilor Neil Niman; Councilor Julian Smith; Councilor Peter Stanhope (arrived at 7:30); Councilor Robin Mower; Councilor Kitty Marple; Councilor Jim Lawson

MEMBERS ABSENT: Councilor Bill Cote

OTHERS PRESENT: Town Administrator Todd Selig; Police Chief Dave Kurz; Business Manager Gail Jablonski; Library Director Tom Madden

I. Call to Order

Chair Carroll called the meeting to order at 7:04 pm.

II. Approval of Agenda

Councilor Smith MOVED to approve the Agenda. Councilor Mower SECONDED the motion, and it PASSED unanimously 7-0.

III. Special Announcements - None

IV. Approval of Minutes

March 7, 2011

Page 5 for the site facing Mill Road.

Councilor Mower MOVED to approve the March 7, 2011 Minutes as amended. Councilor Smith SECONDED the motion, and it PASSED unanimously 4-0-3, with Councilor Carroll abstaining because of her absence from the meeting, and Councilors Marple and Lawson abstaining because they were not on the Town Council at that time.

V. Councilor and Town Administrator Roundtable

Administrator Selig made note of the fact that a new restaurant in Town, La Paz, had recently opened. He said as he walked past it this evening, every table was full, and patrons gave him the thumbs up.

He said at the next Council meeting, there would be an item dealing with the agreement between the Town and the State regarding the Morgan Way intersection realignment project. He

explained that the Town had requested a letter of agreement to memorialize the financial relationship between the Town and the State. He noted that there was no guarantee concerning the funding from the State, and said it would be contingent upon Legislative approval of it. He said if the funding did come through, the State would compensate the Town for 2/3 of the project. He said there was currently funding in the State budget for the project, but said one never knew what would happen with that budget process.

Administrator Selig said the Town had waited many months for the results of the concrete testing on the Oyster River dam, and said it was likely there would be a Council presentation on this within the next month or so. He said the Town was not poised to take any action one way or the other regarding that project, other than to translate the results of the testing, and to entertain suggestions as to how they might proceed from there. He said it appeared that the cracking had stopped, and said Town Engineer Dave Cedarholm would provide details on this.

He said the Town was waiting for the architectural firm to provide a realignment of the new Fire Station design along Mill Road, and said there would be a follow-up presentation to the Council once this was received. He said before that, there would be a meeting with University staff to insure that they were comfortable with the alignment, and said as part of this there would be an evaluation on traffic patterns, how many parking spaces might be lost for the surface lot, and how feasible a parking structure might be on another part of the lot at some point in the future.

Administrator Selig said there had been on-going labor negotiations with the ASCME unit, which represented DPW employees. He said the last meeting, about three weeks ago, was the same day that the NH House was scheduled to vote on a bill that would in essence eliminate the need for public entities to bargain with employees once a contract came to an end. He said given that, the parties decided to wait until they knew the results of this legislation. He said his understanding was that the Senate didn't agree with the approach taken by the House, and said the Town and the ASCME unit would wait to see how things panned out.

He said the Strafford Regional Planning Commission had been contacted by the US Economic Development Administration and Congressman Guinta's office about targeting the county for some economic development grant monies to support the local economy. He said they were particularly interested in Rochester and Durham, and said the interest in Durham seemed to revolve around the idea of an incubation center site for new types of businesses and potentially University spin-offs. He said there might also be interest in evaluating whether a research park of some kind could be developed. He said he and EDC Chair Tom Elliot would be meeting with the representatives from the SRPC and the EDA to see how grant monies in Durham might be utilized.

He said there had been a request from a Councilor for an update on Great Bay Aquaculture's interest in the Durham Business Park as a site for a new facility. He said there had been a number of conversations with Eric Chinburg about the possible project, and said locating there would be contingent upon the company also being able to locate and get permitting for another facility site in California. He said the company was waiting on the status of the California site in order to determine if they would move forward with the Durham site. He said if they did move forward with this, it was likely to happen in the summer. He said in the mean time, Eric Chinburg would be coming forward with a subdivision application to divide the site into separate sites that could each be developed independently.

Administrator Selig noted that the Parks and Recreation Committee was organizing the Memorial Day events, and said Director Sandy Devins had asked him about the idea of extending the parade so that the end of it took place at the MUB. He provided details on this, and said his sense was that the Town was better off keeping the main festivities downtown, noting that it was already a long parade, and also that the MUB was a limited geographic area, and not particularly comfortable area for people who wanted to walk there with children.

Councilor Mower asked if Ms. Devins had indicated the reasons for the possible change, and Administrator Selig said some members of the armed services had said there was too much celebration last year and not enough solemnity, and had suggested that the marching groups' banners should put the focus back on the fact that it was Memorial Day. He said it had also been expressed that most people didn't make it to the ceremony at the MUB, which was in fact the State's Memorial, and that it would be good if people accompanied the veterans all the way there.

Councilor Marple said her father was the Grand Marshal of the parade a few years ago, and said she didn't think he minded that it was a small contingent that went to the MUB.

Councilor Gooze said he wasn't sure if the layout would work at the MUB, and said it was more user-friendly in the middle of Town. He said he thought things should stay as they were.

Councilor Mower said this was one of the few truly community events in Durham, and said it was also a tradition, so it would be good to keep it on Town land. She also said she thought the extension would be more than some people were comfortable with.

Councilor Smith agreed that the main ceremony should be on Main Street, but said it would be a good idea for as many Councilors as possible to continue on to the MUB. He said he would do that.

Councilor Carroll said it was a fairly long walk from the Oyster River Bridge to Town, and said to also go up to the MUB, which she had done last year, made for a very long program. She said she thought the ceremony at the bridge and the ceremony downtown were sufficient, especially because there were families attending. But she encouraged people to go on to the third ceremony at the MUB if they wished, and she noted that it was a very nice ceremony.

Administrator Selig thanked Councilors for the feedback.

He said Councilor Mower had contacted him regarding an issue before the State Legislature. He said within the State Budget, HB 1 eliminated funding for the NH Lakes & Rivers Management Programs as well as the Volunteer Lake & River Assessment Program. He said she suggested that there should be discussion as to whether the Council would be interested in sending a letter of support to preserve these programs.

Councilor Mower noted that the volunteer program gathered data and at no cost, which was important for monitoring purposes. She said she felt strongly that the Town benefited from these programs, and said it would be to Durham's disadvantage to have the funding cut. She said the Senate vote might not come before the May 2nd Council meeting, and said she would try to get more information on the situation.

Administrator Selig said these were good programs, and said he was very comfortable writing letters of support for them.

Councilor Mower suggested that the example of the Oyster River Watershed Association could be followed concerning this.

Chair Carroll asked if Councilors were comfortable with the idea of Administrator Selig writing a letter on the Council's behalf saying these were important programs, and that the Town relied on data coming from the program in their decision-making concerning water issues.

Councilor Gooze said he knew some of the people who did the monitoring, and said they believed they were really accomplishing something in gathering the data over time. He noted that there was a very small amount of money involved, and said he supported the idea of Administrator Selig writing the letter.

Councilor Marple said she agreed.

Councilor Mower said ORWA members were stewards of the Oyster River.

Councilor Gooze noted that there might be a project coming up which would mean that the Town would rely on the ORWA to gather water quality data.

Councilor Lawson said it sounded reasonable to write the letter, but said he was a bit concerned in terms of other communication the Town might make to the State regarding HB 1, and in terms of where this issue was on a priority list for the Town. He said if that wasn't a consideration, he was fine with this.

Councilor Mower said she didn't believe the Council had discussed the idea of taking a position on items in HB 1.

Administrator Selig noted that the Town had had some concerns about some of the outcomes of the Rivers Management and Protection Program, particularly regarding the Lamprey River and the ability to withdraw water from it. But he said these were good programs and were important from a regional perspective. He said a letter would send a positive message in general about the programs and about the idea of protection of those natural resources.

Chair Carroll summarized that the consensus was that Administrator Selig would look into this further and if appropriate, would write a letter.

Councilor Mower asked if she and Administrator Selig should come back to the Council with more information, and she was told they could go ahead and write the letter.

Administrator Selig congratulated Durham Fire Chief Corey Landry, who had been elected President of the NH Fire Chiefs' Association.

He said on Wednesday, there would be a meeting that would include re-opening of the public hearing on the Capstone application. He noted that there was also a School Board meeting that

meeting, where the current principal selection process would be discussed. He said because the Planning Board was meeting at its regularly scheduled time and the School Board was not, the Planning Board meeting would be broadcast live on DCAT, and the School Board meeting would be taped for a later broadcast.

Administrator Selig updated the Council briefly on negotiations with developer Peter Murphy concerning the proposed project on the Grange property. He described in some detail what was proposed, and said he and Councilor Stanhope had negotiated a price with Mr. Murphy.

He noted that the price took into consideration what might be offered to Mr. Murphy under RSA 79-E.

He also said that as part of the agreement, the Town would receive an annual loan payment of \$58,500 for five years, and approximately \$45,000 in tax dollars each year. He said he would write this proposal up and present it to the Council at the next meeting. He said if the Council was then comfortable with the proposal, a public hearing on the project would be scheduled.

Councilor Stanhope arrived at 7:30 pm.

Councilor Mower asked if the decision to have student housing at the back of the Grange was part of the most recent plan.

Administrator Selig said the initial proposal was to have the workforce housing in the Grange structure itself, and to have student housing to the rear in the new building. He said he and Councilor Stanhope had been working to reverse this approach, and said architect Nick Isaak and engineer Mike Sievert were working with Mr. Murphy to see if this might be feasible. He said Mr. Murphy was very open to the idea conceptually, as long as the financials and the logistics worked.

He said for those interested in the Lamprey River 401 certificate issue and the Lamprey River Water Use and Dam Management Plan, there would be a public hearing on the draft plan on May 11th at NH Fish and Game in Durham.

He said there was a productive meeting last week with COMCAST regarding the cable franchise agreement. He said the Town was in the process of fine-tuning its negotiating position, and said once this was available, the Council would be updated on it.

Councilor Gooze asked if UNH would be involved with the discussions on the Economic Development Agency grant funding, and Administrator Selig said not with this particular grant opportunity. But he said the UNH was discussing the possibility of other grant opportunities with the EDA. He also said he didn't have details on the money available for Rochester and Durham, and said he would learn more about this on Wednesday.

Councilor Gooze said if it involved incubators, it would be good to have UNH involved.

Administrator Selig agreed. He noted that Tom Elliot from the Idea Greenhouse had spoken about this with Marc Sedam of UNH's Office for Research Partnerships and Commercialization, and said there were a series of things going on. He said the Town and the University would be

sure not to step on each others toes concerning these things.

Chair Carroll thanked the Timberland Company, which was based in NH, for their wonderful program of sending workers out to do volunteer work in local communities. She said last week, Timberland volunteers had worked on the raised beds for the community gardens at Wagon Hill, and had also built some picnic tables, pruned apple trees, and started work on one of the trails along the water.

She noted that she'd been in contact with Durham resident Dennis Meadows, the point person for the community garden project, and said he had indicated that Doug Bullen and Mike Lynch had been fantastic about providing the materials for the projects in a timely fashion. She also said this was the second time Timberland had done this kind of work in Durham, and said she believed everyone would enjoy Wagon Hill this year.

Chair Carroll said as Chair of the Council, she had recently met with developer Peter Murphy to discuss workforce housing issues and energy issues. She noted that these were issues the Council had talked about, and said she was very interested in talking to landlords in Town, and in particular those with new buildings, about how they had done with their heating bills this past winter.

She said Mr. Murphy had told her that the entire heating and hot water bill for a 2,040 sf apartment that housed 8 students had cost Mr. Murphy an average of \$125/month, for the five main months of the winter. She said this was the kind of data that it was now time for the Town to collect. She said they had been hearing that insulation, energy saving windowpanes and doors were worth the dollars. She also said she had heard some landlords say they would be glad to come in and do a panel discussion on energy issues, and she suggested that the Town could film this and broadcast it on DCAT.

Chair Carroll noted that she had been trying to get out and talk to people in some of the in-town neighborhoods, and said she had recently spoken with a resident from Woodman Road about her neighborhood. She said the woman, who had lived there for 13 years, had said that since the disorderly house ordinance had taken effect, her life and that of her neighbors had been noticeably better. She said the woman had said the ordinance had improved the value of her house.

She also said the woman had said there was a lot of litter around apartments near Woodman Ave, Denison Ave, and the Middle School, including so much broken glass that the DPW had been called in to clean it up. She said the woman was aware that the Town wanted to have a Safe Routes to School Program, which was incongruous with broken glass.

Councilor Gooze said the Planning Board had met on April 13th, and said the Board had accepted a Site Plan application and Conditional Use application submitted by Richard Gsottschneider to expand a duplex by adding an additional apartment unit, making it a multi-unit property. He said the public hearing would be held on May 11th.

He also said there was a good presentation by University planners Doug Bencks and Steve Pesci on plans for a possible road project involving South Road. He said they had explained that the University liked to have these projects planned out well in advance so they were shovel ready when the right funding became available.

Councilor Smith said on Wednesday, the Planning Board would re-open the public hearing on the Capstone applications, and explained that the primary reason for doing this was that a good deal of new information had come in after the public hearing was closed in February. He noted that Mr. Campbell had sent the Council and Administrator Selig a memo that listed items that could be discussed at the hearing, and said if Councilors had questions about this, they should discuss this as part of the Extended Roundtable discussion. He said he might have a few things to say at that time about the final stages of the project.

Councilor Marple said the Integrated Waste Management Advisory Committee was holding a volunteer dessert banquet for those residents who had graciously volunteered their time at the Swap Shop.

She said an item that was going forward after discussion by the Rental Housing Commission was the installation of signage indicating the family neighborhoods that were in the Town core. She said hopefully, students would acknowledge the signs, and maintain quiet when walking through these neighborhoods. She noted that Sam Flanders had stepped down as chair of the RHC, and said she was the new Chair. She said Sam was given a rousing sendoff for the great job he had done.

Chair Carroll said she had heard that the IWMAC had planned a “no waste” evening as part of their banquet, and Councilor Marple agreed that the committee was trying hard to make it a no waste event.

Councilor Mower said she believed the RHC had two neighborhood rep vacancies, and Councilor Marple said there was a potential candidate to fill one of them.

Councilor Mower said she would not pull the item regarding metered parking off the Unanimous Consent Agenda, but said she would like to work with Administrator Selig over the next week, before the hearing, on some non-substantive changes to the propose ordinance.

Councilor Niman said he was going to ask that it be pulled off anyway because he wanted to ask Chief Kurz a question regarding it.

Councilor Mower said the Traffic Safety Committee would have a presentation on Wednesday by the Energy Committee on a proposal for an improved bike route on Madbury Road, from Pettee Brook Ave. out to Garrison Ave. She said there were several options to be considered.

She said a day of forestry work was planned at the Doe Farm on Saturday to get rid of invasive species. She also said that on Wednesday, the Panning Board would review the most recent draft of the Master Plan survey, and said it now reflected comments made by the Planning Board over the past few weeks.

Councilor Lawson said at the last Economic Development Committee meeting, there were a number of presentations. He said the members had done a tremendous amount of work over the past year, but said he wanted to acknowledge Yusi Wang Turell’s work on the business visitation program. He said there was a lot of data from it and from the market study, and said the challenge now for the EDC was to keep the momentum going, and take the information and start

developing some concrete actions from it.

He said an issue that had been bothering him was the significant amount of trash in the neighborhoods around some of the rental properties. He said it seemed that trash remained there for 4-5 days, before the Town took enforcement actions. He said this was unfair to the people in the neighborhoods, and said things were at the point where the Town needed to look at some options in the context of the Zoning Ordinance concerning how enforcement was done. He said the current situation was unacceptable.

Councilor Mower said this was an issue that members of the downtown neighborhoods were concerned about, but said it was an issue of interest to the Town as well. She noted stretches along Mill Road that were sometimes trashed, and said as this an entrance to the Town, the trash there reflected badly upon Durham.

Chair Carroll thanked Councilor Lawson for taking the initiative on this issue, and said her understanding was that something would be coming forward concerning this.

VI. Public Comments (NLT 7:45 PM)

Roger Speidel, 7 Nobel K. Petersen Drive, read a comment made in 1997 that the taxpayers in the School District were already hard pressed, and many wondered how they could stay in the district. He then noted that since 2000, the 3 towns in the district had lost 574 residents under the age of 18. He said their families moved out because the taxes were too high. He said the taxpayers and the School Board needed the Town Council's help. He said Oyster River school system enrollment at the High School had decreased by 363 students since 2000.

He said this was happening because of taxes, and said Durham must expand its commercial development. He said he knew there were residents who were concerned about the natural environment, but said they also needed to think about the human environment. He said the taxes were driving people out, and said young people couldn't move in. He said one had to be able to make \$100,000 per year in order to afford housing in Durham.

Mr. Speidel said the Town should develop Technology Drive, and said businesses locating there would have no visible impact on Durham. He noted that Dover had 16 businesses at Venture Drive. He said to help the taxpayers, the School Board needed to reduce its budget, and the Council had to increase commercial development. He said Durham's tax rate was 27.28 while Hanover's was 17.73.

He said there would be an ORSD taxpayers' meeting on May 3rd at the High School, and he invited Councilors and others to be there. He asked that this meeting be put in the Friday Update and Administrator Selig said that wasn't a problem. Mr. Speidel asked if it could also be broadcast on DCAT, and Administrator Selig said he would find out about this and get back to Mr. Speidel.

Henry Brackett, 2 Wheelright Drive, Lee, NH, Chair of the ORSD School Board, first thanked Councilor Mower for her great suggestion about their website. He encouraged others to do communicate with the School Board about possible ideas for the website. He also said the School Board meeting on Wednesday would not be televised live but would be shown later on DCAT. He encouraged residents to come to the meeting, and said a big topic of discussion would be concerning the selection of a new principal. He said a lot of letters had been received concerning this.

Bill Hall, Smith Park Lane, said the trash issue was daunting, and had been for a long time. Regarding the issue of workforce housing downtown, he said he could remember when every house around his house downtown was workforce housing. He said every single person had moved out over a period of 10 years because living there had become very difficult. He noted that some students had stood before the Council and said their lifestyles were not compatible with workforce housing. He also said that the Dennison Road and Young Drive apartments had tried this, but it didn't work.

Regarding the agenda item concerning a tax abatement for his property, Mr. Hall said the house could be sold for \$300,000-325,000, but said it would take \$100,000 to get it to that point. He said he had come in to speak with Rob Dix a few years ago about a valuation of his property, and provided details on this. He said Mr. Rice on the other hand was extremely helpful and forthright about the property. Mr. Hall said Mr. Rice took an hour to go through the house and property, and said he took Mr. Rice's report and filed an appeal in February. He said he was quite impressed, and said he appreciated the abatement Mr. Rice had recommended.

VII. Unanimous Consent Agenda *(Requires unanimous approval. Individual items may be removed by any councilor for separate discussion and vote)*

- A. Shall the Town Council, upon recommendation of the Administrator, reduce the appraisal of property owned by William C. Hall for property located at 3 Smith Park Lane from \$331,300 and grant a property tax abatement for 2010 in the amount of \$90,200 of assessed valuation to William C. Hall?
- B. Shall the Town Council approve the Water and Sewer Warrant for spring 2011 totaling \$545,377.18, commit the bills for charges to the Tax Collector for collection, and authorize the Town Administrator to sign said warrant?
- C. **First Reading on Ordinance #2011-03** amending Chapter 153 “Vehicles and Traffic“, Article IV “Metered Parking“ of the Durham Town Code by creating a new Section 153-29(d) “Petree Brook Lane (Southerly Side)” and initiating verbiage changes therein

Chair Carroll noted that she had been asked to pull item C off the Agenda.

Councilor Smith MOVED to approve Unanimous Consent Agenda Items A and B. Councilor Mower SECONDED the motion and it PASSED unanimously 8-0.

The Council next addressed Item C.

Councilor Smith MOVED on first reading Ordinance #2011-03 amending Chapter 153 “Vehicles and Traffic“, Article IV “Metered Parking“ of the Durham Town Code by creating a new Section 153-29(d) “Petree Brook Lane (Southerly Side)” and initiating verbiage changes therein, and schedules a public hearing for May 16 2011. Councilor Gooze SECONDED the motion.

Councilor Niman noted that there used to be parking meters on Madbury Road, but they kept disappearing, and eventually the Town gave up. He said his concern was whether there was a security plan and insurance plan for this more expensive kiosk system, because otherwise it would go the way of the parking meters.

Chief Kurz said the meters were removed because they weren't utilized, even when they were there. He said that concerning the control system they were looking at, they were trying to look at an opportunity to get away from just coinage, and to allow other ways of paying that were more user friendly. He said this could include giving resident taxpayers an advantage in terms of parking. But he noted that nothing specific had been brought forward yet. He said Councilor Niman's point was well taken, and said this would be considered. He said what was proposed right now was an experiment, and was a placeholder.

The motion PASSED unanimously 8-0.

VIII. Committee Appointments

- A. Shall the Town Council appoint Paul Smith, 73 Newmarket Road, to the Integrated Waste Management Advisory Committee?

Paul Smith spoke with the Council about his volunteer work experience over the years in Durham, and said he could bring this experience to his work with the IWMAC.

Councilor Mower and Chair Carroll thanked Mr. Smith for stepping forward to serve on this important committee.

Councilor Marple MOVED to appoint Paul Smith, 73 Newmarket Road, to the Integrated Waste Management Advisory Committee. Councilor Smith SECONDED the motion, and it PASSED unanimously 8-0.

- B. Shall the Town Council appoint Douglas Clark, 56 Sandy Brook Drive, to fill the unexpired regular member vacancy of James Lawson on the Economic Development Committee?

Chair Carroll noted that Mr. Clark was previously a member of the Town Council and at that time was also on the EDC.

Councilor Lawson said the Town was fortunate that Mr. Clark would continue to serve in this capacity.

Councilor Lawson MOVED to appoint Douglas Clark, 56 Sandy Brook Drive, to fill the unexpired regular member vacancy of James Lawson on the Economic Development Committee. Councilor Mower SECONDED the motion, and it PASSED unanimously 8-0.

The Council stood in recess from 8:19 to 8:28 PM..

IX. Presentation Items

- A. Update on Durham Public Library building project - Douglas Bencks, Chair, Library Board of Trustees

Chair Carroll said Mr. Bencks would update the Council on the architecture and floor plan for the proposed new Library, as well as on the financing for the Library.

Mr. Bencks told Councilors that a lot of progress had been made. He noted that this presentation was just one step in the process, and said there would be more presentations. He first described the proposed layout of the new library on the site, and said the building and parking had been nestled into a portion of the property that could be easily developed, and that had good access from the street. He said they had tried to adhere to the intent of staying out of the wetland buffer.

He next described the interior layout of the building itself. He said the existing house was seen as the social space of the Library, and said the idea was that it could be accessed when the library itself was closed. He also explained that there was a large community room proposed on the second floor. He said this room would hold up to 100 people, but could be subdivided so it could be used for a variety of different programs. He also explained that the second floor of the house would require some structural upgrades, and said it would be left for some possible future use.

Mr. Bencks said the view of the Library from Madbury Road would be opened up by removing vegetation. He also noted that the drawing that was provided showed solar panels on the roof, and said while this wasn't currently included in the budget, there had been discussions with Revolution Energy about a possible way to structure the financing so this could work.

He spoke further about the fact that a big part of the library design was the creation of community space. He also said the need for the library was compelling, explaining that the existing library's activities had increased by 65% over the past 5 years. He said that in general, as technology had become more a part of everyone's lives, library usage had gone up. He said the expectation was that this Library would create something that had been missing in Durham for a long time.

Mr. Bencks said they had looked at a number of recently built libraries in comparable towns in NH. He noted that Councilor Lawson had provided him with some information pertaining to this. He said the design was for 10,500 sf, which didn't include the second floor of the existing house or the basement of the house. He said the expectation was that the building would reflect sustainable design principles, would be easy to maintain and operate, and would be durable and energy efficient.

He said a LEED checklist had been used, but said they would not be going through a formal LEED process. He said they were currently doing an energy model of the building design to understand the operating costs, and said information on this would be brought back to the Council. He provided clarification as to why the formal LEED certification wasn't being done.

Mr. Bencks also said that after the project was built there would be a commissioning of the building, at which point they would make sure all of the building systems worked properly, which was something that was critical in a modern building.

He said the construction cost was \$3.2 million, and said the cost of the total project was \$4.8 million. He said this was slightly more than what the Library Trustees had put forward in the CIP. He said the committee had decided that at this point, they didn't want to squeeze things out of the project, and instead were prepared to do more fundraising. He said the Trustees had \$1.2 million in hand, and now were saying they planned to raise another \$900,000, which would come to a total of \$2.1 million. He said this meant the bond issue vote would still be on \$2.7 million, which was consistent with what was in the CIP.

Mr. Bencks said major fundraising had already begun, and said they had raised \$250,000, so were off to a good start. He said major donors would be approached first, and then they would go on to reach out to everyone in the community. He also said grant money was being pursued, and noted again that they were working with Revolution Energy.

He said right now, they wanted to provide information and answers to questions that people might have about the project. He said there was a lot of information about the project on the recently rebuilt Library website.

Councilor Smith asked if the \$4.8 included the acquisition of the property, and Mr. Bencks said yes.

Councilor Stanhope referred to the fact that the community room would seat 100, and asked how many parking spaces there would be on the site.

Mr. Bencks said there would be 50 spaces on the site, and also said there were Town parking spaces directly across the street. He said they were also evaluating the possibility of some kind of easement to Strafford Ave, where there were additional metered spaces. He said they believed they could provide convenient, safe parking with these methods.

Councilor Stanhope asked that they identify the total number of spaces within a reasonable walking distance, and what the maximum demand for parking would be.

Mr. Bencks said it was felt that the site and surrounding area allowed for a good combination of parking options.

Councilor Mower said if there was an event, 50 parking spaces might suffice since several attendees might share a single car.

Mr. Bencks also noted that some people in Town could walk to the site, and also said they had worked with the Energy Committee to make sure that there would be bike parking available.

Councilor Lawson asked when the committee would be able to provide a high level breakdown of the construction costs, and said he would like to better understand these costs.

There was discussion on what the project costs were beyond the construction cost. Mr. Bencks said one of the biggest line items was contingency, and explained the importance of having this because they were early in the design process. He said he could provide documentation on how to determine the amount of contingency needed.

Councilor Stanhope said as early as possible, it would be good to be able to show what the impact of the bond would be on the tax rate. He also said it would be good to see what the increase in operational costs would be, as compared to those for the present library.

Mr. Bencks noted that there was the staffing piece, and said it was projected that there would be an additional 2 FTE (full time employees). He pointed out that the Town wouldn't have to pay the current \$56,000 per year in rent, which would offset the additional staffing cost significantly. He also said there would be an energy/housekeeping costs piece that would be provided.

Councilor Gooze said he was on the committee, and said they were very careful about the number of personnel who would be required to run the library. He also spoke about the fact that they had started with a bigger project, and had worked hard to shrink it down to the minimum of what was required.

Councilor Lawson said it seemed that the size of the library was consistent with new library construction, but said space for space, it would probably be the most expensive library built in the State. He said he would have a year to become more comfortable with this.

Administrator Selig said this was a well thought out project, and said it seemed to be going in the right direction. But he said that from the earlier studies he had seen, the square footage needed was in the 12,500 sf range, so his concern was whether what was proposed now would meet the Town's needs over the next 50-100 years. He said he trusted that due diligence would be given to that topic.

He spoke about the importance of making the new Library a showpiece for the community, including the energy efficiency and sustainability of the building. He said he was concerned about not having some kind of certification concerning this. He said they wanted this project to be a symbol of Durham, and also noted that the Town was already asking developers about LEED certification and what they were doing to be green. He said if the Town couldn't walk the walk on this and demonstrate what these things meant, it made it harder to promote them with developers.

Administrator Selig asked if it was known what the additional cost would be of getting some level of LEED certification, and also asked what the Council thought about this in terms of its importance. He noted that an initiative had come forward some years ago for the Council to adopt a resolution mandating that all future projects would be green. He said that at the time, he had said that any project he supported would be LEED certified. He said he wanted to be clear on that now.

Councilor Gooze said he disagreed, because there was a definite difference between a private development project and what the public could bear. He noted that the Business School would be LEED certified. But he said to get the community to accept the Library project, there would have to be some compromises.

Councilor Mower said the Energy Committee had discussed numerous times the observation that LEED had some detractors, and said there might be other certification programs that were better. She said one of the key things was who was hired in order to make sure things were done right and that the Town would get the energy efficiency that came from correct installation. She said she understood the desire for a showcase, and also said she understood that there were many demands on the Budget. She said she agreed with Councilor Gooze, and said to a certain extent, it came down to how it was promoted.

Councilor Niman said he agreed with Councilor Mower. He said the Council should applaud the Trustees for a wonderful design, as well as their plans to work the funding in a way that was consistent with the \$2.7 million in bonding they had spoken of all along. He also said he heard what Councilor Lawson was saying, but said if the Library Trustees were willing to raise the

extra money, he thought they should have whatever they wanted. He said he applauded them for what they were doing, and said if the taxpayers went along with a bond for \$2.7 million, they were getting a bargain. He said he hoped they could raise the money, and keep the Town's portion to 2.7 million.

Councilor Mower asked what additional data there was on the increase in the number of patrons and materials borrowed at the Durham Library in recent years.

Tom Madden, Director of the Durham Library, said the growth from 2005-2008 was in response to the materials and electronic resources they were providing. He said they also had improved programming, and noted as well that by 2008, the impacts of the economy could be seen in terms of the increase.

Councilor Mower asked if there was any demographic data, and Mr. Madden said he didn't have actual data. He and Councilor Gooze provided details on how the program space that would be needed was determined, and said this information was available on the Library's web site.

Councilor Mower asked if it was anticipated that any portion of the grant applications might be dependent on the actual number of grassroots library supporters, in terms of leverage for those grants.

Mr. Bencks said this would vary from grant to grant, and said with the grant that had been applied for, the entity offering it was more interested in knowing that the leadership was fully committed and had made a donation. He provided details on this. He said other grants did require information on grassroots support, and said the Trustees would make residents aware of this.

Chair Carroll noted that Mr. Bencks had been involved with many projects in Town, so in a sense this project was nothing new for him. She said he was bringing his expertise to help the Town, which was his home, to create something that would be beautiful, meaningful, and substantial, for their time and in the future. She thanked him, and also thanked Mr. Madden for his persistence concerning this project.

B. Quarterly Financial Report through 3/31/11 - Gail Jablonski, Business Manager

Ms. Jablonski said about 9% of revenues had come in, which was typical for this time of year because they hadn't yet seen taxes or State revenues that would hopefully come in. She said there was nothing glaring concerning expenditures, and noted there were two areas that were running higher than estimated, one of which was for snow removal and the other which was to put DCAT meetings online. She said this was an anticipated expense, but it was strongly supported by the DCAT committee and the Town Administrator, so they went ahead and did that. She said all of the individual funds were running as expected.

Councilor Gooze said the way the meetings were set up on DCAT online now made it very easy to find a particular section of a meeting.

X. Unfinished Business

A. Continued discussion regarding the development of Town Council goals for 2011/12

Chair Carroll said they would start at the top of the page and work their way through the goals. Councilor Gooze said he wasn't sure he needed the detail that had been provided by some Councilors. He noted that they had kept things broad last year, and focused in on the Central Business District/commercial core, where they got into some individual points. He suggested staying with that approach, with perhaps a few additions, to keep the goals list to the approximate length it was last year.

Councilor Mower said the previous year, they had discussed staying at a higher level. She noted on the other hand that a Councilor had said that if something wasn't on the list, it might fall off the table. She said many of these goals were actually strategies and tactics, and said the Town Administrator would be sure to keep them alive. She said a shorter list of goals helped communicate to the committees and the community what the Council goals were, which was an advantage.

Administrator Selig said he and Chair Carroll had tried to integrate the comments received from Councilors into a consolidated document, and said they could go through them tonight to decide if there was agreement on each of them. He said he could then bring back a honed document based on this.

Chair Carroll noted that Councilor Smith had recommended removing the Mission statement, while Councilor Mower had proposed a new one.

Councilor Mower said she thought there was some confusion on what a mission statement or a vision statement was. She said she believed the Council's mission was closer to what was in the Town Charter, as opposed to the vision.

Councilor Gooze said he was happy with the vision the way it was.

Councilor Smith said he obviously was not happy with it.

Councilor Gooze MOVED to keep the Mission and Core Values as they were written in 2010. Chair Carroll SECONDED the motion.

Councilor Smith said a reason he didn't want to keep the Mission statement was that he didn't know how they could create a community that did what the statement said, and also said he didn't want to try.

Councilor Mower said again that she didn't think it was a mission statement, and saw it at best as a vision statement. She said she didn't see this as their primary role at the Council, and said this statement was a kitchen sink approach. She said at a time the Town was facing significant challenges to be able to deliver services, it made sense for the Council to start off with their feet on the ground, and to perhaps also have vision.

Councilor Stanhope said he agreed with Councilor Smith. He said the Mission statement was inspiring, but said he wasn't sure that it belonged there. He also said he agreed that the Goals should be just be one page, and said they therefore shouldn't use up a few paragraphs on something that didn't really get them to focus on the goals.

Councilor Lawson said the fact that they were spending time on them now and not on the goals was indicative of the complexity of trying to deal with them, and said he liked Councilor Smith's idea of removing them. He said they were important, and could perhaps be put in a separate document.

Councilor Gooze said after listening to the discussion, he thought Councilors had made a good point, and said he would withdraw his motion.

Chair Carroll said it seemed to be the consensus of the Council to start with just the Goals.

Administrator Selig said the language in the Mission Statement and Core Values was a result of cumulative Council discussion over many years, but said it would fine to eliminate them, and said they would carry on.

- 1. Pursue Long-Term Economic and Environmental Sustainability** by embracing the notion of sustainability in its broadest terms, implementation of continuous improvement “Kaizen” principles, encouraging thoughtful redevelopment, diversifying the tax base, preserving Durham's limited natural resources, ensuring the long-term viability of financial strategies, and implementing “new urbanism” principles where possible.

Councilor Gooze noted that he had suggested the wording “where appropriate” instead of “where possible” because he was uncomfortable with plowing ahead with something without thinking where they really wanted it.

Councilor Smith said some things were possible but were not appropriate. Other Councilors were in agreement with the proposed change.

Councilor Mower suggested that this goal could simply read - Pursue Long term economic and environmental sustainability, which would make it high level and succinct. There was discussion

Jim Lawson suggested additions to the goal: “...encourage thoughtful development and redevelopment”, and “.....expand and diversify the tax base...”

There was discussion about this. Chair Carroll said including redevelopment was important, because there hadn't been redevelopment of the Central Business District yet, which was another important Council goal. She said there wasn't much vacant land there to develop, but said there was much property that could be redeveloped. She also said redevelopment meant the Town didn't need to add new infrastructure.

It was also noted that as Councilor Mower had suggested, the wording should also say “preserving and protecting Durham's limited natural resources...”

Chair Carroll suggested changing “notion” to “concept”. She also noted that Tom Kelly, UNH Chief Sustainability Officer, would be coming to speak to the Council on the principles of sustainability some time in June.

- 2. Revitalize the Central Business District and downtown commercial core** while maintaining our small Town character and sense of history through the encouragement of thoughtful new development or reinvestment that serves the year-round population, better integrates the presence of the University, targets the global marketplace, and is potentially inclusive of workforce housing opportunities, all intended to foster a critical mass of residential, commercial, and retail activity to revitalize Durham's downtown.

It was noted that Councilor Smith had suggested eliminating the wording "targets the global marketplace."

There was discussion on the strategies under this goal, and whether they should be included or not as part of the goal.

Chair Carroll said she thought evaluating the creation of a downtown TIF should perhaps be a bullet, and there was discussion. Administrator Selig agreed that the TIF concept related to redevelopment of the commercial core, but said they were already moving in that direction, so he didn't think it necessarily needed to be in the goals.

Councilor Gooze noting the wording in this goal concerning small town character, and said it could perhaps fall under goal #3, concerning maintaining the integrity of Durham neighborhoods.

Councilor Mower said she was trying to figure out where the idea of design guidelines could be incorporated into goal #2.

Chair Carroll said she saw design guidelines as a separate goal, or a bullet under #2.

Councilor Gooze said he didn't care for the wording in #2 "...all intended to foster a critical mass of residential, commercial and retail activity to revitalize Durham's downtown." He said he thought that instead, wording from 13(d) should go there: "evaluate, and if appropriate, move forward with the development of comprehensive architectural and design standards for the downtown core."

Administrator Selig suggested making 13(d) a separate goal instead, and others agreed. He also said the wording Councilor Gooze said he wanted to eliminate didn't have to be there, but said there was a sense that a healthy downtown had each of those components, and said the wording was a great reminder of this. There was discussion on the wording "critical mass", and it was agreed that it would be removed.

Councilor Stanhope said he was troubled by the word "standards" in 13(d), and it was agreed that the wording should be "design standards or guidelines...." for now, and they could come to agreement on this later in the year. Councilor Mower noted that this reflected a question in the Master Plan update survey, so there would be feedback on this from the community.

There was discussion on what to do with #2(c).

There was also discussion on the process the Council was going through discussing the goals in detail with Councilor Niman questioning the need for this. Councilors agreed to move on to goal #3.

3. **Maintain the integrity of Durham neighborhoods** through vigilant enforcement of zoning regulations, the exploration and thoughtful evaluation of potential new regulatory strategies, the development of new desirable opportunities for undergraduate, graduate, and junior faculty housing in appropriately zoned locations to relieve pressure on traditional single family neighborhoods, and through continued collaborative relationships with the University of New Hampshire, the Durham Landlords Association, the Rental Housing Commission, and neighborhood residents.

Councilor Gooze said he was comfortable with the goal as it was. Councilor Lawson said his suggested additions to this goal were too specific. Councilor Mower said hers was probably covered by the larger goal. Councilor Gooze said he wanted to be sure that buffers between residential and commercial uses were considered as part of this goal

4. **Identify definitive sites and develop a plan for key public facilities** to include Public Library, Fire Station, Town Office, and potential recreational opportunities so as to strengthen the town's identity and realize the financial and energy-efficiency benefits of combining functions, where possible, as well as to meet the present and future needs of the community.

Councilor Mower said she liked the idea of emphasizing combining functions in this goal. Councilor Lawson said his suggested addition to this goal was covered under the larger umbrella of the goal. There was discussion on the purpose of goal #4. It was agreed to use the following wording for it: "Identify definitive sites and develop a plan for key public to meet the present and future needs of the community."

5. **Revisit long-term vision for Durham** through the update of the 2000 Master Plan with emphasis in 2010 on integrating six chapters to include Downtown and Community Core Chapter, Professional Office Chapter, Environmental and Cultural Resources Chapter, Tax Stabilization Chapter, Land Development Regulations Chapter, and Energy Chapter.
6. **Continue to explore cooperative efforts with UNH** to enhance the intellectual, cultural, and potential future economic benefits of being a university town.
7. **Strengthen the community by supporting the needs of residents and families** through a wide array of active and passive recreational opportunities, the celebration of Durham's history, and by encouraging community walk-ability, bike-ability, and public transportation in order to provide safe and pleasing alternatives to using automobiles within the Town.

Councilors agreed that these three goals would stay in the list of 2011-2012 Goals as they were.

8. **Leverage town committees and subcommittees to develop tactical plans for the implementation of those portions of the B. Dennis Strategic Plan that are appropriate for Durham**, aligning their agendas with the broader goals of the Council, and encouraging them to collaborate with each other more frequently and with the community at large.

After discussion on this goal, the Council agreed on the wording, “Leverage Town committees and subcommittees to develop tactical plans for the implementation of their agendas to align with the broader goals of the Council, and to encourage them to collaborate more frequently with each other and with the community at large.”

- 9. Engage the Oyster River Cooperative School District** to be more open and transparent in communication, sustainability in financial matters, and issues of substance abuse.

Councilor Mower said it might be reasonable to consider adding a statement to goal #9 that explained why the Council wished to be engaged with the School District, and addressed the issue of the integral relationship between a good quality school district and the economic well being of the Town.

The Council agreed on the following wording for goal #9: “Engage the Oyster River Cooperative School District to be open and transparent in communication and sustainable in financial matters.”

- 10. Promote Sustainability by encouraging an Agricultural Committee or similar entity and considering ways to promote local food production.**

Councilor Gooze recommended other wording for this goal that he had proposed. “Investigate the role of an Agricultural Committee and decide if the committee would be beneficial for the town of Durham.” There was discussion that this goal actually fit under goal #1 and would be brought forward as part of that goal. Councilor Gooze said he was fine with that.

Councilor Mower said she thought it was up to Councilors to bring bullet level issues like this to the Council periodically for discussion.

There was discussion that the remaining goals seemed to be repetitive in some way, and that the Council would stop with the 10th goal, which would be:

- 11. Evaluate and, if appropriate, move forward with the development of comprehensive architectural and design guidelines for the downtown core.**

- B. Continued discussion regarding the development of covenants on an application for the Community Revitalization Tax Relief Incentive Program (RSA 79-E) submitted by Bosen & Springer, PLLC, on behalf of Matthew Crape, for property located at 9-11 Madbury Road.

Councilor Stanhope recused himself from the discussion at 10:02 pm.

Administrator Selig noted that the Council had held a public hearing at the last meeting, and subsequent to that there was a meeting with the applicant to discuss the covenants and what he was going to be doing with the building. He said this was done in order to arrive at a clear articulation of the public benefits, so the Council would be comfortable considering some type of tax exemption over some duration.

He said what had become clear to him as they spoke was that there were many elements possible as part of the project that weren’t clear during the presentation. He said this included

architectural features and materials for the building, and energy efficient fixtures in the building that weren't mandated. He said they also discussed items that could be added to the project to enhance it, and said he had suggested the idea of a solar array on the roof. He said Mr. Crape had agreed to include this, and also said there would be a camera security system so he could monitor the property carefully and maintain proper behavior.

Administrator Selig also said a key element not covered at the public hearing was that Mr. Crape was permitted to construct either a 3 story or 4 story building. He said creating a 4 story structure would mean transforming it into a value added amenity downtown, and said one possibility was that it could be office space, like the layout at Mr. Crape's Jenkins Court property. He said another possibility was workforce housing.

He said the current proposal envisioned two scenarios, one of which was a single unit of workforce housing, with the rest being office space. He said this would assume that at some point during the exemption, the Council would modify the Zoning Ordinance to allow residential on the 4th floor. He said if the Council was willing to provide a 5 year exemption, Mr. Crape would be willing to provide 1 unit of workforce housing, and said if there was a 7 year exemption, he would be willing provide 3 units.

Administrator Selig said his own thought was that they should see whether workforce housing worked in the Grange, and keep the potential 4th floor of Mr. Crape's building as office space for now. He said it would be helpful to get some feedback on this.

He said the covenants reflected the ideas he had described, and said he saw this process now as a negotiation between the Town and the applicant, to see if they could come up with a public benefit that worked for everyone. He said he hoped they could get additional guidance so they could bring back a formal item for action next Monday or on May 16th.

Councilor Niman first said he wasn't in favor of taking commercial space and making it into workforce housing. He said if they were going to support retail development downtown, they needed workers to frequent the downtown. He then said what hadn't been discussed was whether they were going to do a TIF downtown. He said his concern was that if they applied RSA 79-E to every redeveloped or new building downtown, there would be no incremental tax revenues for a TIF to capture. He said the Council hadn't had that discussion yet, and said they needed to decide which they wanted, because the reality was that they couldn't have both.

Chair Carroll said she wondered about the timing issue, noting that they didn't have a TIF district ready, and that Mr. Crape would like to start building this summer.

Councilor Niman said perhaps the Council could say they would do RSA 79-E for his property, and would then use the TIF district for others. He said the Council needed to take a position on how they wanted to proceed, independent of this application. He said they might decide they wanted to move forward with a TIF, but the benefits of this application might outweigh whatever incremental revenues could be used for other purposes. But he said that they needed to consider this application with their eyes open.

He said a TIF district was essential for infrastructure improvements downtown, and said they should move forward with that. He said the advantage of TIF was that the Town would capture

the tax dollars that would otherwise go to the School District or the County. He said it could be a very powerful tool for the Town, and said he believed they should move forward with it.

Councilor Niman said there seemed to be an impression that a precedent had been set so they had to give applicants the benefits under RSA 79-E. He said he could see himself voting in favor of it for this building because of its location. He said the Town Administrator had made progress in terms of insuring it would be a very attractive building, and said the Council could decide that this was just as important as financing street lamps, and improvements to sidewalks and intersections. He said he could see approving this application, but said it shouldn't mean that the Council would then approve any project that came along under RSA 79-E.

Councilor Lawson explained that RSA 79-E indicated that when a TIF district was put in place, there was more discretion in applying RSA 79-E. But he said the Council still needed to make a decision in terms of the direction it was heading in.

Administrator Selig said he had thought a lot about this issue. He said a key component of the TIF was what its boundaries would be, and what the purpose for it would be. He said one approach was that once they identified the infrastructure they wanted, they would then bank the proceeds from the TIF for a period of time, until a sufficient reserve was accumulated, in order to go after the things they wanted. He said a shorter term approach would be to use a TIF to build a parking structure as part of a hotel project downtown. He said it could be a great symbiotic relationship.

He said the proposed architecture in Mr. Crape's building would be truly lovely, and would enhance the entrance to the downtown. He said he saw it as a gateway project that would encourage and promote other investment downtown, which the Town could then capture with a TIF.

He said it was factually inaccurate that granting one application under RSA 79-E would mean the Council would have to grant them all, stating that the Council had complete discretion regarding this under the State statute. He encouraged the Council to use it, and also to think strategically because it was a good tool. He said once a TIF was in place, they might still want to promote certain types of investment using RSA 79-E, but might use shorter exemptions, or partial exemptions because that was all they needed. He said the idea of creating a TIF didn't deter from him from considering this application.

Councilor Gooze said he agreed that there shouldn't be workforce housing in the 4th floor of the proposed building, and said they should wait to see how it worked out at the Grange. He said he very much recommended that it be office space.

Councilor Mower said it appeared that there could be prime office space there, because of the attractiveness of the building, its central location, ease of access, etc.

Administrator Selig said one thought was if RSA 79-E could be used to create an incentive for the kinds of restaurant uses they would like to see in the commercial core. He said the applicant understood this was a goal of the Council and was hopeful he could attract a use like that, but said he couldn't be left with empty space there. He said Mr. Crape was willing to work with the Town to preserve office-type space on the 4th floor, which was the model he had used on Jenkins Court.

Councilor Mower said she would be very uncomfortable if it were likely that another pizza joint was a tenant. There was discussion. Councilor Mower noted that the use didn't necessarily need to be a restaurant in order to create social activity.

Councilor Niman said he thought the intention was not to limit the uses. He said if the rent was \$2000 per month, only certain kinds of businesses could make this work. He suggested the idea of offering tax incentives to artificially reduce the rent during the time the covenants were in place, in order to make it more viable for a regular restaurant and not a pizza joint to operate there and earn a profit. He said he wasn't necessarily saying it would work in this context.

There was discussion on how that could be worked into a covenant.

Chair Carroll said she was thinking about the idea of a bakery, which was something the Town had long needed.

Administrator Selig said he would talk further with the applicant, and remove the workforce housing idea. He said his thought was that there would be a five year tax incentive, and said if there was, a question would be what the duration of the covenants would be. He noted that they were allowed to be twice the length of the exemption.

There was discussion on whether the surveillance cameras proposed was a public benefit. Administrator Selig noted that footage taken outside at Jenkins Court had been helpful to the Police Department in solving some crimes.

Chair Carroll asked Administrator Selig to bring the Council back the numbers on the tax reduction proposed.

Councilor Gooze asked Mr. Crape about the idea Councilor Niman had suggested, and Mr. Crape said he was open to expanding the kinds of uses found in Durham. He said it would make him more comfortable knowing that he didn't have a situation where there was a pizza place in his building, a use for which there was too much competition in Town. But he said his concern was that even if there was zero rent for something like a bakery, a question was whether there would be a market for it, and whether it would survive.

Councilor Marple asked Councilor Niman if he still thought it was appropriate to just give the tax break for the commercial part of the building.

Councilor Niman said if they were talking about the architectural details, the tax break should go for the whole building.

Councilor Lawson said the additional information had been helpful and positive for him. He said this was a really big incentive, and was about \$50,000 per year. He said it was a reason the Council needed to make it a priority, for future projects, to go back and re-evaluate RSA 79-E, because he wasn't convinced that with this business model, this type of incentive was needed. He said it was a lot of tax dollars.

He said that in general, he was uncomfortable with the types of incentives the Council was put in the position of providing, given the business model of these projects, which involved student

housing, in the current market, etc. He said these were projects that would go ahead anyway. He said it was a shame RSA 79-E didn't given them the flexibility to negotiate what they wanted to see on the first floor.

Councilor Gooze MOVED to extend the meeting beyond 10:30 pm. Councilor Mower SECONDED the motion, and it PASSED unanimously 7-0.

Councilor Niman said Councilor Lawson made a very good point, which was that it was a lot of tax dollars, and the question was what they would get in return, and if they had figured out what these things were worth to them. He said this was something the Council should talk about before deciding how long the exemption would be for, and before voting on whether to approve the application.

Councilor Lawson said he wasn't confident that the RSA gave them the flexibility on this, as the Town had adopted it.

Administrator Selig said the RSA used the wording "up to five years", and "up to seven years", so the Council could allow less. He said he was comfortable with the idea of talking with the applicant about the actual value of the specific improvements, and comparing this to the value of the tax benefit the Town would provide. He said it could be considered how long the benefit would be for, and said the applicant might find that if the benefit was only for 3 years, it might not be worthwhile for him to do the application.

Councilor Gooze said they didn't have design guidelines/standards right now, and said if the Council said the project didn't qualify, they wouldn't get the product. He said this showed the importance of getting the design guidelines/standards done.

Administrator Selig said Mr. Crape had out of town partners who were focused on the profit margin, and weren't necessarily as vested in the community as Mr. Crape was. He said they knew that a product downtown was likely to produce X amount of revenue, and didn't necessarily have an aesthetic the Town might want. He said they were fortunate to have Mr. Crape as a local connection, who knew what the Town wanted.

Chair Carroll said it was nice to work with someone who was cooperative with the Town, and was willing to enter into negotiations with the Town and see their point of view.

Councilor Mower said she was struck by the distinction between what the value of the incremental design and construction standards would be, in terms of the outlay for materials and labor, and the intangible value to the Town. She said the latter was the trickier thing to put a dollar figure on, and said this definitely went to the goal of creating a vibrant downtown, for residents and visitors. She said she guessed there was a whole field of economics that dealt with that kind of valuation.

Councilor Niman said that would be a long and expensive process.

Councilor Lawson said as he looked at the design of the application, there were some intangibles that he could see, noting that this location was a very important part of the downtown. He said this was a very nice looking building, and said he didn't want to imply that they could count up all of the numbers on this. He also noted that perhaps 10% of the building's energy would come from solar energy.

Councilor Mower said another intangible from the solar array was that there was a halo effect to the Town to have visible properties that had invested in alternative energy.

Chair Carroll said Administrator Selig would bring the revised proposal back, including some numbers, to the next meeting.

Councilor Stanhope returned to the table at 10:40 pm.

- C. Resolution #2011-11** implementing enhanced guidelines for use by the Town Council in weighing applications under NH Revised Statutes Annotated (RSA) 790E “Community Revitalization Tax Relief Incentive” enabling municipalities to provide for short-term property assessment tax relief

Administrator Selig said if Councilors liked the additional enhanced criteria, they should determine how many of the criteria they wanted to see as part of a project.

Councilor Mower asked if there were any specific additions from the Town attorney, and Administrator Selig said they had been incorporated already. He also said there had been thinking about the idea of finding out exactly what the public benefit value was, and only giving that much incentive to an applicant. But he said that didn’t take into account other public benefits that surpassed the project.

There was discussion on how many public benefits had to be identified. Councilor Mower noted that the wording of the statute indicated that a municipality could choose some local public benefits not mentioned in the RSA.

Councilor Stanhope said perhaps only one public benefit would need to be identified if it satisfied a financial threshold, and the offset was in balance with it. He said it might also be 4 or 5 public benefits that needed to add up.

He also spoke about the fact that at the end of a 10 year exemption, the tax bill would bump up to the real value, and this would probably drive everyone out of the building. He said if instead the tax incentive declined over that period, one advantage was that there wouldn’t be sticker shock to the tenants. He also said it would also allow the Town to extend a covenant out 20 years.

Administrator Selig said he didn’t know if that would be possible under the existing framework, because it spoke to years and not the value over the period of time. But he said it was a great question, and that he would find the answer.

Councilor Mower asked if the Resolution perhaps needed to reflect the equivalent financial cost of providing the benefit, versus the tax relief.

Councilor Marple questioned how some of these benefits could be valued. There was discussion.

Councilor Mower said perhaps this Resolution still wasn’t ready for prime time.

In answer to a question from Councilor Lawson, Administrator Selig said there would be a stand alone document of the criteria, separate from the actual Resolution. He said there was no need to act on the Resolution that evening.

Councilor Mower said the next time they discussed it, they should address how many benefits an applicant would be required to meet. There was discussion.

Councilor Lawson said since the criteria were subjective, he would like to see something that said they wanted to see a substantive impact regarding the criteria.

Councilor Gooze said there had to be something to keep it subjective on the Council's part.

Councilor Smith said it perhaps could say "...accomplishes in a meaningful way.." He suggested that perhaps Councilor Lawson could develop some language.

Councilor Lawson said he realized that the Council had spent a lot of time thinking about the language, and said perhaps he was concerned about something that he didn't need to be concerned about.

Councilor Smith said RSA 79-E established a number of criteria, and the Council was simply piggy backing on this to accomplish goals that were specific for Durham.

Administrator Selig noted that until the state came along, there was no ability for a town to provide tax relief. He said when the statute first passed, it didn't deal with a complete tear down, and later changed to include this. He reviewed the Council's discussions on RSA 79-E over time about the possible uses of it, and noted that it was realized that it could make something like a hotel project viable financially.

He said when applicants started coming forward with total redevelopments, it was a given that the tax breaks would be given to anyone who applied. But he said there was now more interest in developing downtown, and a question was whether the Council wanted to give away the tax money. He said it would be easier if the Council could say, if the criteria were met, the exemption would be given. He said it was the inherent challenge to be fair as they considered these requests.

Councilor Gooze said he didn't want the Council to get locked in, and asked where it said the Council would have discretion. There was discussion that there was language in the statute.

Councilor Niman said Councilor Gooze was making a good point, and said the language needed to be put in the enhanced criteria as well. He spoke further on this.

Administrator Selig said he would take another look at the document.

XI. New Business

Other business

XII. Nonpublic Session (if required)

XIII. Extended Councilor and Town Administrator Roundtable (if required)

XIV. Adjourn (NLT 10:30 PM)

Councilor Gooze MOVED to adjourn the meeting. Councilor Niman SECONDED the motion.

Councilor Mower said there was a new stack of “Share the Road” stickers for cars at the Town Hall, for those who would like to support bicycle use in Durham.

The motion PASSED unanimously 8-0.

Adjournment at 10:55 pm

Victoria Parmele, Minutes taker