

City of Concord
Penacook Village Tax Increment Finance District
Advisory Board Meeting Minutes of March 20, 2014

The Penacook Village Tax Increment Finance District (PVTIF) Advisory Board meeting was held on March 20, 2014, at 5:30 p.m., in City Council Chambers, 37 Green Street.

Present at the meeting were Wendy Follansbee, Carol Foss, Wesley Frost, Ellen Langlais, Warren Leary, and Teri Maxwell. Also present were City staff members Matt Walsh and Donna Muir.

1. Introductions

Brief introductions were made, as many of the Board members were familiar with each other.

2. Overview of Advisory Board Roles and Responsibilities

Mr. Walsh provided a brief overview of RSA 162-K and discussed the Board's roles and responsibilities. He noted that the Board's primary mission is to advise City Council about the development, maintenance, and operation of the TIF district. Additionally, the Board is encouraged to offer their own suggestions regarding the district.

3. Review of how Tax Increment Finance (TIF) District work

City staff reviewed how tax increment finance districts operate, explaining that any tax revenue from new incremental assessed value generated by redeveloped properties or new developments within the district, in which have accrued after the District's formation in June 2010, is captured and retained by the PVTIF District and is reinvested back into the district to fund maintenance activities as well as to support debt service payments on TIF District capital improvements.

4. Overview of Penacook Village TIF District, including current Development Program and Financing Plan

Mr. Walsh reviewed the Penacook Village TIF District Development Program and Financing Plan, outlining the objectives, boundaries, and overall financing plan for the TIF District. He explained the development of the Penacook Village TIF District would include construction/reconstruction of public infrastructure, environmental remediation, creation of open space, acquisition of property and easements, as well as construction of streetscape improvements; all to support private development efforts within the District. He also discussed operation and maintenance activities for the District. He explained that the Finance Plan was phased to correspond with the timing of anticipated private development projects including the redevelopment of 4 Crescent Street and the environmental cleanup of 5-35 Canal Street. To date, approximately \$1.1 million dollars has been allocated from various funding sources to finance public improvements within the Penacook Village TIF District; largely to support redevelopment at 4 Crescent Street known as the Penacook Family Physicians project.

5. Discussion of potential use of Penacook Village TIF District to partially finance environmental cleanup of the former Allied Leather Tannery and Amazon Realty sites

City Administration proposes to utilize \$200,000 in PVTIF funds to help finance cleanup of the Allied Leather Tannery and Amazon Realty sites located at 5-35 Canal Street. Cleanup activities began in November 2013 and are approximately 50% complete as of the date of the meeting.

City staff informed the Advisory Board that during the course of the cleanup work unanticipated issues were discovered, causing budget overages and the need for additional funds in order to complete the cleanup project. These issues included, but were not limited to, the following items:

- Greater than expected quantities of buried concrete slabs (162,500SF vs. 60,000SF as originally anticipated);
- Portions of foundation slabs (approximately 130 tons), which were contaminated with hexavalent chromium; a particularly toxic form of chromium, which required special handling and disposal at a facility in Canada.
- Piping systems with residual liquid chromium which needed to be disposed of at a licensed facility.
- Discovery of approximately 900CY of coal ash soils layered between foundation slabs. These materials must either be capped on site or transported to a licensed disposal facility;
- Greater than anticipated groundwater recharge associated with excavation of chromium soils. Specifically, the City's consulting engineering anticipated having to manage 80,000 gallons of dewatering; however, approximately 320,000 gallons will be required.

Because of these issues, the City staff indicated the following would be required:

1. Additional funds totaling approximately \$250,000 would be required to complete the project;
2. Certain PAH soils (a.k.a. coal ash soils) known as "AUR A" located along the Canal Street frontage of the Tannery Site (previously encapsulated in 2004/2005 by the City) would need to remain in their current location rather than be relocated elsewhere on site as originally planned. This change would mean that any new buildings erected at the Tannery Site will need to be setback 50' – 60' from Canal Street in order to accommodate leaving these soils in place. Originally, the City had hoped that any new buildings would be built closer to the street to help reinforce the Village's traditional development pattern and oriented streetscape.

The Advisory Board discussed the proposed cleanup plan for the property, including consolidation and capping of PAH soils and leather contaminated soils along the westerly portion of the Tannery property near the Contoocook River. Specifically, the Advisory Board questioned whether this approach could create a long-term environmental liability. Staff explained that soils mixed with leather and PAHs were used to fill the river sometime between the 1930s and 1960s. Staff reported that these specific materials do exceed state soil reuse standards, but are generally not significantly higher than said standards. It was also noted that much of this material is not located within the groundwater table, thereby reducing potential impacts to the river and groundwater. It was also noted that removal of the existing leather and PAH soils near the river would be very challenging and expensive, as temporary coffer dams would likely be required in order to

keep the river from flooding excavations. For these reasons, the US Environmental Protection Agency and NH Department of Environmental Services have approved capping these materials in place.

The Advisory Board respectfully recommends the following:

1. Appropriate up to \$250,000 to finish cleanup of the Allied Leather Tannery and Amazon Realty parcels. Of this total, \$200,000 would be raised from the PVTIF District through a combination of equity and debt service, with the balance coming from other City funding sources.
2. If the City Council could find the resources, the City should also consider appropriating an additional \$100,000 (for a total of up to \$350,000) to facilitate removal and on-site relocation of coal ash / AUR A soils from their present location along Canal Street. Doing so would allow for any future buildings erected at the Tannery site to be closer to Canal Street, thereby helping to reinforce Penacook Village's traditional development pattern.

6. Adjournment

The meeting adjourned at 7:00 p.m.

Respectfully submitted,

*Matthew R. Walsh
Director of Redevelopment, Downtown Services, and Special Projects*