

**Upper Floor Development Committee
Meeting #2
June 25, 2014
Council Chambers
DRAFT/UNAPPROVED MINUTES**

Committee members in attendance:

Mayor Jim Bouley, Councilor Byron Champlin, Councilor Allan Herschlag, Councilor Keith Nyhan, Councilor Brent Todd

Committee members absent:

None

Staff:

Carlos Baía, Sean Brown, Tedd Evans, Mike Santa, Matt Walsh

Other:

Councilor Jan McClure, Chris Carley (Chair of EDAC), Bill Norton (Member of EDAC)

Meeting was called to order at 5:40 p.m.

Councilor Nyhan moved to approve the April 23, 2014 meeting minutes; Councilor Champlin seconded the motion. Motion carried unanimously.

Carlos Baía mentioned that at the last meeting, the committee had requested information on downtown Penacook similar to what was received for downtown Concord. Mr. Baía distributed a handout that contained the photographs of the properties in downtown Penacook with the related ownership information.

Mayor Bouley asked the committee if it would be amenable to placing the meeting documents received to date on the city's website. The committee expressed support for that and Mr. Baía indicated that it would be done.

Mr. Baía expressed that at the last meeting, the committee had tasked the staff with coming back with a real project to allow the committee to follow the entirety of the City's development review process. Mr. Baía explained that staff had chosen the Endicott Hotel conversion.

Mr. Baía provided the committee with copies of the PowerPoint presentation he delivered regarding the Endicott.

Councilor Herschlag asked if it hadn't been City Council that had required CATCH to do market-rate housing at the Endicott in exchange for assistance with the Mennino Place project. Councilor Nyhan recalled that discussion about having additional market rate housing had taken place but he did not recall it ending up as a formal requirement for City assistance. Mayor Bouley noted that Council was also concerned about CATCH ensuring that there was a plan to work with the then tenants of the building to find an appropriate residence for relocation.

Mayor Bouley noted that based on the review of the Endicott Hotel project from the City's development review perspective, it seems to have been a smooth process. Councilor Nyhan remarked that the project illustrated City/developer cooperation. Chris Carley, the architect for the Endicott Hotel renovation, supported that observation and noted that any problem with the project did not lie with the City. Mr. Carley remarked that issues such as accessibility were not tied to the City but to the way that ADA regulations are written.

Councilor McClure arrived at this point.

Mr. Carley posited that the City should consider a policy regarding accessibility to buildings that would set clear direction to developers. In his estimation, he would prefer to have the City clearly say it either allows or does not allow private building accessibility to be provided in the public right of way.

Mayor Bouley inquired as to the differences between CATCH and a typical private sector developer that would afford CATCH an advantage in doing development. Bill Norton explained that CATCH has staff and access to different funding sources than a private developer.

Mr. Norton suggested that the City possibly consider creating a fund to subsidize redevelopment by the private sector of certain properties.

Mayor Bouley asked about any hurdles to upper floor development that might be unique to Concord. Mr. Carley explained that such redevelopment is inherently more complicated and more expensive per square foot. In most cases a developer is dealing with floor plates that are 100 years old and limit the sales potential based on today's residential expectations. Mr. Carley surmised that it's not the City or the codes issue that are stifling redevelopment. He stated that if there were really a strong market, the code problems could be solved.

Councilor Nyhan noted that the majority of the challenges in the Endicott Hotel project were not under City control or purview. He asked if there was anything that the City could have done differently to make the Endicott project easier.

Mr. Carley responded stating that the codes are outside the City's control being mandated by the State. In terms of interpretation, he suggested that it would be good for the inspectors to know that if they have to make an interpretation that they would have support from the City.

Mr. Nyhan asked if there should be a city employee from Code Administration assigned to a project to walk a developer/contractor through the pertinent codes/regulations. Mr. Carley stated that that sort of work is what a project consultant or architect is responsible for and tasked with doing. He would not expect the City to do that.

Mr. Norton added that challenges stemming from codes are pretty far down the list of hurdles that a downtown redevelopment project would face. Mr. Norton concluded that the crux of the issue is an economic function. If the office market is strong at a certain period in time, developers are more likely to build office space. If the office market is weak, as it is presently, and owners are carrying empty space, they will be more amenable to considering alternatives such as upper floor residential.

Mr. Norton felt that parking was critical for upper floor residential to work.

Councilor Herschlag inquired if ADA compliance is a large issue for the development of upper stories. Mr. Norton answered that it is an economic issue. An elevator for a 4 story building may cost \$250,000. As a result, a project will need to generate a certain number of units to make up for that expenditure.

Councilor Todd asked what additional incentives the City should consider offering. Mr. Norton suggested providing additional parking.

Mr. Norton stressed that the City is not an impediment to upper story redevelopment but it is also not a catalyst. Mr. Baía explained, however, that the City has a long history of public-private partnerships downtown to stimulate redevelopment where it did act as a catalyst.

Councilor Herschlag posited that the challenge to the City is figuring out how to balance providing incentives to developers and still getting a sufficient return via tax base growth to cover City services. Mayor Bouley stated that he supports incentives such as RSA 79E because in the long-term significant new tax base is generated and those projects stimulate new vitality into the community.

Councilor Herschlag asked if City zoning could require projects downtown to include a residential component. He inquired whether the Capital Commons project would have happened if that were a requirement. Mr. Walsh posited that it would have been a deal-breaker at the time.

Mayor Bouley outlined that at the next meeting he would like to invite the landlords downtown to attend. He solicited questions that should be asked.

Mr. Walsh suggested asking why the owners are not considering residential; what is the price point they would need to do so and how much debt service they current have against their properties. Mr. Norton suggested that the owners ask themselves, if they were the City, what would they do. Mr. Carley recommended that the owners be asked what kind of tenants they want and what are they doing to attract them.

Mr. Carley also suggested that developers of upper floor projects in other communities be invited to address the committee in the future.

The committee concluded that it would prefer to skip the month of July and meet in August and have the property owners at that meeting.

Meeting adjourned at 7:30 p.m.

*Respectfully submitted,
Carlos P. Baía*