SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
(PUBLIC HEARING – TAX RELIEF INCENTIVE APPLICATIONS)
October 16, 2023 at 5:00 PM

Mayor Craig called the meeting to order.

Mayor Craig called for the Pledge of Allegiance, this function being led by Alderman Long.

A moment of silence was observed.

The Clerk called the roll.

Present: Aldermen Stewart, Long, Fajardo, T. Sapienza, Trisciani, Levasseur, Heath, E. Sapienza, Burkush, Barry

Absent: Aldermen Cavanaugh, Kantor, Gamache, George-Kelly

1. Mayor Craig advised that the purpose of the special meeting is to hear those wishing to speak on two Community Revitalization Tax Relief Incentive Applications pursuant to RSA 79-E for properties located at 25-27 Lowell Street and 215 Canal Street in the city of Manchester; that anyone wishing to speak must first step to the nearest microphone when recognized and give his/her name and address in a clear, loud voice for the record; that each person will be given only one opportunity to speak; and any questions must be directed to the Chair.

Mayor Craig requested that Jodie Nazaka, Economic Development Director, make a presentation on 25-27 Lowell Street.

Jodie Nazaka, Economic Development Director, stated the applicant's legal team is here and I would ask them to come up in case there are any questions I cannot answer. A little refresher to start. The intent of RSA 79-E is to provide a temporary property relief incentive for qualifying development projects to either rehabilitate certain qualifying structures or replace structures that do not possess significant historical, cultural or architectural value provided said projects create certain public benefits. The economic development office received a revised application for the referenced properties at 25-27

Lowell Street to review and determine eligibility for relief consideration under RSA 79-E. After reviewing the updated conceptual application and planned scope of work and state statute, I believe the application qualifies for your consideration. Since the March 2023 application, there haven't been significant changes concerning the project's eligibility for 79-E relief consideration yet there are some updates to the project that I think are noteworthy for the Board. First, the property is now under a purchase and sales agreement with new owners, North Street Properties, LLC, the applicants who are here this evening. The purchase and sales agreement is contingent on a minimum of 79-E approval for five years and the number of units has grown from 48 to 73 with a larger proportion of one-bedroom units. The applicant proposes to convert the existing five-story steel-frame office building into a 55,000 square foot apartment building with 73 multi-family residential units and two first floor commercial units and associated site improvements within the central business zoning district. The applicant has provided floor plans for the ground floor layout that contains two commercial units and the composition of units include seven studios, sixty-one one-bedrooms and five two-bedroom units. It should be noted that the revised floor plans shall need Planning Board approval for the density and layout should this be approved. Based on the applicant's pro forma worksheet, the proposed project budget, exclusive of site acquisition and inclusive of demo costs, environmental abatement, site work, etc., is around $13.9 million. To qualify for this relief consideration, the proposed substantial rehabilitation must provide at least one public benefit. The first public benefit is that it must enhance the economic vitality of the downtown. The proposed substantial rehabilitation would improve the economic vitality of the neighborhood and area by overhauling and underutilized office building to a productive use, adding 73 market rate residential units to our downtown. It also enhances and improves a structure that is culturally or historically important. Built in approximately 1940, the Wellington Trade Center has long been a primary office building within the downtown Manchester location, the former location of Mountain Trains & Hobbies. With its prominent location and scale, this building is not historically important, however, it is culturally important to the people of Manchester. It promotes the preservation and reuse of existing building stock throughout a municipality. Although the building is not listed on any historic registry, the preservation helps to maintain the community sense of place and identity. The rehabilitation of this building also helps to revitalize the neighborhood and can stimulate economic development by attracting businesses and residents to the area. It also promotes the development of municipal centers providing for efficiency, safety and greater sense of community. Revitalizing the Wellington Trade Center to new residents and maintaining street level retail represents a significant stride in the city's efforts to attract more residents to the downtown area. It can also help boost economic activity as downtown residents often support local businesses. It increases residential housing in urban town centers. This project proposes to add 73 new market rate apartments to our downtown. In addition to the public benefits mentioned, the project also is within the CBSD, the Central Business Service District, and is considered a qualifying structure. It also meets the substantial rehabilitation requirement and far exceeds the 15% threshold with its project budget of $13 million. Given the data shared by the applicant and the city's pressing need for more housing units, six years of relief under 79-E appears justified. After assessing the potential effects of increased housing units on the city and taking into account the applicant's pro forma and annual predictions, it seems the project will find its footing by Year 7. Therefore, the recommendation from the Economic Development Office is to approval a six-year request, rather than seven. It is important to start by noting the housing availability and affordability challenges that we are experiencing in Manchester and throughout New Hampshire. A project like this is much needed in a community where we are significantly seeing a drastic vacancy rate of under 1%. The higher we can get our vacancy rate, the more we will see stabilization in a lot of our market rents. Through discussions with the Chairman of the Board of Assessors, Robert Gagne who is here this evening, it is estimated that the property's assessed value after renovation will be around $11.8 million for a 73-unit residential conversion. The post renovation assessed value will increase the annual property taxes by approximately $164,699 in one year. If approved, the tax subsidy would result in an estimated cost savings of around $1,092,000 over a six-year period. That is the conclusion of my brief presentation and I would be happy to answer any questions the Board may have.

Mayor Craig called for those wishing to speak.

Jessica Margeson, Ward 7, stated:

Tonight I am here to speak on behalf of Granite State Organizing Project in Manchester. We urge the Board to prioritize affordable housing in all RSA 79-E tax credit requests to promote social cohesion, reduce poverty and foster economic stability. If a development meets criteria for delayed taxes under the 79-E program, the city is giving a gift to that development. In light of the urgent need for housing in our city, the city should not give any breaks without getting some affordable housing in return. We are ready to collaborate and provide assistance in creating strategies that insure affordable housing for all. Thank you.

Jane Haigh, Manchester Housing Alliance, stated:

I have pretty much the same thing to say as Jessica. I think we are giving a tax credit to these properties. I am really happy to see housing being constructed. I know we need housing at all levels including market rate but I think we should ask for affordable housing. It is possible for the developer to commit to some Section 8 housing in which case they would actually get their market rate rent and it would be covered in part by federal housing voucher programs. I think it is not unreasonable to ask them to make a commitment to at least give some Section 8 voucher consideration. I would really like to see some affordable housing as well. Manchester has approved I think 2,000 units of housing; many affordable housing units but we haven't actually seen many affordable housing units constructed to date. Today we got the news that some of the affordable housing that is going to be on Pearl Street isn't really coming for another couple of years so this is kind of a slow rolling disaster that has been leading to the homeless issues that people comment on over and over and over again.

Mayor Craig asked are there any questions from Board members.

Alderman Long asked regarding requiring affordable housing on a 79-E, I know I had a bill that I put in last year that wasn't passed. It was my hope that it would help with this. We cannot require that correct?

Ms. Nazaka answered we don't have a mechanism right now in the city to require them. When I say mechanism, I mean to track and make sure that they are actually sticking with those limitations.

Alderman Long stated my specific question is in regards to approving a 79-E application and requiring affordable housing. I was under the impression that that is not allowed.

Peter Chiesa, Deputy Solicitor, asked is the question can we force them to provide affordable housing as a condition of granting the 79-E request.

Alderman Long answered the question is can we deny somebody a 79-E because there are no affordable housing units.

Deputy Solicitor Chiesa replied you can use your judgement to either grant or not grant the 79-E exemption. You can negotiate or try to include something as a condition of approval. I believe they are asking for seven years. The number of years is up to you. You can always ask if they can provide some sort of affordable housing or not. I believe the counsel for the present applicant might be able to answer that question.

Alderman E. Sapienza asked how many years out are we talking about for this proposal. Did you say six years?

Ms. Nazaka replied they are requesting seven and the recommendation is to grant six.

Alderman E. Sapienza responded I thought the law capped it at five.

Ms. Nazaka stated the base is five years for a 79-E, however, the state amended the state statute last year I believe and the Board adopted the changes to the state statute. If an applicant is proposing residential of any kind, they are eligible for an additional two years. If they are proposing affordable units, they are eligible for an additional four years. So two plus five or four plus five.

Alderman E. Sapienza asked by the same token, we could go with three years if we wanted to correct or two or one or whatever.

Ms. Nazaka answered yes. The Board has the discretion to grant whatever it sees fit for the proposal.

Alderman E. Sapienza asked for a quick review, are these all going to be 100% market rate.

Ms. Nazaka replied yes.

Alderman E. Sapienza asked can we define market rate. It may sound silly but is that whatever the market will bear so if they can get $3,000 a month they are going to get $3,000 a month?

Ms. Nazaka answered yes. The market rate they are proposing in their pro forma for a one-bedroom is $1,700. Affordable for a one-bedroom in Manchester right now is I think just under $1,500 and that includes utilities.

Alderman E. Sapienza asked this $1,700 that they are proposing, they are not bound to that right because it is market rate. It could be $3,000 by the time they are done building it.

Ms. Nazaka responded it could but the hope is that the more units we add to the city our vacancy rate will start to go up. Right now, the landlords have a lot of control because it is supply and demand. We have a very low supply and a high demand so they are able to charge those rents and get them because there is such a demand. As there is more supply, that demand will lessen and competition goes down and now they have competitive rental rates.

Alderman E. Sapienza stated I have comments but I will reserve them.

Alderman Burkush asked how long has this building been vacant.

Ms. Nazaka answered I believe since Covid so 2020.

Alderman Burkush asked are there any other purchase and sales agreements on this building.

Ms. Nazaka responded not that I am aware of.

Alderman Burkush stated so there would be no activity if this isn't approved correct.

Ms. Nazaka replied with this current applicant correct. If the Board did not grant approval for a 79-E, the current applicant with the purchase and sales agreement would not move forward.

Alderman Burkush asked and they are investing nearly $14 million into the project.

Ms. Nazaka answered that is minus the acquisition of the property. If you factor in the acquisition of the property, it is around $17 million.

Alderman Levasseur asked can I have one of the applicants come up.

Sean Engle, Principal, North Street Properties introduced himself.

Alderman Levasseur asked so you are going to build this property. Have you already done all the costs for everything as far as fit-up or have you just made projections? Have you made projections on what it is going to cost you for each unit to be developed?

Mr. Engle responded we have hard quotes. We put this out to 15 different general contractors and we narrowed it down to 3 and now we have our final round.

Alderman Levasseur asked how many properties have you developed already. Is this your first or have you done others?

Mr. Engle replied currently we own nine buildings throughout Manchester. We started buying three years ago in Manchester. Our first acquisition was on the west side. Since then, we have continued to go larger. We see Manchester kind of as our own and we want to continue to develop in Manchester and grow our portfolio within Manchester.

Alderman Levasseur asked when you went for your bank loan, did they give you a discount if you were going to build low income apartments or affordable apartments.

Mr. Engle answered not to my understanding.

Alderman Levasseur stated people talk about affordable but when you go to Home Depot you don't get a discount for saying you are building an affordable apartment compared to a regular apartment do you.

Mr. Engle responded no you do not.

Alderman Levasseur stated you pay whatever the market rate is for your materials. You pay market rate for your contractors and laborers.

Mr. Engle replied correct.

Alderman Stewart stated certainly I appreciate the need for as much housing as we can get right now. Director Nazaka rightly pointed out that our vacancy rate in the city right now is less than 1% which does push those market rents up and up and up and I don't see that…certainly supply and demand is what we are talking about here and that is the major force at play. I don't see that changing anytime soon as was noted here by some of the speakers. These projects aren't happening overnight. It is years and years and we are seeing delays on other projects. I would like to see some affordability requirements put on this. We as a city don't have very many levers, at all, when it comes to affordable with the exception of some of the land that we own that was alluded to with regard to the Pearl Street apartments and that is getting pushed out. To my mind, the market incentive is to have these commercial properties be converted to residential which we are seeing, not just by this applicant but by plenty of others in the city. I find it hard to believe that that is not an adequate enough incentive to get this project done. We are seeing other developers doing it left and right across the city. I, for one, would like to see some type of affordability put into this before it gets my support. Thank you.

John Cronin, Atty. stated affordable housing and light tech properties all have a place in the market but it just doesn't work. You look at the Lincoln project that got approved over at the old police station headquarters that was going to bring low income. My understanding is that is delayed due to economics. We see the Pearl and Hartnett Street projects delayed and Wellington Hill delayed. When you look at the pro forma here and you look at the cost at $17 million and then an assessment at the end close to $12 million, you scratch your head and say why would anyone do affordable because on the face of it you say gee $1,700 okay or $1,400 for low income or workforce. That $400 off a month for the utilities that you have to pay for just doesn't work unless the city wants to subsidize some of that or you can get another economic partner. Also, I think one of the people who spoke said that the city is giving a gift to these developers. I want to clarify that. When Mr. Gamache was here I think he was the first one that was denied on this project. He wasn't going to go forward without it. These folks came along and wanted to buy it and have a contingency. I think there is some misconception that by doing this you are giving up money for the city. This is a state program and the state is really subsidizing this. I think Mr. Gagne can speak to that but when you look at the cost to it, it is not being borne by Manchester. It is being borne by the state generally so why you would say no to any of these projects that are going to revitalize a building that is sitting empty, an attractive important piece of the city that we can put housing in…the whole affordable piece on the equilibrium channel, you are not going to get depressed rents in the market until you have supply. I agree with Alderman Stewart that a lot of these projects probably aren't going to come along soon but taking this from roughly 40 units to 73, you are almost doubling what was going to be there under the old plan and a high percentage of one-bedrooms, and there is a shortage of one-bedrooms that couples can live in that will bring people to the downtown. You say gee seven years is a long time or six years is a long time but when you look out when this thing stabilizes, the extra revenue that is going to be coming in from this particular property alone more than makes up for the shortfall. So if you say this building is going to sit there for three or four years empty or partially occupied by office tenants which are few and far between, you can look at all of the buildings in the downtown for office space. You can look at Boston. The mayor there is asking people, they are paying them to convert office space into apartments. When we increase that supply, you are going to see rents go down. It is not going to happen until then.

Mayor Craig asked Mr. Gagne to come forward.

Alderman Stewart stated while he is coming up, I agree that these projects often do happen with subsidy but that is exactly what we are talking about here. This is a subsidy that the City of Manchester is giving to this developer to help make this project happen. That is the definition of a subsidy – it is lost revenue.

Mayor Craig stated I think it is important to note that Boston has an awful lot of incentives as well that are going towards construction that NH doesn't have.

Robert Gagne, Board of Assessors, stated Atty. Cronin and I just spoke very briefly when this application came in. It was like half a minute and I guess I didn't answer the question fully as far as who bears the cost. The City does lose revenue but not to the degree that you might with an exemption type situation. When we have an elderly exemption or another type of exemption, the state still counts the value of those properties for county tax and so forth and it also affects the statewide property tax. For the 79-E, there is no reporting of that other than how many we have to the state so they don't make an adjustment to our base value that would affect county taxes. That is where the county is picking up some of that difference but it is a loss of revenue.

Alderman Fajardo asked what are you planning to charge for the studio units.

Mr. Engle replied $1,500.

Alderman Fajardo stated you mentioned community partners and I think you do have a community partner in the Manchester Housing Authority issuing Section 8 vouchers. Is that something you would consider for the studio apartments?

Mr. Engle responded at this time we have not considered that.

Alderman Fajardo asked if it means that you will get to that intended market rate of $1,400 would you.

Mr. Engle answered at this time we are not considering that but further down the road we might. At this time, no.

Alderman Fajardo asked can you tell me why you are not considering it.

Mr. Engle replied are you asking why we are not considering vouchers for Section 8 for the studios. I just want to make sure I heard your question correctly.

Alderman Fajardo responded yes considering…really it doesn’t necessarily have to be for the studio but I was thinking that might be the most practical considering those would have the lowest rents. Yes, vouchers for your smallest units.

Mayor Craig stated or any percentage.

Mr. Engle stated we may consider them for studios but like I said at this time we are not considering it; no.

Alderman Fajardo asked would you be willing to make that a part of the approval of the 79-E application. I certainly would vote for it if I knew that there some appetite to consider that especially if that voucher would get you to the rate that you are setting.

Mr. Engle answered there could be a small percentage but what that percentage is I am not sure. I wouldn't rule it out.

Alderman Fajardo stated that is good to hear.

Alderman Levasseur stated Bob we had a revaluation for commercial properties. How many years ago was that?

Mr. Gagne answered it was in 2021.

Alderman Levasseur asked when is the next one coming up.

Mr. Gagne replied 2026.

Alderman Levasseur asked in a commercial building this big do the rents that the owner is getting cause the property value to go up or does it not matter.

Mr. Gagne responded when we evaluate each type of property, we are doing an income approach based on what it is being used for. The property types that have a higher vacancy are going to be valued lower and office buildings would be one of those I would imagine. If I could just address one other thing, when I estimated the value of this property it was based on what our tables are right now. We are at 82% ratio for 2022. If I apply the 82% to the $18 million give or take being invested into this property, the assessed value would be $13 million and change. I think you made a comment about the $11 million versus the $17 million. That is because we are not at market right now.

Alderman Levasseur asked if this doesn't go through and they decide since it is contingent on this going through and no one wants to buy the property and it sits there for three years empty, you are going to see a lower value than you do now.

Mr. Gagne answered relative to other property types. The value might go up but it won't go up as much as everything else. The tax bill would be lower due to less revenue.

Mayor Craig asked if it stays as it is now. If it stays vacant?

Mr. Gagne replied when we do a revaluation, we reassess every property. Now the value might end up closer or it might not. We don't know at this point but I would say that office properties aren't going up in value.

Alderman Levasseur stated they are not going up in value and if they are not rented they will go down.

Mr. Gagne responded possibly yes.

Alderman Levasseur stated a commercial property that is rented obviously has a higher value than one that is not.

Mr. Gagne stated if that submarket is that way. It is not each property.

Alderman Levasseur asked then why does each property have to bring in their rents to you for revaluation.

Mr. Gagne answered so we can establish the market rate for all of those properties.

Alderman Levasseur asked so if this has 73 apartment units that are rented, it will get a higher value.

Mr. Gagne replied yes and if the vacancy rate is still under 1% and the rents are $1,800 a month…I would say that right now with the 82% general level of assessment, apartments like this are about 72%. So even though their tax burden is going up with the 2021 revaluation, they are still under assessed today. I would expect that they would go up more than average the next time around.

Alderman E. Sapienza stated Atty. Cronin correct me if I am wrong but I am not sure it is entirely legal to have vouchers only for the studio apartments. That might be a Fair Housing violation. Sir, you made some very good points. You kind of talked about the strings attached with having variable rates. You made a lot of good points; excellent points. You made so many good points that to me it sounds like could go ahead with this project without the 79-E approval. Perhaps we could do it but to me six years would be excessive and three might be more reasonable. Thank you.

Alderman Fajardo stated to clarify I suggested studio but I am certainly open to anything you would consider with your one and two-bedroom units as well.

Mayor Craig stated I would like to mention something and clarify something that Atty. Cronin said. In Boston, 10% of all 10+ development of apartments have to be affordable and conversions from commercial to apartments they require 10% to be affordable too. I just think it is important when we are talking and using examples that we have the facts. We are running into these same situations in Manchester which is why I think you are hearing many of the aldermen here doing their best to convince you to consider some of these units to be affordable. I think when we talk about housing that is affordable, some people have a negative connotation but these are for firefighters and teachers and our service staff that we have in all of the restaurants in the city. We want to make sure that we have housing here that people who work here can live in. I do hope that after this meeting you will consider it.

Alderman Levasseur asked do we know if Boston gives better interest rates to those types of projects.

Mayor Craig answered they have many more incentives but they also have requirements.

Alderman Long stated first of all, thank you for your investment in Manchester. I appreciate it. Do you have any Section 8 in your portfolio now?

Mr. Engle responded roughly 15% of our portfolio is Section 8 spread out between those buildings.

Alderman Long asked in Manchester.

Mr. Engle answered yes in Manchester and there is one in Concord and we have one in Nashua.

Alderman Long stated I was hearing that you would consider some studios as a possibility.

Mr. Engle replied potentially. We really haven't thought about that. We were considering all market rate but it is something we may consider.

Alderman Long asked could you commit four studios for Section 8.

Atty. Cronin answered I am not so sure you can do that even if he said yes. I want to make sure it is compliant with Fair Housing. If you commit to the Section 8 program, can you make it piecemeal and segregate? I am not sure what the answer to that is.

Mayor Craig stated the Board is not voting on this until tomorrow so there is time to look into it.

Alderman Long stated I am talking about four units. You can take studios out of it.

Mr. Engle stated we will talk afterwards and get back to you.

Alderman Trisciani stated I absolutely encourage you to try to extend as much of using vouchers as possible. I think one of my concerns is that we…I understand and will fight for affordable housing as much as the next person but I also believe that we need to focus on the economic development of our city and that is what 79-E was designed to do. I think that given the shortage of housing that we have, we need all types of housing. I appreciate that you have a mix of studios, one-bedrooms and two-bedrooms. I personally would love to see a few more two-bedrooms but I know you are working through your plan. In reality, we need to make any dent in housing right now we can and this is a solid project and I appreciate that you came to the table with it. I think we as a city have to continue looking at how can we utilize our affordable trust and how can we utilize other incentives. We have 48 new units coming on board with Manchester Housing at Kelley's Falls. We have the Lincoln capital project coming in with affordable. So we are making that dent but we have to keep moving forward. I think what we really need to be careful of, and I would really encourage the Board to not penalize all projects and say we are not going to do any incentives unless you do affordable because with the state we are in in this city and in the state for housing, we need everything right now. Market rates will level out. Market rates are going to fall when you can't get that price. I think we have to pay attention to how market rates play in the economy. As I said, I will fight for affordable but I am also not going to shoot ourselves in the foot as a city and say just because you don'' do this we are not going to give you any incentive. I would encourage you to look at your 15% and I would like to see you extend that on future projects as well. If you can do something with vouchers on this property, that would be great and we would appreciate it because as the mayor said, those vouchers aren't necessarily for poor people who are bad people. They are for our teachers and our firefighters and our police officers and people that work in our community. I would love to see you focus on that and I would love to see you look at that as well and take a broader look. At the same time, I would support this project as it is.

Alderman T. Sapienza stated Jodie thank you for spending the time to go over this project with me before this meeting. I don't like giving tax breaks and I don't do it lightly but I don't like looking at empty buildings eithers. The first 79-E that I voted for is now paying full taxes so five years goes by pretty quick. I know there is a recommendation to go to six on this. I appreciate your investment and these are the kinds of things that are transforming Manchester. Just look at what has happened in the last five years and those properties will be paying full market tax rate very soon. Thank you.

Alderman E. Sapienza asked we are voting on this tomorrow right and it is for six years.

Mayor Craig answered it is whatever the Board decides.

Alderman E. Sapienza asked so we can talk about it tomorrow and go down to five or four.

Ms. Nazaka replied yes. Six years was the recommendation based on my review. No more than six years is my recommendation.

Martin Till stated I want to extend warm greetings and express my gratitude for the opportunity to address the esteemed Board tonight. I am here representing GSOP also. I haven’t lived in Manchester for some time but I work in Manchester. First and foremost, I want to emphasize that GSOP believes strongly that tax credits should only be granted to projects that include affordable housing. This is essential in addressing the need for affordable housing in our community. As someone who works in Manchester, I see that need. Excluding affordable housing from tax credit perpetuates inequality and it hampers the development of a just and inclusive society. We urge the Board to prioritize affordable housing in tax credit projects to promote that social cohesion that we all agree is needed; that unity that we all said is important to reduce poverty. Third, to foster that economic stability because we see that there is an imbalance in that. At GSOP we are ready to collaborate and to provide assistance in creating strategies to insure that affordable housing is for all Manchester residents. Thank you for your attention.

*On motion of **Alderman Barry**, duly seconded by **Alderman E. Sapienza**, it was voted to recess the meeting to allow the Special BMA Meeting on the Supplemental Appropriation to meet.*

Mayor Craig called the meeting back to order.

Mayor Craig requested that Jodie Nazaka, Economic Development Director, make a presentation on 215 Canal Street.

Ms. Nazaka stated we are here for a 79-E application for 215 Canal Street. The Economic Development Office received an application from York Printing Building LLC for review and consideration under state statute RSA 79-E. After reviewing the application, I do believe it qualifies for your consideration. The property, as stated, is located at 215 Canal Street in the Central Business Zoning District and Arena Overlay District. The applicant's vision involves transforming the current two-story commercial warehouse and manufacturing structure into a mixed use center spanning over 30,000 square feet and seamlessly connecting with the fully renovated historic RG Sullivan 724 Cigar Factory to the south. This redevelopment project aims to create a vibrant hub catering to various interests, including food and beverages, health & wellness, sports & entertainment and the arts making it an attractive destination for both local residents and visitors. According to the applicant's pro forma worksheet, the estimated budget for the project, which excludes site acquisition but includes demolition, environmental clean-up, site work, etc., stands at $3.2 million. Pursuant to RSA 79-E, to qualify for this tax relief they must demonstrate substantial rehabilitation and must meet at least one public benefit. 1) It enhances the economic vitality of the downtown. The property is strategically positioned in a gateway to the downtown area historic millyard and the presence of a vibrant mixed use center at the gateway to the city has numerous positive impacts on the community. A diverse mix of attractions can attract visitors to the area leading to increased demands for hotels, restaurants, local businesses and other hospitality services. This in turn has the potential to invigorate tourism-related businesses and generate additional revenue for the city through increased local spending. 2) It enhances and improves a structure that is culturally and historically important. Built in 1955, the building at 215 Canal Street lacks any noteworthy cultural or historical significance, however, its proximity to the millyard presents an opportunity to showcase the areas rich history and architectural heritage and diverse array of offerings including our local museums, activity centers, dining establishments, wellness studios, high tech bio fabrication companies, as well as our parks and trails. Developments like this can play a pivotal role in attracting a new workforce to our city offering a compelling blend of amenities, opportunities and enhancements to the quality of life that will make Manchester an appealing place to reside, work and enjoy leisure activities. 2A) Promotes the preservation and reuse of existing building stock throughout the municipality. Although the building is not listed on any historic registry, the preservation helps to maintain the community's sense of place and identity. Lastly, it promotes development in municipal centers providing for efficiency, safety and greater sense of community. The proposed project at its core is a municipal center providing for all of these activities. In addition to these public benefits, the property at 215 Canal Street is within the Central Business Service District and is considered a qualifying structure. The adjusted total estimated project construction cost is $3.2 million. The proposed project costs meet the substantial rehabilitation requirement. The applicant is requesting five years of tax relief. Based on what was submitted and review, it is recommended that the Board consider 4-5 years at the Board's discretion. The proposal for a vibrant mixed-use center in this area represents a significant step forwards in the city's efforts to attract more retail and commercial activities to build the downtown and millyard areas. A flourishing mixed-use center plays a crucial role in boosting our economy and supporting our existing local businesses and promoting business growth thus driving economic prosperity. Lastly, after discussions with Robert Gagne, it was estimated the property's assessed value after renovation would be $3.25 million for a proposed mixed-use conversion. Following the renovation, the assessed value is expected to increase the annual property taxes by approximately $37,000 in the first year. If approved, the tax subsidy would result in an estimated cost savings ranging between $150,000 to $200,000 for the course of 4 to 5 years. I would be happy to take any questions and also the applicant's representative is here as well.

Mayor Craig called for those wishing to speak.

There was no one.

***Mayor Craig** advised that this being a special meeting of the Board, no further business can be presented and on motion of Alderman Stewart, duly seconded by Alderman Long, it was voted to adjourn.*

A True Record. Attest.

Matthew Normand

City Clerk