

MINUTES OF THE ECONOMIC DEVELOPMENT COMMITTEE
CITY COUNCIL CHAMBERS
August 10, 2022 – 5:00 p.m.

Committee Members Present: Councilor Martin P. Dumont Sr., Chair
Councilor Don Austin, Vice-Chair
Councilor Richard R. Michaud
Councilor Matt Gerding (arrived at 5:10 p.m.)

Administration/Staff present: City Manager Bob Belmore
Finance Director Scott Smith
Director of Development Services Michelle Mears
Welfare Officer Kristen LaPanne

Others in Attendance: Meghan Fernandez, Fosters Daily Democrat
Alyssa Murphy, Principal of Z Capital Investments
Josh Lacasse, Project Manager of Z Capital Investments
Zeina Talje, Developer of Z Capital Investments (arrived at 5:32 p.m.)

Chairman Dumont called the meeting to order at 5:00 p.m.

MINUTES OF THE PREVIOUS MEETINGS

Councilor Michaud made a motion to approve the minutes of the May 26, 2022 meeting. The motion was seconded by Councilor Dumont and passed 2-0-1. Councilor Austin recused himself.

FORMER BRENTON'S CLEANERS, 1 WINTER STREET – RFP RESULTS

Manager Belmore began by offering some thoughts for the Committee to consider in regards to the Request for Proposal (RFP). Page 17 suggests a plan to relocate the current sewer line, after further discussion during a meeting earlier today between City Staff and Zeina Talje, there is a hope that the City will financially assist in the cost which has yet to be engineered or sent out to bid, therefore, at this time there is no cost estimate available. There was also a hope that the City would consider approval of a Community Revitalization Tax Relief Incentive under RSA 79-E. Manager Belmore stated that this project does not qualify for the taxation forgiveness since there is no building on the site to rehabilitate or demolish and build. Per the developer, the building is expected to be valued at between \$4,000,000 to \$5,000,000. For estimating property taxes, Director Smith used the value of \$4,000,000 which computes out to around \$111,000 in estimated taxation to be factored in. Additionally, the City's form based codes zoning Ordinance requires commercial space on the first floor in which the RFP is only proposing apartments with parking and no commercial space.

Manager Belmore confirmed that the developer, Zeina, is willing to reevaluate and consider any concerns; and also noted was that there was no direct awareness of the cost for the sewer connection fees of approximately \$43,000. Manager Belmore expressed that the City as a government has limitations and is only allowed to do what the State allows in regards to direct financial assistance to

private developers. Lastly, it was confirmed that the monitoring wells would be taken care of by the developer.

Manager Belmore suggested that since the received proposal did not fully meet the RFP and form-based codes, that the Committee had options of re-issuing an RFP or perhaps going to City Council to vote in allowing the developer to seek relief from the Zoning Board and Planning Board to not have commercial space on the first floor level. Manager Belmore added that the developer has already purchased a multi-unit building on Main Street and is interested in continuing to work within the City.

It was decided that since the developer, Zeina, was running late, the Committee would continue on with the agenda items while awaiting to further discuss Z Investments proposal.

PLAZA UPDATES

Manager Belmore obtained a legal opinion concerning any possible deed restrictions to selling the parking lot to a third party for in-fill development, City Attorney indicated there were no restrictions and is looking for Committee feedback on next steps.

Councilor Gerding arrived at 5:10 p.m.

Councilor Michaud expressed interest in sending the RFP out for a third time adding that it be left open in order to expand to multiple developers for different visions. Councilor Austin added consideration as to how it could affect the medical facility, parking and other needs. Council Michaud would like to include current plaza tenants in the discussion of parking, visibility, etc. Manager Belmore offered his suggestion of having City Staff draft a new RFP to include a cover Memo to address Committee concerns.

Chairman Dumont suggests that if the RFP is too restrictive and doesn't generate activity, putting the parking lot up for sale and letting the developer go through land use regulations and onto the Zoning Board and Planning Board where Plaza tenants can voice their concerns. Councilor Gerding fears that if the lot is privately owned, it will stay as a lot with little accessibility or additional development.

Councilor Michaud questioned adding stipulations to the sale and purchase agreement to require development in a certain number of years. Manager Belmore confirmed and added that it can be brought to City Council with stipulations such as requiring a mixed-use development for the lot, in which Councilor Gerding stated he would prefer due to the high demand for housing.

The Committee agreed to having City Staff create a revised RFP to review and discuss all potential options at a future Committee meeting prior to sending it onto the full City Council.

MISCELLANEOUS

Manager Belmore at this time provided Councilor Gerding with a quick overview of his briefing at the start of the meeting regarding the RFP for 1 Winter Street, the former Breton's Cleaners lot, submitted by Z Capital Investments. Additionally, it was mentioned that the purchase price is requested at \$1 vs. a previous proposal of a \$200,000 purchase price by a previous developer.

Manager Belmore notified the Committee in regards to the former Police Department building and lot on Main Street, the hazardous materials cleanup grant work has begun. Additionally, he noted that he had received a lot of interest in the purchase of the property in the past.

CONTINUED FORMER BRENTON'S CLEANERS, 1 WINTER STREET – RFP RESULTS

Alyssa Murphy stated that the form-based codes are completely feasible to meet and they are willing to work with the City to negotiate modifications to the RFP. Zeina arrived at 5:32 p.m. and started her presentation of the project by providing her professional background qualifications, adding that she has been and continues to seek information about what the Somersworth Community wants and needs as well engaging with residents and business owners. When asked by Councilor Gerding to speak about her thoughts on the commercial space on the 1st floor, Zeina expressed interest in creating a shared office space and/or a small Café. Zeina spent some time visiting local retailers, café's etc. and mentioned that she would prefer for them to get busier before she was to propose a retail opportunity at this location.

Councilor Austin commented that he conceptually like the design and agrees that it would fit in with the City and all that is around it adding that due to the proximity to the Maine State boarder, he wants be sure that it is attractive which is why he finds it important to have a business on the 1st floor along with acknowledging the need for housing.

Zeina expressed willingness to refine their RFP design and requested to show the Committee a few slides on her laptop which showcased some of the work her company has developed throughout New England.

Zeina intends to put out quality housing and integrate solar energy. Stated that she did indeed put in a request for the possibility of the City providing her with financial assistance for the sewer line relocation however it is up for discussion. Councilor Gerding asked what Zeina envisions the City's financial responsibility of the relocation would be in which she responded to having a discussion to see if it is possible and stated considering her \$1 purchase price request, it would not be a dealbreaker if the City was unable to assist with the relocation. Councilor Gerding acknowledged that he would be more accepting of the low selling point if the City was financially responsible for less.

There was a brief discussion regarding workforce housing, Chairman Dumont stated that the City is has the largest per capita in the State for low-income and workforce housing and with the population continuing to expand, housing demand has increased. Councilor Dumont stated that RFP negotiations with Z Capital Investments would be a quicker process than rewriting the RFP and putting it back out to bid.

Discussion continued regarding whether to modify the RFP and reissue it, however the Committee agreed that they did not want to delay this process any further and would be more interested in Z Capital Investments modifying their RFP to meet form-based codes and continue negotiation discussions with the City as needed. Manager Belmore will work with City Staff to possibly add an addendum from the developer to fit the City's form-based codes.

Councilor Austin made a motion to sponsor a Resolution to bring the Z Capital Investments Proposal with any possible developer addendums to the full City Council. The motion was seconded by Councilor Michaud and passed 4-0.

ADJOURNMENT

Councilor Michaud made a motion to adjourn. The motion was seconded by Councilor Gerding and passed 4-0. The meeting adjourned at 6:20 p.m.

Respectfully submitted,

Kristen LaPanne, Welfare Officer