

Memo

To: Mayor Grenier & City Council
CC: Jim Wheeler, City Manager
From: Pamela E Laflamme, Community Development Director
Date: April 9, 2020
Re: Downtown Tax Relief Application – Revised application & request
for an adjustment to original approval

On February 10, 2020 the City Council approved Adam Hammill's application for the downtown tax relief incentive for five years based on the estimated costs of the repairs to be done to his property at 161 Main Street. The amount of the repairs at the time of the approval were estimated to be \$31,800.00, about 26% of his current property value. Mr. Hammill completed the final step in the process, obtaining the required insurance for the property per our ordinance and was ready to sign the covenant and have it filed with the Registry of Deeds this past week and came to City Hall to do so.

During conversation with Mr. Hammill it was learned that repairs for the property were far greater than originally estimated. The building was not left in great shape by the prior owner and there was allegedly some removal of equipment by the prior owner after Mr. Hammill took ownership that may have caused further damage as well. Mr. Hammill was ready to still proceed and sign the covenant but I encouraged him to come back to the Mayor and Council and see if there was a possibility of adjusting the original approval to reflect the actual cost of rehabilitation that is being done on the building.

Updated application and minutes from the February 10, 2020 meeting are attached. The revised amount of the work to be done is \$60,780.00 and is just over 50% of the value of the building. There is no obligation on the Council to revise the prior approval nor any expectation upon the part of the applicant, but I believe circumstances around the transfer of the building and its conditions once his got into his work warrant a reconsideration.

Expected project start: February 3, 2020

Expected project completion: April 7, 2020 *original*
Revised

I/we have read and understand the Community Revitalization Tax Relief Incentive Ordinance and am aware that this will be a public process including a public hearing to be held to discuss the merits of this application and the subsequent need to enter into a covenant with the City and pay any reasonable expenses associated with the drafting of the covenant.

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|--|--|---------------------------|
| Type or Print Name (in black ink) Adam Hammill | Signature (in black ink) <i>[Signature]</i> | Date January 27, 2020 |
| Type or Print Name (in black ink) | Signature (in black ink) | Date <i>April 3, 2020</i> |
| Type or Print Name (in black ink) | Signature (in black ink) | Date |

TO BE COMPLETED BY LOCAL ASSESSOR

Pre-rehabilitation assessed valuation:

\$121,400.00

Estimated Cost from Application Above:

~~\$31,800.00~~ \$60,780

Percent cost to valuation:

26.19 %

Does the cost of rehabilitation exceed 15% of pre-rehabilitation assessed valuation
Or \$75,000: YES ☒ NO ☐

50.07%

If the answer to the above is no, the application is automatically denied.

MAYOR AND COUNCIL REVIEW

The application is: Granted: ☒ Denied: ☐

Substantial Rehabilitation Tax Relief Incentive will be for 5 years

Tax Relief Incentive for New Residential Units will be for N/A years

Tax Relief Incentive for Rehabilitation of Historic Places

In accordance with the U.S. Secretary of interior's Standards for Rehabilitation N/A years

Specific terms of covenant:

See attached

Specific public benefit(s) achieved or reason(s) for denial:

N/A

Other

Application for Downtown Tax Relief

Ms. Laflamme noted that the Council can act on the application provided there is a 2/3 majority voting in favor; the Mayor and Council find public benefit; the public benefit is preserved; and the project is consistent with the master plan. The covenant will be signed and filed with Registry of Deeds.

The term for the tax relief can be up to 5 years and Councilor Eastman suggested two years. Councilor Higbee commented that he supports five years adding that would make it parallel with the commercial relief. In further discussion, Councilors agreed to five years saying that this is the time to support business growth. Anyone who wants to start a business on Main Street would have the same opportunity. Each application will be reviewed on its own merit.

Councilor Remillard moved, after a duly noticed public hearing, the City Council of the City of Berlin grants an incentive for five years in accordance with the City of Berlin's Code of Ordinances, Chapter 19, Article II, Section 19-19, known as the Community Revitalization Tax Relief Incentive, Item 6, in an amount of \$31,800.00 to Adam Hammill, owner of a qualifying structure located at 161 Main Street (Map 119, Lot 54) for the rehabilitation activities that are to be completed at the existing structure on the condition that a covenant be signed by Mr. Hammill and the City Manager and filed at the Coos County Registry of Deeds. The value set on this property is currently \$121,400.00; Councilor Higbee seconded and the motion carried unanimous thereby achieving the necessary 2/3 majority.

Non-Public Session

Councilor Morgan moved to go into non-public session per RSA 91-A:3II (a) the dismissal, promotion or compensation of any public employee; Councilor Higbee seconded and the motion carried unanimously by roll call.

Personnel issues were discussed.

Councilor Rozek moved to come out of non-public session; Councilor Morgan seconded and the motion carried.

Councilor Rozek moved to seal the minutes of the non-public session indefinitely, as releasing them would make the action taken ineffective; Councilor Morgan seconded and the motion carried unanimously.

Councilor Rozek moved to adjourn; Councilor Higbee seconded and the motion carried. The meeting ended at 7:45 p.m.

Respectfully Submitted,
Susan Tremblay
Administrative Assistant

*Minutes are unofficial until they have been accepted by the City Council by motion.