

**Minutes of Meeting
CONWAY BOARD OF SELECTMEN
December 12, 2006**

The Selectmen's Meeting convened at 4:02 p.m. in the Meeting Room of Conway Town Hall with the following present: Selectmen Larry Martin (Chair), David Weathers, Karen Umberger, Gary Webster, and Mark Hounsell; Town Manager, Earl W. Sires; and Recording Secretary, Holly Meserve

PLEDGE OF ALLEGIANCE

Chairman Martin led the Board in the Pledge of Allegiance to the Flag.

SIGNING OF DOCUMENTS

The Board reviewed and signed various documents contained in the signature folder.

APPROVAL OF BILLS

The Board reviewed and signed the manifest dated December 12, 2006.

APPROVAL OF MINUTES

The Board tabled the minutes of 11/09/06 until the next meeting.

COMMUNITY REINVESTMENT OPPORTUNITY
PROGRAM (CROP) / TRAFFORD'S RV

Virginia Trafford of Trafford's RV was in the audience. Mr. Sires stated that this is a program for reinvestment in areas that have environmental problems or are economically stressed. Mr. Sires stated that the Trafford's site falls into the Brownfield site program, which the State allows relief from payroll taxes. Mr. Sires stated that the application has been completed. Mr. Sires stated there would be no impact to the Town in regard to local tax revenue and this would provide a benefit to the owner. Mr. Sires stated that he is assuming the Trafford's would pay the \$100 application fee. Ms. Trafford agreed.

Ms. Umberger stated since this is the Brownfield Program they are not required to provide the other information. Mr. Sires agreed. Mr. Hounsell stated that this does not impact the town and helps a business in the town. Mr. Sires agreed.

Ms. Trafford stated that this program would provide \$1,000 of the payroll. **Ms. Umberger made a motion, seconded by Mr. Hounsell, to forward the application to the New Hampshire Department of Resources and Economic Development for the CROP Zone Program for the Trafford's RV site and for the chairman of the Board of Selectmen to sign the cover letter. Motion unanimously carried (5-0).**

TAX INCREMENT FINANCING (TIF) PROPOSAL / MWVEC

Jac Cuddy appeared before the Board. Mr. Cuddy stated that this is to start discussions on a TIF district. Mr. Cuddy provided handouts to the Board. Mr. Cuddy stated that the front page of the handout explains what a TIF district is, the second page of the handout is an outline of the property that the Council owns and the third page of the handout are the names of the towns participating in TIF Districts and links to DRED regarding TIF districts.

Mr. Cuddy stated that the Council owns 81 acres in Conway and the next phase is to expand the village into a business or campus park. Mr. Cuddy stated that the Council's intent is to have a light touch on the property and not totally destroy it. Mr. Cuddy stated that the dotted lines are potential lot sites.

Mr. Cuddy stated using the economic development tool of a TIF would allow us to expand the road infrastructure and subdivide the land into lots. Mr. Cuddy stated that the cost of the infrastructure for the road is approximately \$1,000 a foot. Mr. Cuddy stated that the TIF tool is specifically made available nation wide as an opportunity for economic development to take place in communities in order to obtain bonding for infrastructures. Mr. Cuddy stated that the land would be designated as a district and an advisory committee would be established. Mr. Cuddy stated that the Town would have to vote on the bond.

Mr. Cuddy stated creating a TIF has to be approved by the Town. Mr. Hounsell asked if the district needs to be designated and then there would need to be a vote on a bond for the road. Mr. Cuddy answered in the affirmative and stated that they would never petition for a bond vote unless there was a signed agreement for a building to be built. Mr. Cuddy stated that the bond would be paid for by the taxes assessed to the buildings that were built.

Mr. Martin stated while their paying back the bond there would be no taxes paid to the town. Mr. Cuddy agreed and stated if the taxes were more than the annual payment of the bond, then the excess money would go in to the Town's general fund. Mr. Weathers stated once development of the lots begins there would be no taxes being paid to the Town. Mr. Cuddy stated what the Council is asking to do is designated an area for economic development that would benefit the town by creating jobs and a tax base. Mr. Cuddy stated they want the capability to borrow money at a reasonable rate in order to construct the road and the taxes paid on the property would pay for the bond. Mr. Martin stated while there is a bond, there would be no money that goes into the general fund.

Mr. Webster asked if creating the road in this manner would still require a vote of the Town for the road to be maintained by the Town. Mr. Cuddy stated that the road is constructed to Town specifications and this would be different if a developer developed the road. Mr. Cuddy stated that this is an arm of the Town, the town cannot afford to have an economic staff, so we as a non-profit organization is trying

to bring good jobs to the valley. Mr. Cuddy stated that Towns use the economic development tool with the TIF district to help build infrastructure.

Mr. Webster stated it would be a town road if we participate in the TIF district. Mr. Sires stated that this would be a town project and the Town would have to assume responsibility of the road as well as absorbing the rest of the road. Mr. Sires stated if the Town accepted this, the Town would have to review how the special exception applies if there is lots subdivided and become independent lots, as well as review the need for a traffic study. Mr. Sires stated that this is not a bulletproof proposal and there are some potential risks, such as if it was sold to a profitable organization.

Mr. Hounsell stated that it is not a zone that makes the property tax exempt. Ms. Umberger stated that it means less money to the Town. Mr. Webster asked what is the process. Mr. Sires stated there would have to be a warrant article to create a TIF district. Mr. Weathers stated that these districts are only in the southern portion of the state. Mr. Cuddy stated that is because the request goes to an alderman rather than a vote of the town and they also have a staff to create the district.

Mr. Cuddy stated Keene was the first town that started to look at it and now there are three other Towns. Mr. Martin asked in regard to infrastructure is the water tax-exempt. Mr. Cuddy answered in the negative and stated that that is all included in the cost per foot. Mr. Sires stated that the bond would be for utilities, road and electric. Mr. Cuddy answered in the affirmative.

Ms. Umberger asked what is the concept for the types of buildings. Mr. Cuddy stated that the intent is office space and maybe light manufacturing. Mr. Cuddy stated there would be no retail sales or stores. Mr. Cuddy stated that a daycare could be possible. Ms. Umberger stated that the reason for asking is to be able to develop all these lots. Mr. Cuddy stated that they are not looking to develop all the lots; the Board of Directors wants to develop no more than 300,000 square feet of office space. Mr. Cuddy stated their still looking to have a light touch on the property and a lot of the lines would disappear with the land leases. Mr. Cuddy stated that the intent is not to have 12-lots, but to have another five buildings on the property.

Mr. Webster asked if this would need to be overseen by another committee. Mr. Cuddy answered in the negative. Mr. Sires asked if they are trying to bring business to the community or move one business from an existing location in Conway to this development. Mr. Cuddy answered both. Mr. Cuddy stated they are not looking to find, and are not going to find, a fidelity that will put a big facility and hire 500 people; that will not happen. Mr. Cuddy stated that they are looking for businesses that want to expand and hire 15-20 employees.

Mr. Sires stated a business moving from one space in Conway to another space would not be a benefit for the town. Mr. Sires stated that there would be more of an impact if these were to be developed by new business. Mr. Cuddy stated that that is the intent. Mr. Sires stated that the person relocating is getting free

infrastructure to the lot. Mr. Cuddy stated that it is not free infrastructure as they pay for it in taxes. Mr. Sires stated that they have to pay their taxes anyway.

Mr. Cuddy stated that the intent is to bring in company's that are representative of what is in the incubator. Mr. Cuddy stated that this is a good opportunity for financial aid in Conway Village as they have a huge burden to pay for infrastructure. Mr. Cuddy stated if the development takes place in the tech village and the land is developed for office space there would be a tax base that would benefit the village.

Mr. Sires asked if Conway village is supporting this proposal. Mr. Cuddy stated that he still needs to speak to the Commissioners, but this is a huge benefit to them. Ms. Umberger stated that we learned about a month ago that the employment goals set were not met and you have not told us that you have exceeded your space, or that your in the process of losing tenants because you cannot build. Ms. Umberger stated that her initial reaction is that this may not be the right time to establish a TIF district because there has been no evidence backing the need to expand from what you are doing right now.

Mr. Cuddy stated this is not just for the businesses in the incubator, but to invite businesses to relocate to the incubator. Ms. Umberger stated this proposal is difficult for her, but she recognizes that we have to have a clear understanding of where you are going and where we want the economic development to be and agree we as the town gave a lot of support for the development of the economic council. Ms. Umberger stated since then the Council has gone off and done their thing, but she is concerned we are out of the loop for some reason, and the board would like to see more light manufacturing in town, but it comes down to a question not sure we are ready to answer. Ms. Umberger asked what are the other options, are we looking at office space, not sure if that is where we want to go with a TIF. Ms. Umberger stated maybe there are other areas that could use some redevelopment, not necessarily new development, but she will certainly read the information provided.

Mr. Cuddy stated there is a representative from the Town as well as the Board of Selectmen to the directors. Mr. Cuddy stated that they have included light manufacturing in the space, so that is going to take place, we don't know what buildings or companies are going to want to relocate or go through the incubator, but they cannot wait until next year to create the district. Mr. Cuddy stated that the voters of the town agreed when they voted on the special exception to allow this to happen. Mr. Cuddy stated that the town has supported this process. Mr. Hounsell stated that he believes there is definitely a place for a TIF program, but the political reality is there has to be some catching up and conversation, but the initiation is good. Mr. Hounsell stated that he is wondering if perhaps this is the year to go forward with the proposal or wait, as people need to get caught up.

Mr. Martin asked where does the liability lie and where do the taxes come from then. Mr. Cuddy stated it would be the same process that is in place now. Mr. Sires stated that the road project would be 100% a town project and liability. Mr. Sires stated that the revenue stream is specific and there is a risk. Mr. Cuddy stated that it

is specific taxpayers. Mr. Sires stated that the ultimate liability is on the town if something should go wrong. Mr. Sires stated that there is a level of risk.

Mr. Cuddy stated that the bottom line is to develop the infrastructure that is to be paid by certain users. Mr. Cuddy stated that they understand there needs to be a lot of education. Mr. Hounsell stated that he doesn't want to oppose the concept of a TIF, but cannot vote to put it on this year's warrant without more knowledge. Mr. Martin asked if the Board would be willing to support this as a Board of Selectmen article. Ms. Umberger, Mr. Webster, Mr. Hounsell and Mr. Weathers all answered in the negative.

Mr. Webster stated that he was at an Economic Development Steering Committee meeting and until the communication infrastructure is upgraded they cannot get anyone up here. Mr. Webster stated that we could have the best infrastructure, but we don't have the connectivity. Mr. Cuddy stated that that is not a problem in the Valley. Mr. Webster stated that the comment was Verizon is not interested. Mr. Cuddy stated that that is not a problem in the valley.

MOUNT WASHINGTON VALLEY SKI TOURING ASSOCIATION (MWVSTA) AGREEMENT

Mr. Sires distributed the agreement to the Board. Mr. Sires stated that this is an annual agreement and there have been no changes in the content, but there has been a change to the name of the organization. Mr. Hounsell asked if the recommendation is to approve. Mr. Sires answered in the affirmative.

Ms. Umberger stated that she has a problem with it being a membership in that people may want to ski in Town, but not be a member of anything. Ms. Umberger stated that she supports this because they do work for us, but don't necessarily agree to call it a membership, as this is a town recreation facility. Mr. Sires stated that calling it a membership gives more to the foundation as it has a non-profit status.

Mr. Weathers asked if it could be participant instead. Ms. Umberger stated that she would prefer participant. Ms. Umberger stated that she applauds what they do but since the town participates we don't need to have memberships. Mr. Weathers stated if you did not want to become a member, you should still be able to ski. Mr. Sires stated that they have to pay \$15.00 initially for a pass and \$5.00 to renew annually. Mr. Weathers stated that it is not free.

Mr. Hounsell made a motion, seconded by Mr. Webster, to accept the proposal. Mr. Martin asked for discussion. Mr. Weathers stated that the taxpayers are already putting in money for recreation and he doesn't think the residents should be charged a one-time fee with an annual renewal. Mr. Hounsell asked even if it cost something to create an id. Mr. Weathers stated that other fees could be used to generate the ids. Mr. Hounsell asked if that includes the production of these ids.

Mr. Webster asked what is the income that is citizen generated. Mr. Sires stated he could get that number. Mr. Sires stated that this includes more than Whitaker Woods and it is a cooperative venture. Mr. Sires stated it is something that town representatives hope to become self-sustaining. Mr. Martin stated that this entitles you to the whole trail system, not just Whitaker woods. Mr. Hounsell stated would be willing to drop the \$15 and \$5 fees if other fees were increased, then the cost to produce the id's would be covered. Mr. Sires stated that there is a committee who reviews this and makes the suggestions.

Mr. Hounsell stated if there is a real cost and that cost is to produce the ids then put that cost on other people other than Conway taxpayers and Conway users. Ms. Umberger stated don't know what the membership business means and would like to go back to the term passes and could solve the problem with removal of some wording. **Motion defeated with Ms. Umberger voting in the negative, Mr. Webster voting in the negative, Mr. Hounsell voting in the affirmative, Mr. Weathers voting in the negative and Mr. Martin voting in the affirmative (2-3-0).**

Ms. Umberger stated the major issue is that the membership needs to be removed. Mr. Sires stated they are trying to generate grant revenues and instead of selling things it becomes a membership base like Tin Mountain, a 501C3, you become a member for a day. Ms. Umberger stated they could apply for grants through the town. Mr. Sires agreed.

Ms. Umberger stated that another issue is the concept of free; the concept of free is no money is exchanged. Ms. Umberger suggested that the sentence "the use of trails is free of charge with a pass" be eliminated. Mr. Weathers agreed and stated it is misleading. Mr. Martin stated any 501C3 organization has to be geared towards memberships rather than selling products.

Ms. Umberger made a motion, seconded by Mr. Webster, to approve the agreement by striking any reference to "free membership" and "free of charge". Motion unanimously carried (5-0-0).

AMERICAN LEGION LEASE / TASKER FIELD

Mr. Sires stated that this creates a one-year lease between the Town and the Legion for the use of Tasker field in exchange for the Town plowing their parking lot. Mr. Webster asked if they would be obligated to stake any obstacles. Mr. Sires stated that they could ask that they do that, but it is not in the lease.

Mr. Hounsell made a motion, seconded by Mr. Webster, to accept the document as presented. Ms. Umberger stated that she did not see anything that allows the Legion the use of the field. Mr. Sires stated that this is the same as the existing lease with a few modifications. Mr. Sires stated that they are leasing the field.

Ms. Umberger stated that the lease indicates the Town is willing to pay for water, but how do we know our portion of the water. Mr. Sires stated that we have

never paid for water. Ms. Umberger suggested removing it from the lease. Mr. Weathers stated that they use water for dust control. Ms. Umberger asked if the ball field is lit. Mr. Sires answered in the negative. Ms. Umberger asked in paragraph 6, should it be "hold" rather than "save". Mr. Sires stated that all "saves" should become "hold".

Mr. Webster referenced paragraph 3 and stated that he didn't think they could contact us. Mr. Hounsell stated that they have the right to contact us. Mr. Webster stated should the word "removal" be changed to "plowing". **Mr. Hounsell amended the motion to change "removal" to "plowing". Mr. Webster seconded amendment.** After a brief discussion of other possible changes, **Mr. Hounsell withdrew his motion and Mr. Webster withdrew his second.**

Mr. Webster made a motion, seconded by Ms. Umberger, to make the necessary modifications and with the understanding that the first year the Town manager and the Public Works would work it out on a storm-by-storm basis.

The changes are as follows: on page 2, change references from "snow removal" to "snow plowing", on page 2 add "during town business hours" after Town Manager and under item 6, change "save" to "hold" in two places. **Motion unanimously carried (5-0-0).**

BUDGET DISCUSSION

Lucy Philbrick appeared before the Board and submitted clean copies of Police Budget. The Board reviewed the Library Budget, electrical costs under government buildings and the Police Budget. Mr. Weathers asked if the bottom line for the Library was \$405,133. Ms. Marshner answered in the affirmative.

Mr. Webster made a motion, seconded by Ms. Umberger, to move the budget of \$8,739,187 to the budget committee. Motion carried with Mr. Hounsell voting in the negative (4-1-0).

Ms. Umberger asked Mr. Hounsell if his no vote was over the Police Department or something else. Mr. Hounsell stated that he thinks the bottom line total of the Town Budget, although defensible, is not defensible by this member of the Board of Selectmen and every department, but it is the Board's position and he will respect the board's position and mine is an individual decision. Ms. Umberger stated that she had some issues, but felt it was important to get it to the budget committee.

Ms. Lucy reviewed the reconciliation of the revolving accounts.

WARRANT ARTICLES

The Board reviewed the warrant articles.

TOWN MANAGER REPORT

There was no report.

BOARD REPORTS

Ms. Umberger stated that there is a meeting with the North Conway Water Precinct and the Conway Village Fire District to review the new agreement.

Mr. Hounsell stated on January 9 he would have the non-fire precinct recommendations.

Mr. Weathers stated the Conway Conservation Commission would have its monthly meeting tomorrow night.

PUBLIC COMMENTS / MEDIA QUESTIONS

There were no public comments or media questions.

ADJOURN

Mr. Weathers moved, seconded by Mr. Webster, to adjourn the meeting. The motion carried unanimously.

The meeting adjourned at 6:57 p.m.

Respectfully submitted,

Holly L. Meserve
Acting Recording Secretary