

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

December 21, 2021 at 5:00 PM

Chairman T. Sapienza called the meeting to order.

The Clerk called the roll.

Present: Aldermen T. Sapienza, Stewart, Long, Gamache

Absent: Alderman Shaw

Messrs.: R. Gagne

1. Communication from Alderman Terrio requesting that the Board consider approving tax abatements on a case-by-case basis.

Chairman T. Sapienza stated I have had some discussions with the Assessor about this and we have an ordinance right now. We need to create a policy and change the ordinance so that we are treating everyone fairly using criteria. We don't want to get into just looking at projects and seeing if we do or don't like them; we need criteria. What we would like to do tonight is get a recommendation and have the professionals put together a committee and work on putting those regulations together for our review. One of things I would like to see them include are some time limits. One of the things we have learned is when we grant them they sit for a long time. The idea is to spur development. I hope we will consider this in the new ordinance. Does anybody else have any questions or comments?

Alderman Long stated I agree. I would like to see the development plans, estimates and bids like Concord. We can't just change what we have done with others with respect to 79-E. I'll move to receive and file.

Chairman T. Sapienza stated I would like to have our department heads put together a new ordinance policy for our review.

Alderman Long asked is it our land use that you are talking about.

Chairman T. Sapienza replied no. I am talking about the 79-E.

Alderman Long asked so are we looking at having the Assessor and Planning Department put something together for us to review so we can get a better handle on the 79-E program. For example, I have Concord's application here and it shows that they ask for critical things. If the proforma says you get two years then you only get two years.

Robert Gagne, Assessor, stated It has always been my thought that the Economic Director not only be part of this but lead this. This really belongs in that department. Either way it needs to get looked at. You have seen the Concord package and I believe their application is something like 30 pages long and ours is 2. We really need to look at these things more in depth. It will allow you the flexibility to maybe go longer than five

years on something that is really focused on what the city may want downtown versus a shorter period that marginally qualifies for the program. I do think the idea of getting some of the department heads together to come up with a better procedure is a good idea. I don't know the status of hiring the Economic Developer, but that person needs to be a part of this also.

Alderman Stewart stated I would like to see what the staff comes up with for criteria. I would think we have master plan that was recently approved and we would want to best align with that and its goals. Personally I'd like to see more weight given to projects that increase housing affordability.

Mr. Gagne replied the general idea is providing incentives to develop what we want developed. We don't want to provide incentives so that a developer just makes more money over the course of five years without any real net benefit for the city. When this was first adopted by the city about 15 years, it was adopted and rescinded when the law changed about 10 years ago and there was a need to spur some of this development. I am not sure there is a strong need for that today. Stuff is getting done and I think it would get done with or without this. It is a good time to be looking at this and having it be more of a directed tool rather than it being wide open.

Chairman T. Sapienza stated I would like to thank you Bob for your time and information tonight and over the past few weeks.

*On motion by **Alderman Long**, duly seconded by **Alderman Stewart**, it was voted to have the Assessor's Office, Planning, and Economic Development staff return to the committee with a recommendation on how to move forward.*

2. Communication from Alderman Terrio requesting that the Board look into creating tax increment financing (TIF) to attract more development.

Chairman T. Sapienza stated in our packet there was a very good explanation of what a TIF is and how they work. I think we are looking for the same kind of motion as we made on Item 1.

Alderman Terrio stated what spurred me to do this was a conversation with Mr. Gagne and he can probably expand on it. At our last meeting, the Mayor said we can already do this so I guess it is just for informational purposes. I was unaware that the City of Manchester can already approve TIF's. Bob, correct me if I am wrong but in a nutshell I believe you are using the money that is going to be created from the development to fund infrastructure?

Mr. Gagne stated that is the idea yes. The enabling legislation handout, in the Concord materials, refer to 162-K. The idea is you may have an area that needs some infrastructure before you're going to see the development that you want. That will be money that the city will put forward for infrastructure. This gives you a way to capture the increase and value in a TIF district. You don't capture all the value; you identify the area and set the base value. If it was \$3 million in taxable value in that area and in any new development going forward, that would be taken out and rather than having that revenue go to the general fund it would go to the TIF fund to cover any expenses

associated with bonding for development and that type of thing. There are some pretty good examples in the packet from Concord about how they have used it. It has been used by a lot of cities and towns in the state. The closest one would be Londonderry. Once Ray Wieczorek Drive was put in, it opened up a lot of industrial land south of the airport. They did a TIF district to put the roads in where FedEx, UPS and several others built large buildings. Of course that was all raw land so it was a good pickup. All that development generated a lot of tax revenue and I think their TIF was paid off in two years. You will not see that in Manchester where we are already developed and we are just trying to spur redevelopment. It's about trying to develop what we want done and trying to develop some infrastructure. The thing to do would be to decide if the city wants to go in this direction. If it does, a plan needs to be put in place. It does need to be adopted as 162-K indicates. It shouldn't be a blanket thing like 79-E; it should include how it will be adopted and used. You probably want to have several of us, including the new Economic Development Director, put together a plan and see if there are areas where we could do this.

Alderman Stewart moved to direct staff to meet and come back to the committee with a recommendation on setting up TIF districts. **Alderman Long** duly seconded the motion.

Alderman Long asked is it possible to set up a TIF district now where there is no interest in developing. Is that possible or are you pretty much looking for development coming in and then as an added cost to save on the developer and the city side?

Mr. Gagne stated you don't want to have a TIF district like we have the 79-E district. You don't want it to be that large. You need to be able to point to infrastructure. For example, if you thought you could get a lot more development in the Millyard if we put a parking garage there, you would ask what area would be affected by this infrastructure and it should be limited to that area as a TIF district. Just so you are aware, this will require a significant accounting in a few offices as far as tracking the assessed values; what is new, what goes to the TIF, what goes to the general fund, etc. You want this to be a manageable area. You may have some TIF ideas coming to you at some point. I don't have any to present tonight but there is potential to have some come down the pike and it is advantageous to talk about this ahead of time rather than trying to put something in place in 2-4 weeks.

Chairman T. Sapienza called for a vote, the motion carried on a unanimous vote.

3. Discussion regarding impact fee waivers.
(Note: This item was referred to the committee by the Board of Mayor and Aldermen on 10/19/21.)

Chairman T. Sapienza stated this item was referred to us by Alderman Levasseur. He is no longer here as he quit the committee. After researching this the last couple of weeks, it seems that the Planning Board can already waive impact fees as they have a process. We're also in the process of revamping our land use regulations which involves the impact fees and whether or not to waive them. We are probably looking for a motion to receive and file this.

*On motion by **Alderman Long**, duly seconded by **Alderman Gamache**, it was voted to receive and file.*

TABLED ITEM

4. Discussion regarding congregate housing in the city.
(Note: This item was referred by the Board of Mayor and Aldermen and discussed at the 2/18/2020 Administration meeting but due to time constraints, it was requested that it be put back on the committee agenda for further discussion.)

*On motion by **Alderman Long**, duly seconded by **Alderman Gamache**, it was voted to remove item 4 from the table.*

Alderman Stewart stated I would agree that we have pending litigation with regard to several, at least one of I know in my ward, fair housing issues. I think we will want to wait and see where all that ends up and what the ruling is and how we will go forward. I think for the next Board, once we get the answers for those jurisdiction, we will know how to more effectively address these types of situations.

Chairman T. Sapienza stated I agree. We are just trying to clean up the paperwork. We can always bring it up again. We will have a lot more information once those rulings come out.

*On motion by **Alderman Stewart**, duly seconded by **Alderman Long**, it was voted to receive and file item 4.*

*There being no further business, on motion by **Alderman Long**, duly seconded by **Alderman Stewart**, it was voted to adjourn.*

A True Record. Attest.



Clerk of Committee