

**Kingston, New Hampshire
Board of Selectmen
Meeting of April 4, 2022
FINAL MINUTES**

The meeting was called to order at 7:00 PM by the Vice-Chairman.

PRESENT: Kevin St. James, Vice Chair; Electra Alessio, Phillip Coombs, Charles Hart, Select Board Members.

ABSENT: Chairman Richard Wilson

PUBLIC HEARING:

On the revised application of Chinburg Properties for a Community Revitalization Tax Relief Incentive (RSA 79-E) for estimated \$12,500,000 in building improvements to the property located at 178 Main Street. The subject property is located in Historic District 1, Tax Map R34, Lot 17.

Vice Chair St. James opened the public hearing at 7:00 pm and recognized that the Town's assessor, representatives from Chinburg Properties and members of the Town's 79-e Committee were present. He called forward the Assessor, Dan Scalzo, to discuss the current assessment on the property. Mr. Scalzo said that the assessment with the most recent adjustments is \$1,690,600.

Selectwoman Alessio asked how this figure was arrived at. Mr. Scalzo said that his company, KRT Appraisals was asked to look at the assessment in the past as it was known the property was being sold and would no longer be tax exempt. At that time, the assessment was set at around \$2 million. With the processing of Chinburg Properties' application for 79-e tax relief, they were asked to look at it again. He said they looked at appraisals done for the school system in 2017, did their own calculations, and made some adjustments for condition. The largest adjustment was the reduction of the former Science building from \$250,000 to \$59,000.

In discussion, it was noted that the Chase Field is not included, as it remained with the school system. Swasey gym is still included, although it is to be leased to the Town for \$1.00, as is the IT building at the back of the property.

Mr. Scalzo said that he is still looking into how to assess the gym and IT building; he said that if a government entity leases a parcel to a private party, it can be taxed as private property per RSA 72-23; he is looking for an RSA that allows the opposite. He said he is waiting to hear from the NH Department of Revenue Administration to find out if the two buildings can be considered tax exempt as they are being leased to the Town.

Vice Chair St. James then asked Mr. Chinburg and another representative of Chinburg Properties if they had been apprised of the most current assessed value; they had not and were given copies of the property cards from before and after the most recent changes. Selectman St. James asked if they would like to ask any questions on the assessed value. Mr. Chinburg's associate said that they were here to answer questions on their revised application, and to be a resource for the discussion.

A member of the public asked to be heard; Selectman St. James invited him to come up and speak. Dan Driscoll, 11 Happy Hollow Lane, said that real estate is the highest it has ever been, and questioned why the Seminary property was sold for \$200,000. He further questioned why a developer should be given a tax break when they bought the property at such a low price.

Mr. Scalzo gave the history of the assessed value for the property. Selectwoman Alessio said she understands the confusion, but the Town did pass warrant articles to sell the property, and also to adopt RSA 79-e to offer tax relief for properties in the historic district. She said that this can't be treated like a normal private sale. She said someone could have bought the property, razed the buildings, and developed it but the town has a vested interest in the historic value of the Seminary building. The State has developed this tool for cases like this. She then explained the process of 79-e tax relief, which allows someone to fix the property the right way and preserve it as best it can be. She added that the property has never been of any tax benefit to the Town, and now it will be. She said she sees the situation as win-win for the Town and for the developer.

Regarding the sale price, Selectwoman Alessio said that Mr. Chinburg has a reputation for developing historic properties in the area and bringing this property to life will enhance the community. She said he will have to devote a substantial amount of money to do this, and that is where the lower price and the tax relief come in. Vice-Chair St. James added that the property was an albatross around the Town's neck, and that the school, Town, and the 79-e committee had worked together to come up with a fair price. He said that Mr. Chinburg will have to invest a lot of money, but at the very least the Town will be receiving some tax money for the first time, even at the reduced rate. In the past it has been a drain on the town's taxpayers, as money had to be spent to maintain the exterior and to keep the interior from further deterioration.

Mr. Driscoll continued to question why the Town would give a break to a developer who will make a lot of money. Selectman Coombs said that is because of the money he will have to spend to save the building. He added that people in town were upset to lose other historic buildings, such as the Grace Daley house, and that is why they voted for this mechanism to be available. There are other factors, such as bringing people into the downtown area and supporting local businesses.

It was pointed out that this is a rehearing, necessary because of changes to the original application approved by the Board last year. In answer to other questions of Mr. Driscoll, Selectman Coombs said that a contingency of the sale was that RSA 79-e would be adopted by the town. Mr. Scalzo said that value is frozen for the duration of the agreement, and taxes are paid on that. Selectman Coombs said that other tax credits are available to anyone, such as the 79-d credit for historic barns; this is another case where the assessment is kept frozen so that repairs and upkeep can be done without taxes increasing.

Ernie Landry of the 79-e committee asked Mr. Chinburg and his associate some questions about the project. He said that part of the proposal included affordable housing and asked how many units would be in that category. He was told that the Seminary building would have a total of 15 units, and the structure proposed to replace

the Science building would have 80- 85 units; 10% of both buildings will be affordable housing, at 80% AMI.

Mr. Landry then said that the National Historic Register designates the building but also a 200-foot-wide swath to Main Street. He asked if the metal gate would be kept, and if anything will be going into that 200' area. Mr. Chinburg's assistant answered that the gates will be kept, and that a home is proposed to go in the footprint of a historic home that was on the property. He said that this is the first he heard about the 200-foot swath, and he is not sure where the house falls within it. This will be taken under consideration.

Mr. Chinburg then addressed the Board to say that he had thought he had an agreement with the Town to hold the assessment at \$400,000. He said this is a big change. Selectman St James said the property had not been properly assessed in forever, and it had to be reviewed. He said what is being given as the assessed value today is current. Mr. Chinburg said that the building was vacant a long time and the town did not select anyone to do the work. He said when he came forward, the building was worth \$1.00 or less. He said he paid \$200,000 and the agreement was to cap the assessment at twice that. He said he had come in to talk about the 79-e application and it is a surprise to learn that rather than paying twice what he paid, it will be closer to nine times. Selectman Coombs agreed that \$400,000 was discussed, and that this is substantially more than what was agreed upon.

Selectman Coombs said that with the revised application and the changes made to the plan for the Science building, changes to the agreement are to be expected, but he said he agrees they should not be to this extent. Mr. Scalzo said that KRT's approach to the assessment has not changed, and it is based on current conditions. Mr. Chinburg said that the changes were made because he couldn't make the project work with 15 apartments in the Science building, so as he had been told that building is not near and dear to anyone, he felt he could do better by replacing it. In meetings with the HDC, he revised it down to 3 floors rather than 4, which makes the viability marginal, and he said that it may not be doable if he must pay an additional \$30,000 per year in taxes.

It was agreed to set this aside for now and talk about the application. Mr. Chinburg's associate said that the change is that rather than renovate the Science building, the plan is now to replace it with a new building, and this substantial change is why they need to reapply. He said they are still asking for 9 years of relief on both buildings. He said that as the Science building is to be replaced, it no longer qualifies for the extra 2 years of relief for Historic value, but they have added additional public benefits and are requesting 4 years relief for that. Total relief requested in the revised application is 9 years on the Science building replacement, and 13 years on the Seminary. This is allowed due to adding affordable housing to both buildings, and also increasing the level of historical renovation on the Seminary to meet Secretary of the Interior standards.

Selectman Coombs said that the six single family homes on the plan are new. Mr. Chinburg said that this has been discussed with the HDC, who were amenable and said it would give the property more of a campus feel. The houses were described as single family detached condominiums. He said that these would go on the tax rolls immediately at full value.

Mark Fowler, 2 Ginger Way, said that home values are through the roof. He asked what the pay-back period will be, with 100 units off the tax rolls for 9-13 years. He questioned what is considered affordable housing. He said the property is worth more than \$200,000. Selectmen Alessio and Coombs reiterated the explanation of how the 79-e program works.

Mr. Chinburg left the meeting at this time.

Mr. Landry explained that the objective is to enhance the quality of the downtown area, and in a broader sense, to rejuvenate it. He said the money is just one aspect the 79-e program, and that the economic development and future viability of Kingston is another. He said all the Board is doing is implementing the RSA as it was intended. He said it is a good deal for the developer and for the Town. The tax income will be helpful but bringing people into town will as well. Selectwoman Alessio agreed, saying that there are not enough people to support small businesses now.

Vice-Chair St. James said that this is a new application and up for negotiation. He asked for the 79-e committee to meet and return a recommendation to the board. To a question from the public, Selectman Coombs said the two main points of negotiation are the assessed value and the length of time relief will be granted.

The Vice-Chair closed the public hearing at 8:03 and reopened the Select Board's regular meeting.

APPOINTMENTS:

Town Clerk-Tax Collector Tammy Bakie - property deeding

Ms. Bakie informed the Board that there are seven properties up for deeding back to the Town this year, due to unpaid taxes. She gave the Board the list and said that she expects payment in time from all but maybe one. She said the deadline is May 10, and at that time she will give any remaining properties to this board, who will then decide to accept the property deed or to sign a deed waiver.

Public Comment 1

The Administrative Assistant asked for clarification on the matter of how many public hearings are to be held, as only one is required. Mr. Coppelman said that another is recommended even if not required. Timing was discussed. Mr. Coppelman read from the RSA. A public hearing needs to be held within 60 days of receipt of the application (in this case, February 24). A decision needs to be made within 45 days of the public hearing. The Board needs to determine at the hearing whether the structure is a qualifying structure, whether proposed rehabilitation qualifies as Substantial Rehabilitation, and whether there is a public benefit to granting the requested tax relief, and if so, for what duration. Selectman Coombs said that as at least two of these questions had not been explored at this hearing, another hearing is in order.

MOTION: by Selectman Coombs, to hold another Public Hearing on this application, on April 18 (this will still be within the 60-day window).

SECOND: by Selectwoman Alessio.

All in favor.

COMMITTEE LIAISON REPORTS:

Selectman Hart said that the Budget Committee had met, and the new chairman will be Trisha Tidd, Vice Chair Rick Russman. Selectman St. James said he had met with Paul Butler for his review, which is in the folder to be signed.

OLD BUSINESS:

Heritage Commission By-laws

The Board reviewed and discussed the revised bylaws. Selectman Coombs questioned a passage under Powers and Duties on page one, that states the Heritage Commission can “acquire and manage gifts of property”. It was decided to recommend this be changed to gifts of historic value. The bylaws are still to be sent for a legal review, after which the Board will revisit them.

Letter re: regionalization of Fire and Emergency Services

The letter, asking nearby Towns’ Select Boards to a meeting to discuss this topic, was signed for mailing. A date has not been sent; the other towns are asked to respond to say if they are interested and what their availability to meet may be.

Town Engineer’s report: Solar Hills Phase II

This report from Town Engineer Dennis Quintal was written subsequent to a site visit to the project by him and Code Enforcement Officer Chet Dzioba. Mr. Quintal reports that bounds were found to be missing in 17 places on the site. He also observed that a full foundation was recently installed. The board members questioned whether a permit had been approved for this.

NEW BUSINESS:

Rockingham Planning Commission dues

There was a brief discussion of this commission and also that the annual dues have not gone up. Mr. Coppelman, who is one of two commissioners for Kingston, said that the being a member of the RPC gives the town a seat at the table for discussion of issues that affect the wider area. He said the Commission is there for assistance and support on a wide variety of matters. It was agreed that the Town will continue its involvement with the RPC and pay the dues when a purchase order comes through.

Wrecker Service Agreement

Bump and Grind Towing has requested a renewal of its 5-year contract for wrecker services to the Town. It was noted they are the only towing service in town and that the Highway and Police departments are happy with their service.

MOTION: by Selectman Coombs to renew the wrecking service contract with Bump and Grind for 5 years.

SECOND: by Selectwoman Alessio

All in favor

Household Hazardous Waste Day - Contractor recommendation

There was a brief discussion of the Highway Agent’s recommendation. Selectman Coombs relayed Mr. St. Hilaire’s reasons for choosing one company over the others, based on reports from other towns.

MOTION: by by Selectman Coombs to accept the bid of Veolia for hauling services for the October HHW day to be hosted by the town.

SECOND: by Selectwoman Alessio

All in favor

Clean Energy NH

Selectman St. James said that Clean Energy NH would help with request for proposals for the solar project the Town is considering; dues are \$250. Selectwoman Alessio said she has the brochure and will wait for a recommendation from the Solar committee.

On a related note, Selectman Coombs said that the Solid Waste and Recycling Committee is hoping to have NERR (New England Resource Recovery) come in to do a presentation.

BOARD BUSINESS:

Appointees to various committees will be invited to attend the meeting on April 11.

PUBLIC COMMENT 2: None

CORRESPONDENCE, APPLICATIONS, PURCHASE ORDERS:

- One application for tax relief for a residence in a commercial or industrial zone was approved.
- One elderly tax credit application was approved.
- A facilities use application for the annual regatta put on by the South Shore Outboard association was approved.
- The junkyard license renewal for Ken's Auto Salvage was approved and signed on a Motion by Selectman Coombs, Seconded by Selectman Hart.

APPROVAL OF MEETING MINUTES:

MOTION: By Selectman Coombs, to approve the meeting minutes of March 28, 2022, public and non-public, with one amendment (comment attributed to wrong board member).

SECOND: by Selectwoman Alessio

All in favor

NON-PUBLIC SESSION:

MOTION: by Selectman Hart, to enter non-public session under RSA 91-A:3, II (I) Legal

SECOND: by Selectman Coombs

All in favor; Selectmen Coombs and Alessio were recused from participation

Meeting adjourned to non-public session at 8:45 PM.

MOTION: by Selectman Hart, to return to public session at 8:30 PM

SECOND: by Selectman St. James

All in favor

Discussed in non-public session: a legal matter

Adjournment:

Meeting Adjourned at 9:00 PM

Respectfully submitted: Susan H. Ayer, Administrative Assistant to the Select Board