

A Special Meeting of the Board of Aldermen was held Tuesday, January 10, 2023, at 6:45 pm in the Aldermanic Chamber.

President Lori Wilshire presided; City Clerk Daniel Healey recorded.

Prayer was offered by City Clerk Daniel Healey; Alderman June M. Caron led in the Pledge to the Flag.

Let's start the meeting by taking a roll call attendance.

The roll call was taken with 12 members of the Board of Aldermen present: Alderman O'Brien, Alderman Sullivan, Alderman Klee, Alderman Moran, Alderman Lopez (arrived at 6:55), Alderman Jette (arrived at 6:48), Alderman Clemons, Alderwoman Kelly, Alderman Comeau, Alderman Dowd, Alderman Gouveia, Alderman Caron, Alderwoman Timmons, Alderman Wilshire.

Alderman Thibeault was recorded absent.

Also in attendance was Corporation Counsel Steve Bolton.

COMMUNICATION

From: Tim Cummings, Director of Economic Development
Re: Redevelopment of Mohawk Tannery Site

Without objection, President Wilshire accepted the communication and placed it on file.

PRESENTATION

- Mohawk Tannery

President Wilshire

I'm going to acknowledge Director Cummings for a presentation.

Tim Cummings, Director of Economic Development and Administrative Services

If I may, Madam President.

President Wilshire

Yes.

Tim Cummings, Director of Economic Development and Administrative Services

Thank you. So for the record, Tim Cummings, Director of Economic Development and Administrative Services. I'm here before you this evening because I requested a presentation for a concept of a redevelopment of the Mohawk Tannery site and I wanted to introduce this redevelopment proposal to you by Blaylock Holdings the development team. So at this time, there's an ongoing discussion with the development team relative to developing the property into multifamily housing, which would require the cleaning up of the land. The former Mohawk Tannery facility, aka Granite State Leathers, is located on approximately 30 acres off of the Veterans Memorial Parkway. The currently inactive facility produced tan hides for leather production between 1924 and 1984. The site was proposed for the National Priorities List. That's the program that runs the Superfund Audit EPA on the basis of the past disposal practices which included the direct discharge of wastewater containing such hazardous substances as chromium, zinc, phenol into the Nashua River.

The hazardous material is sited in two lagoons that is close to the Nashua River and is within the 100 year floodplain. The disposal areas were not designed, constructed, operated, or maintained to prevent any washout of hazardous materials should an event of a flooding occur.

It should also be noted adjacent to the Mohawk Tannery there is another environmentally sensitive area known as the "Thimble Door site". It also contains a closed and capped landfill. Along with the right of way that abuts the Veterans Memorial Parkway, these lands make up the entirety of the area that we're going to be discussing this evening.

Now in 2017 timeframe, the EPA announced a new program. This new and unique program sought out environmentally sensitive areas that qualified for superfund programming. Due to other unique characteristics of the land, they would be attractive for a public private partnership. The foundational principles guiding the program is that these sites would allow for the EPA to leverage private sector investment or other sources of funds beyond the federal monies to help clean up the site. This translates into stretching the federal EPA dollars further because less federal funds would be necessary at a specific site allowing for more sites to be cleaned.

Once the Mohawk Tannery site have received this identification, it would trigger a few actions. First in 2018, an environmental engineering evaluation cost analysis known as an EEECA amendment to the 2002 EEECA outlined a consolidated plan for approximately 79,000 cubic yards of contaminated waste and the overlying soil from six disposal areas of just over 1,000 cubic yards of contains soil from areas of the site located outside of the footprint of the six disposal areas or something to that effect. With all that being said, there would be a total volume of 82,000 cubic yards of contained material that would be consolidated, encapsulated, and then capped. The projected total cost for this remediation would be somewhere between 7 and just over \$14 million.

The second component of this was an act of conversation amongst areas that had jurisdiction over the remediation. This would be the State and federal authorities and then local authorities based on the proposed redevelopment plan that would be necessary.

Thirdly, we would need a private sector partner which Blaylock Holdings was identified to take responsibility for the cleanup. So from then until now, a small group of city of staff have been working and meeting on and off but more regularly over the past year and a half or so to slowly and methodically work our way through the various issues. This was done in an effort to remove constraints and obstacles with the hopes that we would unlock the potential redevelopment of this site for our shared mutual benefit.

To that end, I'm here before you with the proposed draft concept plan which is based on all the prior work and civic engagement that has taken place since the Mohawk Tannery site has closed. It builds upon this work and discussions and we have worked to input all those sentiments into this proposal that you're going to hear before you buy the various stakeholders. To accomplish cleaning up the feat, a public private partnership is necessary and the presentation will outline a financing plan which will align the dials and unlock the potential redevelopment of this land.

Finally, there will be a roadmap of sorts which articulates the various pieces of legislation and/or official actions needed by various bodies to accomplish the goal of cleaning up the site and repurposing the land.

Before I hand it off Madam President, I would like just to make a few comments just to help set the table or help give some orientation to this evening. So first and foremost tonight is the start of a conversation. We will not be looking for any type of approvals. We just want to get an indication as to whether we're going in the right direction or not. There will be legislation filed or official documents filed but tonight is just a presentation and a discussion of what the possible solution could be to a problem that has plagued the community for decades. I'll be the first to admit that this is not perfect. It is a plan that was developed over a lot of time and there was a lot of vetting and due diligence done. It is a compromise of sorts. No one got entirely what they wanted but we all work together over the weeks, months, and years, and we had to make sacrifices to get to where we are tonight. Due to the nature of this, it is very complicated and a very complex project with intricate details, which means there's a lot of fragility to the project. It's a house of cards of sorts where there was a lot of elements built on top of one another.

So what you're going to hear this evening is essentially a two phased approach - a remediation of the land and then the redevelopment of that land with a multi-family housing project that would help pay for the remediation of that land. I'd ask that questions be held to the end and we would be able to have a discussion once we get through the slides. Thank you, Madam President. With that being said, I'm going to hand it off to Bernie Plante. Thank you.

President Wilshire

Thank you.

Bernard Plante

Good evening, Madam Chairman and members of the Board. My name is Bernard Plante of Blaylock Holdings. I'm a lifelong Nashua resident and have been an area builder for the past 40 years. I formed Blaylock Holdings, LLC, and a New Hampshire Limited Liability Company about five years ago for the sole purpose of acquiring the Mohawk, Fimbel, and a small area of the Veterans Memorial Parkway site for their remediation eventual redevelopment.

As Tim mentioned, the greater Mohawk site is located off the Parkway about 800 feet east of Broad Street and is now quite identifiable by the grand statute that's been erected right at the main entry - our proposed main entry to the site. Recognizing the depth and breadth of the undertaking, I invited Lloyd Geisinger and his Thorndike Development group of Natick, MA, to join me in the effort. I've been working with Lloyd and his people for the last four years in Canton, Massachusetts, on a project called "Copperworks". It's one of the preeminent Boston transit oriented developments. Lloyd and I are the managers of Blaylock and are moving this effort forward. I've got we've got some slides here that we can take a peek at.

That is the location of the Mohawk Tannery and adjacent sites. You can see Route 3 right and left, the Nashua River which this site has 3,800 feet of frontage on. As I said, it's about a 40 acre site with public frontage on Fairmont, Warsaw, Hughey, and Veterans Memorial Parkway. The frontage on Fairmount, Hughey, and Warsaw are a little sensitive and I would think that that's probably one of the reasons that this site has not yet been developed. Access through those neighborhoods for redevelopment of the site will be very difficult. The construction and opening of the Broad Street Parkway really opened this site to a development. You can see the stars and the mileage between the site to area shopping and healthcare facilities.

In my opinion, the most normal notable aspect of the site is its terrific location and proximity to Exit 6. It's about 1,000 feet away. The properties are also within walking distance to Holman Stadium, North Common, downtown, and Mine Falls Park. Were it not for the environmental issues affecting the property, I'm certain that it wouldn't have been developed quite some time ago. Granite State Tannery started tanning operations on the Fairmont Street in 1924. Tanning hides is a multi-step process that involves subjecting the hides to various chemical solutions to rid them of hair and fat so they can be cured or tanned for clothing or commercial use. The problem not unique to Mohawk was what to do with the chemical bath solution, excess hides, animal fat, and hair once the process was complete. In our case as Tim mentioned, there are two acre and a half lagoons that are about 35 feet deep and the location shown is Tannery lagoons. Unfortunately, those lagoons are located right adjacent to the Nashua River separating the lagoons from the river as probably a 24 inch sewer transmission line that the City of Nashua operates. They often go into the site to check on a siphon that allows sewage to drain from the Mine Falls Park under the river and partially through the Mohawk site until it reaches the sewage treatment plants.

The Clean Water Act, which became law in 1977, required the treatment of wastewater prior to discharge. It was at that time that Mohawk with a Nashua River discharge option terminated, struck a deal with its neighbor Fimbel Door to create a lined landfill where it deposited about 16,000 addition cubic yards of tannery waste. That lagoon is located just to the left hand side of the Tannery factory. What you're seeing on this slide on the very left is the former Fimbel Door manufacturing plant. What appears to be the Parkway just to the left of the Fimbel Door factory is, in fact, the CSX which is now known as the CSX rail line. The Fimbel Door factory was raised and the Broad Street Parkway was constructed just to the right of that rail line.

The EPA and New Hampshire DES forced the closure of Mohawk Tannery in 1984. The owner, Warren Keane, entered into a settlement agreement with the EPA in 2006 that caused him amongst other things to sue his insurance companies for environmental damage wrought by him and his predecessors' actions on the sites. Some of those funds remain with the EPA. Mr. Keane passed away in 2013 and as Chester Realty Trust, the owner of the Mohawk Tannery property, is insolvent. In 2014, this is where this whole effort started in 2014 recognizing that the Broad Street Parkway would become a reality in 2014. I approached Mayor Donnalee Lozeau about redevelopment and remediation of the site. We prepared on behalf of the city a brownfields grant application which was funded by New Hampshire DES. We matched the \$25,000 grant and we completed in November of 2016 a remedial action plan that would stop the EPA process toward remediation.

Tannery and asbestos waste are scattered throughout the properties such that redevelopment by skirting those areas is not possible. So you've got the two lagoons, the Fimbel Door landfill, and then between the existing Tannery factory and lagoons scattered in that area is additional tannery waste. On the former Fimbel Door factory which the State acquired on behalf of the city for the parkway construction is located about 20,000 cubic yards of asbestos material that was deposited there during the parkway construction. That was the plan. Our plan is simply to consolidate all that waste. That is the asbestos waste in the Fimbel property, the various scattered tannery waste locations to the bottom of the tannery factory building, and asbestos in fact that exists on part of the southern Mohawk site into the area surrounding the tannery lagoons.

This slide shows the permanent open space that was known as the southern Mohawks site. It's about 13 acres is affected by floodplain. Everything to the left of that is about a 28 acre redevelopment site and that light green area is where we're going to gather up all the asbestos, and tannery waste, and deposit it in the permanent containment area.

Prior to the Broad Street Parkway being constructed, an environmental impact statement was developed by New Hampshire Department of Transportation and the City of Nashua that addressed all types of environmental issues that may be caused by construction of the parkway. It's important to note that in that report, redevelopment of the Mohawk, Fimbel, and city right away property were contemplated. A curb cut was expected to be developed right along the parkway. In fact, that will be the only curb cut between Broad Street and the parkway Nashua River crossing. So our proposal is not novel in that respect. Give a lot of credit to the Hampshire DOT, the city, and Federal Highway for considering future uses of this property.

As mentioned, the lagoons are located within 20 feet of the Nashua River or about 3 acres in size and about 35 feet deep. They are unlined and the surrounding soils are very loose and sandy. Hence, the contaminants that exist in the lagoons can leach into the water table on Nashua River. In the case of 100 year storm event, portions of lagoon two could be washed into the Nashua River as it lies below the 100 year floodplain. Our remediation approach is to consolidate the scattered tannery waste into two lagoons and create a single asbestos storage cell adjacent to the lagoons for the permanent containment of both materials. Once accomplished, the balance of the 28 acres can be redeveloped.

From the initial remedial action plan developed in 2016 through this date, we've completed substantial environmental testing on the site and considered various remedial alternatives to satisfy EPA requirements. They included shipping all the waste to a landfill in Canada, a stabilization solidification option, a slurry wall, steel, and vinyl sheet pile, and finally a secant pile option which was selected. We preliminary priced the remediation a couple years ago with five highly respected superfund contractors. In September 2020, Blaylock entered into a bonafide prospective purchase a settlement agreement with the EPA that would amongst other obligations provide \$6 million in funding for the remediation of the Mohawk site. In our case, we will construct 875 or so 22 inch diameter by 15 to 35 foot concrete columns called "secant piles" around the perimeter of the lagoons. So what happens is a machine comes in with an auger. They drill down until they hit bedrock or hardpan. That that drill is about 22 inches. It leaves a steel sleeve in the ground. The auger is removed and that void is filled with concrete. Those are placed right next to each other and they're in our case is going to be 875 of them that will encircle the lagoons and keep that material in place preventing it from leaching into the groundwater or the Nashua River. Once the secant pile system is complete, cast in place concrete wall will be constructed upon on top of the secant pile system. It'll be about six feet high closest to the river and rising to about 12 feet high in the back of the sight back of a containment. The Fimbel Door, Tannery waste will be shipped to that containment cell. Then the containment cell will be capped with a rubber material to prevent rainwater from entering the containment. It'll be capped with sand and soil and eventually as part of the redevelopment will act as recreational space for the housing the way we built adjacent to it. The final design of the secant pile system was completed in November of 2022 and is now undergoing and New Hampshire DES and EPA are review.

The Mohawk site has been nominated for the national priorities list as Tim said or superfund. Superfund has some federal budget allocation but Mohawk does not rank at the top of the priority list. Therefore, the likelihood of EPA stepping in with a site-wide cure is remote. In fact, EPA has pivoted toward the public private partnership that we are discussing this evening where multiple governmental and private parties cooperate to attain the site and community benefit of remediation and redevelopment. The EPA has expended millions of dollars in environmental studies in securing the site as best they could after Warren Keane abandoned the property. Nevertheless, the site is still exceptionally dangerous to humans and animals as lagoon one remains open, lagoon two is subject to flooding, and exposed asbestos exists in several areas throughout the site. We've worked the neighbors, Alderman Lopez, and the Nashua Police Department to minimize the homeless encampments due to the environmental hazard. Importantly, the EPA Settlement Agreement mandates that long term maintenance of the containment areas be implemented. Due to the fact that remediation design and particularly lagoon enclosures will be so robustly constructed, maintenance will likely be limited to grasp more than the top of the containment and testing and monitoring wells we will install around the perimeter of the lagoons upon completion. A trust will be formed and funded to fulfill the maintenance mandates.

To ready the site for redevelopment, approximately \$14.5 million dollars will be expended in design, environmental remediation, and access improvements. Based on discussions and meetings with the city, and staff, and hopefully affirmative action by this and other boards, we can leverage the \$6 million EPA grant with our equity and prospective loans from the city in New Hampshire business finance authority to satisfied financial commitments for the cleanup. This slide lists the various sources of funding to reach that \$14.5 million goal.

So at this point, I'll turn this over to Lloyd Geisinger. Thank you.

President Wilshire

Thank you.

Lloyd Geisinger

Thank you, Bernie. For the record Madam President, Lloyd Geisinger, President of Thorndike Development. I'd like to thank Bernie for you asking us to team with him. This is a challenging but extraordinary piece of property. One that we're very excited to be with. I'd like to just very quickly touch on this slide that's up on your screen before launching into a discussion of the redevelopment portion of it. The challenges that we have all faced in cobbling together almost \$15 million of funding for this remediation have stretched us all. We couldn't have done it without the city staffs' help. The BFA has stepped up. James Key Wallace over there has given us a commitment of loaning \$3 million into the project. The city through the staff meetings that we've had as being proposed to make an additional loan of \$2 million, of course, subject to the Board's review and approval. Of course, we have the \$6 million from the EPA which is a grant. Beyond that, we, Blaylock Holdings, anticipate having to put in about \$3.5 million in private equity, as well as providing bonding, and taking on the responsibility of any cost overruns that might occur.

So as we flow through in this chart to the repayment program, the EPA has a grant, a redevelopment bond, that Tim will be talking about a little bit later would be used to partially repay the BFA loan and the rest would pass through to the redevelopment project as the basis of the land that we need to recapture. So from a scheduled standpoint as Bernie mentioned, we're in a good position right now. We have filed the critical removal action plan with the EPA. We're expecting comments back in a matter of weeks. That's the critical documents that are over 1,000 pages long that details all of the things that Bernie has been alluding to and is ultimately the playbook that we will use to do this cleanup. If we keep moving ahead as we hope to, we believe that we can have final approvals from the EPA in the spring. We're looking to work with the Board here and then ultimately, of course, with the other city departments as well as DES to get us to a point that by this coming summer, we would have all of our permits in hand. It would be very helpful to be able to start the environmental cleanup in the dry weather. The EPA is extremely anxious to see this project underway. They had hoped and expected that it would have started last year. Of course COVID and everything else going on made that very challenging but at this point, they're very supportive. They're very much on board. We talk regularly. We have zoom calls and so that's where we are.

Once the cleanup starts, it will be about a nine month effort and then there's probably another six months or so for the EPA to sign off. At that point, we would be ready to start the redevelopment. So it's a long process. It's been two or three years at a minimum already. We'll be two years through the cleanup and then we'll be ready to take a look at the redevelopment portion of this.

So with that as an introduction, my role is largely to talk about our vision for this property once we have a clean site. It is both exciting and challenging at the same time. The cleanup will result in an extraordinary opportunity. One that I know this Board has been focused on. We have read carefully the Nashua Housing Study that was completed by RKG, a company that I'm very familiar with. We work with RKG ourselves a number of times over the years. They do absolutely first class work and this study was no exception.

I would like to if I could just take really a couple of minutes and circle back on some of the key findings because it really informs the conversation that I hope we're going to have here this evening. As you may recall, RKG actually identified nine key findings that are shown on this sheet but all of them are grounded in an understanding and expectation that Nashua's population is growing. RKG projected that between its base data year of 2018 and 2030, that Nashua will add almost 8,000 new residents. It's an interesting growth chart that Nashua has seen since 1970 which is up on the screens here. 8,000 is a lot of people to add in 10 years. I can't imagine what it was like between 1970 and 2000 when Nashua population increased by almost 60%. I'm sure many of you were here. I wasn't but just looking at the chart makes me a little dizzy. I think it's very important to understand that as many as 8,000 people is, it's only half the story because Nashua like every other major metropolitan area in the country is seeing a dramatic increase in one and two person households. Average household size has dropped. In Nashua alone between 2013 and 2018, one and two person households increased 12% and 22% respectively. Larger households are dropping in size where people are waiting longer to have children. They're waiting longer to get married and the baby boomers continue to affect the cohort and demographic of every city. You take those factors together and the housing solution that made sense in 1970, 1990, 2000 doesn't necessarily make sense on a go forward basis. The needs that a one person or a two person household has are very different from a family need. It doesn't mean there isn't an important role for single family homes, there absolutely is but we have to recognize that a large percentage of the population growth that Nashua is likely to see is going to be smaller households that is looking for more consolidated housing opportunities.

The last thing I want to mention is that as dramatic as this increase is, RKG did it study pre-COVID. Now we live in the post COVID world. McKinsey who was one of the most respected consulting firms in the country if not the world,

as you can see in the yellow highlight here, predicts that 9 out of 10 organizations will be combining remote and onsite working in the coming years - 9 out of 10. I run a construction company and we're doing a hybrid solution where people are in the office three days a week and working from home and whatnot. It's not going away. My point is that Nashua is particularly well positioned to benefit from this hybrid move. If you work somewhere in the greater Boston area and you have an hour commute, or an hour and 15 commute but you only have to get there once or twice a week, it's a very different calculation than if you're commuting every single day. So sitting at the foothills of the White Mountains with everything Nashua has to offer, I will be very surprised frankly if RKG's estimates prove to be spot on. I think you're going to see more growth. The growth you're going to see is going to be people who are working from home, somewhat living at home, and of course that needs to inform the type of homes that we build. I think it's our job, my job to understand that we're in a changing environment here. If I'm working from home three days a week, I don't really want to be sitting at my kitchen table with my kids running around. I need a place, a quiet place where I can go to the side treat my office but it's also my home. I think as responsible developers and architects, we need to understand that, we need to plan for it, and we need to be able to develop, and design a community that is responsive to the needs that we are going to see over this next decade.

So this is our vision for the Veterans Memorial redevelopment parkway. This shows a combination of apartments, condominiums, green space, and dedicated open space. The buildings themselves, which I'll get into in a little bit, have a level of parking at grade with direct entry flats in the front and then apartments or condominiums above. The area circled in yellow is where we have designed an apartment community of 230 apartments. The purple behind it is the condominium community of 316 condominiums. 546 units in all. This complies with the current zoning for the property. We are not requesting any increase in density beyond what zoning currently permits. This is a 40 acre parcel. As Bernie pointed out, it is an extraordinary piece of land with almost three quarters of a mile of frontage on the Nashua River.

Once the containment area is put to bed, it represents a four acre opportunity for recreation space. We have thousands of landfill capped across this country that have been productively reused for recreation. We have worked closely with our consultants to make sure that the design for this containment area allows us because it sits right next to the river. Imagine, and I have slides that like it will be very helpful, that we can create this spectacular open space. Part of the design that we'll talk about as well is making a connection over to Mine Falls Park. You can see on this plan a node for a pedestrian bridge which was part of a recreation plan dating all the way back to the 1970s. This is important not just for this development but as you'll see in a moment, it will allow the Fairmount Heights, the little Florida communities, and others to connect directly. I think it would be a tremendous, tremendous asset.

So this is a view from across the river. By the way, obviously this is a three dimensional model. The technology is getting so extraordinary. This is accurate to an eighth of an inch. I mean these are off of detailed design drawings. This is not pretend. These are the buildings we expect to build. This is what we expect them to look like. All the landscaping that you're going to see is very much what we do. In future presentations, I'll bring you some of the same images from some of our other projects and put the actual photos side by side with the 3D. Well I've lost a steak dinner that way in terms of which one is which. But you know I think for us, we use this three dimensional modeling as a design tool. It's our approach, Thorndike's approach is a very integrated approach. My partner Dave Eastridge who is here somewhere is a civil engineer. We have an architect on staff. My son is a graphic designer who did all of these things as well as having an engineering background. By working with this three dimensional modeling, we're really able to fine tune the design.

So I'd like to first talk a little bit about the outdoor spaces. These are public spaces that would be a benefit to the residents as well as people in Nashua. We're talking about a playground and that in the distance is the landfill has been reworked, an agility center for a dog park, opportunities for people to sit and contemplate, look at the river, read, and of course a new riverwalk which we're planning on building as well. This is adjacent to what was the containment area. You can see the wall right at the edge of the riverwalk that Bernie was referring to that by the way is designed to permit for the 500 year event. So right now, these lagoons sit within the 100 year floodplain which is a very scary thought since we seem to be having 100 year events every few years. But this would be designed for the 500 year. Of course, the bridge which I'm very excited about. We've made that connection over so that that it would be of benefit to everyone in Nashua. This is a view from the other side. That's Mine Falls Park right at the bottom. I think there are a couple of kids playing soccer there and if you look really closely, my dog and my son are crossing the bridge but I think it's a little hard to tell from here. But this, I think, really gives you a sense of how these pieces of the puzzle can be connected, how we can start to make a community, and add to the rich fabric that Nashua already has.

So I mentioned before that from our view, this is not just for these residents. There's an opportunity here through a new walkway that will connect up to the little Florida through the emergency roadway that we're going to be building that's gated for the Fairmount Heights. There is an informal crossing of Veterans Memorial Parkway that occurs right now across the train tracks as well which is almost exactly where our stop light is going to go. So our thought is to

work with the city to see if we can't make a pedestrian connection that would take advantage of that stop light and take the Broad Street neighborhoods and whatnot to the north and also allow them to connect through down to the boat ramp, the kayak/canoe ramp that we're planning on building, as well as the pedestrian bridge, and the river walk.

So with that I'd like to talk a little bit about the architecture and our vision for this architecture. This is a prototype that we have been developing for more than ten years. It's evolved. At its core is trying to create a streetscape that is smart growth driven, that has the same kind of vitality and energy that the people who are in these one and two person households are looking for and expect. So at the ground level here, we have a series of what we call "direct entry flats". These are individual homes, with individual front doors, and they allow us to energize and create spaces directly adjacent to the street. Behind that is a parking garage which you can't see at grade. Above are terraces and then homes above that. From the back, you can see at the lowest level the brick facade, the garage is behind that. One of the nice things about this is one of the issues that's always driven me nuts is how you have homes on the ground floor adjacent to outdoor parking and the headlights from the cars are looking right into those first floor units. We find that a lot of seniors really liked those ground level homes for all the obvious reasons but they don't like the car staring at them. This puts our first floor units one level up like the garage in the next one. Nobody in these buildings, because either on the front or the back, is staring into cars.

And so this starts to give you a little more perspective on how we're creating this sequence of spaces which starts with the grass strip with street trees, the sidewalk, the wrought iron fence, the plantings, some private spaces, and up above terraces. And of course, it's not just the people down on the street who are benefiting from all this energy and design work. If you live in one of the units on the first floor as we're calling it, which as you can see in the bottom left corner, there's one of the terraces for the home across the street. Here you get a little better view from up higher of how this layer cake tends to work. So that we have terraces on the first floor up and then units above that. Here down at actual street level, you can start to feel how this is energized. It's not just a big monolithic building. It's broken down into those various pieces. These are just a few additional images to give you a sense of how this would work. I have to emphasize that this is very accurate to what we intend to build, what we would like to build. Just a couple more slides in that regard to show you how these private spaces that are adjacent can really work. Here we are looking towards the river from one of the buildings on the other side of the street. As I mentioned before on the river side, there's among other things a kids playground. There's also a clubhouse for the condominiums and a clubhouse for the apartments. It's a nice shot, again, showing how all of this starts to fit together.

So that kind of wraps up a very quick windshield overview of what we have in mind and brings us back to where we started. On that point, I'm going to turn this over to Matt who's going to speak about the affordable housing.

Matt Sullivan, Community Development Director

Yes, I've successfully have the lightest lift of the evening thanks to the team. Matt Sullivan, Community Development Director for the record. I certainly don't need to speak to this Board about the criticality of providing affordable housing within a project of this size, and scope, and the impact this will have on the community. I did just want to take a few minutes to walk through a somewhat unique approach that's proposed as part of this development in order to satisfy some of the unique conditions of the redevelopment and financing associated with it.

By way of brief history as part of our initial discussions with the development team and obviously with Bernie as well, we expressed an immediate need and criticality of providing inclusionary housing units or affordable housing units on site in accordance with the city's inclusionary housing ordinance that you're all hopefully intimately familiar with. If you aren't with the development of the size, the inclusionary housing ordinance requires that 20% of the units within both the rental and the owner occupied component of the project are required to be affordable to a family or household making 80% of the area median income. That was based on a great deal of research done not only within the city's housing study but then in the inclusionary zoning feasibility analysis completed in late 2021 precedent to the adoption of the inclusionary zoning ordinance. We expressed that concern early to the development team and we were common core value that the development team understood. Again, understanding of that need to provide affordable housing within this development though it may be complex.

Specifically, the development team expressed to us that there would be some challenges particularly in light of the financing that was proposed for the project in providing the 20% required affordable units within the owner occupied portion of the project. The units that are actually going to be for sale. In response to that, Director Cummings, and the city team, and I commissioned actually the work of multiple consultants to review the development teams pro forma for the project and get a better understanding of what some of these financial complications might be because we recognized the criticality of applying the inclusionary zoning ordinance fairly to this project. The results of that work by our independent consultants on behalf of the City yielded simply the result that this project is in fact unique. Based on the financing package and particularly based on the remediation, our reviewing team and ultimately the city staff felt that this did deserve a unique approach to providing the intended housing under the requirements of the

inclusionary zoning ordinance. Therefore, we resulted in the proposal that's before you this evening. I'll quickly walk through this but certainly we can return to this slide as we get to the question period of tonight's presentation.

The proposal is to provide 20% of the rental units at an affordable level. Just referring quickly to the chart in front of you, assuming 192 units being provided within the development that are rental units, 38 of those units would be deed restricted as affordable at 80% of area median income. That completely satisfies the requirements of the affordable housing ordinance here in the city.

Turning now to the for sale component which is a bit more complex based on some of the redevelopment and the financing behind this project, we actually worked with our independent consultants to arrive at a payment in lieu number. Just as a quick refresher, the ordinance does not currently contemplate payment in lieu in areas outside of the downtown area. In this particular context, we felt it was appropriate based on some of the complexities of the remediation. So we arrived at a payment in lieu number on the ownership side of the project of \$37,000 per unit. As we look at the numbers of the project based on 316 units being proposed, within the ownership side of the project and assuming that 20% of those need to be affordable resulting in 64 units that are affordable, we apply the payment in lieu of \$37,000 so that those 64 units resulting in what the developer has provided as a payment in lieu at \$2,360,000. This payment will be made on an incremental basis upon occupancy of the units that are proportional basis and will be a way of satisfying the city's important affordable housing ordinance in place for the site.

We recognize this as a unique approach but, again, based on some of the complications with this project and really the unique characteristics of this site, staff have ultimately agreed to present this proposal to you this evening for consideration. We feel confident that it reflects the intent of the ordinance that's in place today albeit not complying in full with the plain language of the ordinance. You'll hear in just a few minutes about some of the mechanics around how we'll satisfy this and how it will be codified should this proceed through the development proposal process but happy to answer any questions if the Board might have them as we get later into the question period of the presentation. Thank you.

Tim Cummings, Administrative Services/Economic Development Director

All right. So now it's back to me. Again for the record, Tim Cummings, Director of Economic Development and Administrative Services. So what we have here, and Lloyd I just want to clarify. You want me to go through this? Okay, great. So what we have here is basically an overview of the land area that would get developed. What we're going to need to do is we're going to need to do a zoning change to be able to accomplish what we showed you before. We're going to need to take essentially these three areas and we're going to need to overlay or put in a zoning amendment to essentially allow for the land use that was described earlier. So you have the Mohawk Tannery site. You have the Fimbel Door site and then we also have that what is referred to on the screen here is a right of way parcel. That is a city owned land. We actually put it out for an RFP for development. Actually, it was responded to favorably by the Blaylock, the Thorndike team, and we would be looking to incorporate that into the project through a purchase and sale of that piece of land.

We're going to need to clean up some miscellaneous elements here. That's what this kind of screen and slide shows. We've got some streets that we're going to need to discontinue and then ultimately, we'll be able to get that type of footprint or layout that would allow us to accomplish the vision that you're seeing right here. So in total, you'll see 316 units of condominiums, 230 units of apartments. That's approximately 12 ½ units per acre. Well within the reason of the amount of acreage that we have available to us. This just kind of gives you an indication of what we're going to need to do. On the left hand side, you're going to see all the actions that are going to be necessary. So as I said, this evening is just an introductory conversation. What you're going to have coming before you in the coming weeks is official pieces of legislation where we're going to need to actually execute and officially adopt some of this if that's the pleasure of this Board. So we're going to need to authorize the sale of the parkway - that right of way that I just mentioned. We're going to need to do a street discontinuance and we're going to need to approve a grant to accept - I'm sorry, we're gonna need to do utility easement and general type of miscellaneous cleanup of the various encumbrances of the land to be able to get the financing in order and whatnot to be able to execute on this vision.

So mentioned earlier and I think - well I'll go through this just very briefly but I may go back to the overview slide because it might be easier. To be able to accomplish this, we're going to need to execute on a financing plan that is relatively complicated. It's one of the bulk of the reasons why we took so much time to be able to come before you is because we had to work through some of these intricate details. As I mentioned earlier, it's a two phase project. Right now, you have the remediation phase of the project. The remediation phase of the project, we're going to be looking to put a \$2 million loan into the project using city funds which we would get paid back. We'll get paid back though on the sale of the condominium units. We'll do that over time. One of the places I identified that we would be

able to use, and this is subject for discussion and consideration, but we could use the Housing Trust Fund monies that we recently set aside to be able to produce this \$2 million.

We're going to need to waive the back taxes. So there's a principle and interest of just under a million dollars that has accrued over the years to be able to make this work. We're going to need to clean the arrearage of the taxes.

So then the next part of this is actually the redevelopment bond. So the redevelopment bond is \$2.5 million. That \$2.5 million bond would be issued by the Nashua Housing and Redevelopment Authority. We've already engaged with them. They're well aware of this project. They're supportive. They understand what would be necessary to be able to do it. They would offer the bond and what we would do as a city is we would pledge the future tax dollars that is generated by this development to be able to pay off that bond. Why are we going this direction as opposed to just the city and Nashua offering the bond? Two reasons – one, doesn't need to show up on our on a broadsheet like that. Second - we could only do it by offering a general obligation bond. By doing it this way, we've limited the risk that for whatever reason if this didn't happen, City of Nashua would not be obligated to actually pay back that bond. You may be asking well that means the Nashua Housing Authority would have to pay back that bond. That's because it would be collateralized with the BFA. The BFA would be in a first position on a loan. We would have a second position on that loan. We've had the appraisal done. The appraisal has come back that there would more than sufficient funds if we had to ever sell the land directly to pay off the BFA and to pay off the Nashua Housing Authority. We don't have a hope that we get there. We're working very hard so that doesn't happen but we had to think through some of these elements to be able to make sure there was a comfort level to proceeding.

So then the question is do we have enough tax revenue to be able to pay off a \$2.5 million bond? So very simple math is yes. So we would need to carry the principle and the interest for a few years or just make interest only payments but we would have sufficient tax revenue to be able to do it until the project stabilizes. When the project stabilizes, it stabilizes with, you know, something in the order of the magnitude of just over \$2.5 million. We're going to need about \$700,000 to be able to pay off the debt service. That includes that pedestrian bridge that we talked about. That pedestrian bridge is subject to conversation. We worked really hard to include it in the plan and the proposal because we knew it was a sentiment that this community had getting back to the '70s. Needless to say, it's by no means necessary. If the body instructed us not to go in that direction, we could obviously make these numbers work and it would only become easier. This isn't a conservative approach. I want to just note I mean I think at the end of the day, these numbers were developed. I developed these numbers back this summer pre that revaluation taking place using the older tax rate. I think it would be fair to say that we would more than sufficiently cover the costs if necessary using these numbers. At the end of the day, we're going to have, you know, slightly less than \$2 million that would go back into the general fund above and beyond paying off the debt service for both the bridge and the remediation component that I talked about.

So here's just an overview of all the unnecessary steps that would be taken to be able to execute on this program. So what you have here is you have some actions that again need to be taken. Zoning - that's an amendment to the zoning code. We're going to need to adopt a master development agreement. We're going to need to authorize the issuance of the loan. Let me rephrase that. We're going to need to authorize a pledge agreement and we're gonna need to work cooperatively with the Housing Authority. We're gonna need to develop a contractual relationship with them. In our conversations with the Housing Authority, we had discussed the idea of setting aside that \$2.5 million dollars that would get repaid. I'm sorry, setting aside the funding that would come in from the inclusionary housing that \$2ish million and helping the Housing Authority be able to use that money so they could go forth and do future projects because they would be a partner in this deal.

So as I mentioned very early on, this is a layer cake. It's very complicated. We had to build this from the foundation up to be able to get where we are today. We have the sale of the right of way that's going to be necessary. We're going to have to do the discontinuance of the streets. We're going to have to enact easements. We're going to have to develop and execute on other miscellaneous various documents like maintenance agreements and whatnot. So there's going to be a lot coming back before you over the coming weeks to be able to execute on this vision.

So I'm going to stop my comments there and hand it over to Lloyd. This financing plan that I just discussed with you, I'm happy to go into more detail on it later on but I'm recommending it to you fully because I think it's the best approach we can to be able to accomplish the long term community goal of remediating the land and using the future redevelopment to the highest and best use of the city's benefit. Thank you.

President Wilshire

Thank you.

Lloyd Geisinger

I'm just gonna wrap up very quickly and I thank you all for your patience. I know it's been a very lengthy presentation. As Tim has mentioned, it is a complicated project. We will, of course, make this presentation available to everyone. We designed it in such a way that there's language in there and explanation so that when you have some time and you want to sit down and read it, I think a lot of this will make more sense to you.

Just very quickly to give you the overview, we've talked about this in parts but to put the whole package together just running from top to bottom, we hope and expect and are confident that we can complete the EPA process over the next four to six months. I think even less than that. We're in very good shape at this point with the EPA. Everyone is rowing in the same direction. They've hired a special consultant to expedite things. This is a very high priority project for the EPA. We need to get it done.

We will close on the property - we being Blaylock - once we have all of our permits in place. It's not possible for us to put our financing in place if we don't have all the permits - not just the cleanup permits but the redevelopment permits. They go hand in glove and then we can start the remediation work. As I mentioned, let's call it a year to do that work. Hopefully a little less and then we have to go through a very extensive signup process with the EPA which they tell us is four to six months before we can really get going. May be able to overlap those two things a little bit. That then puts us in a position to start the redevelopment construction. One of the reasons that, as Tim was relating as we went back and forth on these costs in the inclusionary housing, the breakthrough for us was to look at this as two residential side by side projects - an apartment project and the condominium project. There are different target markets. We feel very strongly that they're both good markets and the apartments will proceed uninterrupted. So in other words once we start building the apartments, we will build out all 230 apartments without stopping. There'll be a single construction loan to build that out and it's about \$125 million project.

At the same time, we'll go forward with the condominium project but that will be driven by sales. So we will build a building, we will have models, we will build a clubhouse, we will open for business, we'll have a robust website, and we'll see who comes to the party. Based on who comes to the party that will largely drive the pace of construction. I will tell you that every company has its own DNA. Thorndike's DNA is we like to be a shark. We never stopped moving. So two years ago, pre COVID, we conveyed 151 units in a single year. That's one every other day. We will set our pricing and target delivering a minimum of 50 condominium units in a 12 month period. We feel confident that we can do that. We actually hope that we can do better than that. No matter how you slice it, that's five or six years of construction on the condominium side. So with the two years of cleanup and the five years of construction, well you can do the math. That's the end of the decade. The apartments will go up faster and the condominiums can go up faster as well and of course, that dovetails very nicely with the RKG projection on timing.

Next steps, Bernie has been in touch with some of our community residents who have been with him all along the way. We're planning on making a presentation to a variety - several presentations in the coming weeks outreaching to the neighborhoods. We're continuing to work with EPA, and DES, and then of course we need to be back before this Board with the specific legislation for your consideration. That concludes our presentation. Happy to answer questions, of course.

President Wilshire

Thank you very much. I'm gonna start with Alderman Dowd.

Alderman Dowd

Yeah I got a couple things. I don't really need answers tonight but in the process of you going through this. First of all, I think its long overdue cleanup for the site. I've lived here for years and I won't tell you but way before all your projections. This site has been a problem for decades. I think you have a good approach. For the things that I'd like to see as you go through following on is you mentioned something about having funds to address increased costs. So I do a lot of buildings and schools and the one thing that I'd like to know in your numbers that you have presented do you have contingency and escalation funds in those numbers?

The next thing is I see in the vicinity of 1,000, 1,500 at a minimum of cars that will be on the Veterans Memorial Parkway. So I'm assuming looking at Matt Sullivan that there'll be a traffic study. Okay.

The other thing is that there's a developer who owns a piece of land just north of there that's never been able to develop the property because they had no access to any road. I believe that from previous presentations, that there is an allowance for a road to connect to that upper property to your access to the Veterans Memorial Parkway.

The last thing is, again from a school experience, have you done anything yet to determine with the utilities whether you have the water and gas capabilities close enough where it's not a huge expense to because you're going to be having a lot of use? I know when we build a school that we have to check with the utilities to make sure that they can handle the increased volume. So, again, no need to answer those now but I want to lay those out there.

Bernard Plante

They're great questions every one of them. I could give you some preliminary answers if you like right now.

Alderman Dowd

Sure. I just don't want to delay too long.

Bernard Plante

Would you like me to – well very quickly. So on the contingency issue, the EPA insists on contingencies of two different types. We will have to post a \$1 million bond that is a contingency bond against cost overruns. In addition, we have another million dollars in our budget as a contingency. We've been working very closely after open bid process with a company called "Charter" which is one of the leading environmental cleanup companies in the country. We've gotten updates from them as recently a couple of months ago. They will give us a guaranteed maximum price. So unlike a school, which I am also familiar with, this is only a nine month construction process. It is largely earthmoving operation. I mean it's complicated but at the end of the day, you're moving dirt from one part of the site to another part of the site. So you're not really subject as much to some of those crazy escalations which I've seen on the building side over the past couple of years. So between working with a very reputable company that's gonna give us guaranteed max, a million dollar bond that the EPA is insisting on, and another million dollars of equity that we'll be putting in as a reserve, I think we've got that covered in that regard.

On this plan, you can see a driveway that goes up towards the Tamposi property, which is I'm sure what you were referring to. You're absolutely right. That's a requirement of the plan and its public record right now, we are in discussions with the Tamposis about joining forces and acquiring that property as well. So since it's out there, I don't know where that's going to go yet. There's nothing signed but we are started discussions with them.

Alderman Dowd

So I understand you're moving land and everything. Two major escalation costs that we incur on building a school, I'm talking 22 acres - big school was driven by fuel.

Bernard Plante

Yes, yes.

Alderman Dowd

So if you're moving - those pieces of equipment doing all that moving need a lot of fuel.

Bernard Plante

They do. They absolutely do but I circle back to the nine month timeline, you know, that it's not going on over five years. It's a very short period of time. We will not probably be using gas. The whole country is moving away from natural gas and going all electric. It's very likely that by the time we start this, we wouldn't be allowed to use gas on this. The electric systems that are in use that we're using right now on two projects are light years better than they were in the old heat pump days which were a disaster. They're incredibly efficient and that is where the real estate business is going. We are in active conversations with Pennichuck looking at a couple of different ways. We're absolutely going to have to upgrade the water supply and we're also going to have a pressure issue that we need to deal with. So there's going to need to be some sort of boosting of pressure and we're going to have to extend a new line. We're looking at a couple of different options with them right now. We've hired Haley Ward to work with them on that. So those are some preliminary answers to your questions.

Alderman Dowd

Thank you. By the way, I don't know if you're considering solar but by the time you get this built, solar with batteries

could be a good option.

Bernard Plante

Yup.

Alderwoman Kelly

Thank you and thank you so much for everybody who's worked on this, the city, and also the respective companies. I know that the EPA has brought this forward as a piece of land that really does need to be redeveloped. I liked your couching it as your vision and Nashua's vision.

My question is around the affordability. So I think this is the right type of project. There's public partnerships that we've been – public/private partnership that's what we've been looking for. It sounds like there's a good balance of helping with remediation, back tax forgiveness, etc. My concern is around the amount of units. I know that our ordinance says 20% on both sides. I understand that this is a specific piece of land that has a lot of intricacies. But my concern is for a project this big where you're putting 546 units and only 38 of those are going to be affordable given your current plan and you're going to give us \$37,000 per unit. That's not going to allow us to build that many units that we'd be losing out on. So I'm wondering if there's been more discussion around this because I feel very hesitant on a huge project with that many units going in without hitting the vision that Nashua's been saying over and over again that we need more affordable housing in this city.

Bernard Plante

And I share your view, I really do. Matt, Tim, and I have talked for months and months and yelled at each other quite a bit along the way in trying to come up with a balance. This project - I'm actually intimately familiar with all aspects of affordability. One of the issues for me has always been that affordability has to mean more than just providing housing that meets an 80% of average median income. Not that that isn't an important number to target, it is but what we have to get away from is building McMansions and then building affordable. We need to have a continuum of housing that meets people's needs and most importantly, allows people to buy the amount of home that they need at that point in their lifecycle. That's what we're missing. We're forcing people to buy more housing than they need which pushes them into a price point that they can't afford.

One of the things that excites me about this proposal and in this opportunity is that we're going to have an opportunity to build homes and sizes - condominiums and apartments that can allow people to get into a price that makes sense for them. In a perfect world would we do more affordable units? Absolutely. The for sale, including affordable units in a forced sale market when interest rates are escalated the way they are and construction costs are where they are, breaks the bank. You have to remember that what we can sell an affordable unit is based on people's income, which has really no relationship whatsoever to where interest rates are and where construction costs are. On the rental side, the numbers dovetail better. On the for sale side, it's much harder. But the biggest thing I have to say - and the issue here for us more than anything else - is that this project started long before I was involved. The public benefit that we have agreed to take on to clean up the site as pointed out that has been a problem for decades. There is a tremendous amount of private time, equity, and cost that we are committing to putting in. We are stepping up to do this. It was a process and a commitment that we made before this Board voted in as inclusionary housing last year. Now I'm not suggesting that we we've long since given up the ghost about grandfathering or anything like that but I guess I would ask the Board to consider that when looking at affordable housing, and it's looking at the public benefit of cleaning up the site, these are all important elements. We've tried as Tim pointed out to strike a balance. It's just not possible at this moment in time for us to include an affordable component on the for sale side. It's not possible. So we've come up with this middle ground.

Tim Cummings, Administrative Services/Economic Development Director

If I may, thank you. Alderwoman Kelly your points well taken and what I would like to ask you to do is to think about the fact that the way we structured this deal is you're absolutely correct. We're not going to get necessarily the affordability on this site but what we'll be able to do is we'll take that \$2ish million that we are going to get and put it back into the Housing Trust Fund. We'll work cooperatively with the Nashua Housing Authority. They will leverage that money to do something like what they're doing right now at the Monahan Manor and that will get us a lot more than 38 units that you'd see at this site. We will be ahead of the game by leveraging and taking that opportunity to do that. That's one of the reasons why we structured the deal way the way we did. Thank you.

Alderwoman Kelly

If I could follow up. Thank you. Thank you for that. I understand the intricacies of you know construction costs etc. Do you have a sense of what these units are going to cost?

Bernard Plante

Cost or sell for?

Alderwoman Kelly

Sell for.

Bernard Plante

Well I did a few months ago. Our pro forma has the condominiums starting in the high threes and going into the fours. Now I can't - we don't know each other but I've been doing this for almost 40 years. I have a reputation of being incredibly straight shooter. I mean you can't do projects that take 5 and 10 years to build and expect and do anything other than tell people how you see it. If we are hoping and expecting that construction costs are going to moderate by the time we're ready to start two years from now, if we had to build today at today's construction cost, you could add another \$50,000 or \$100,000 to those numbers but I think that we're gonna see some moderation both on the interest rate side as well as the construction cost side.

Alderwoman Kelly

Just, just I'm a straight shooter too. So if the Board were to say we're not happy with this, we would like to see more affordability where could you see a compromise?

Bernard Plante

You wouldn't be seeing me standing here in the future.

Alderwoman Kelly

Okay.

Alderman Clemons

Thank you, Madam President. My question is about the remediation of the contaminants. So we build the encapsulation that's there. I have two questions which is what is the - you mentioned that there was a mitigation fund and I'm curious for ongoing costs. I'm curious how much is going to be in that? And then two - how long is this structure supposed to last into the future? And three, what are the ongoing - what other things have to be done on a yearly basis to make sure that it's not leaking and what not.

Bernard Plante

So EPA and DES require post - well first of all, there exists out there now a series of wells surrounding the lagoons. We only tested those wells about three weeks ago. We're waiting for the results now. Those wells will be lost during the remediation. They'll be replaced once the secant pile system is installed and we will have to test those wells on a probably starting out on a twice annual basis, report that to DES and that will tell us whether the system is leaking and releasing anything from the secant pile system. As I described it, the theory is that these concrete columns which surround it, and actually the way the columns are built is one column was put in, you skip a column, you go to the third column, and then you drill the middle column. When you drill the middle column, you cut off a little bit of each of the existing columns so that you have a tight fit of all these columns. They're all interlocked, reinforced with steel. So we expect that the ongoing maintenance will be - maintenance of that lawn area that's on top of the containments it will be inspection of the secant pile system and the retaining wall system on an annual basis and testing those wells twice a year. That's what we expect. Also checking the cap on the on the system. That's what we expect. So it will be fairly low cost on a maintenance system. I believe under our settlement agreement with the EPA, a certain amount of funds, it doesn't come to mind right now. It has to be set into a trust fund to fund those costs.

Alderman Clemons

Thank you. I'd be interested to know in a little bit more in detail what you estimate those annual costs to be, and then also what amount of money is in that trust, and then how that trust is handled into the future? Meaning is there money that - is it a set amount and then once it's done, it's done or is there an ongoing contribution to that fund so that this doesn't come back to haunt the city 50 years from now if the construction wasn't done, or something, an earthquake comes along, and now we've got to fix it. I just want to know like, you know, that there's a mitigation fund that's there, it's viable into the future.

Bernard Plante

Sure. I'll address that for you.

Alderman Clemons

Okay. Thank you.

Alderman Lopez

I just had a question about the process. I think it's a very high priority to remediate the site and to address the environmental health issues. While for those of us who don't live directly on site, it's a little bit easier to, you know, talk in hypothetical terms about what should have been a superfund site and exposed pool of pollutants in philosophical terms but this is a practical problem and a danger for that particular neighborhood. The previous owners are gone. They're not going to clean it up. There's nobody you can hold accountable for doing this at the moment. There isn't even anybody we can really collect taxes from. So I appreciate you stepping forward and taking on a problem of this complexity. We went through multiple rounds of different explorations of what other strategies were available, or possible like given the limits of technology, what risks those would take, as well. So I think the priority is the remediation in my mind followed closely with the needs of the residents in the neighborhood that are already there that own property and are raising their families. In talking to them and going through this process since the early days of my first term as Alderman even, there's been a lot of discussion about how it is a known danger in the area where kids will be setting up bike ramps, and jumping over these things, and actively getting into and playing in a site that's not safe for them. There's been a lot of questions and concerns about how access to this site is going to be achieved. It looks like your plan addresses a lot of that. There's no plans for heavy construction vehicles to be traveling through that neighborhood in the mornings, or evenings, or anything like that.

But especially even earlier where you referenced you could potentially be using electric things. I want to know more about what the neighborhood impact is going to be during those nine months. Are we going to be looking at construction workers starting too early and waking everyone up at 5 am? Any major demolition, you know, blasting or whatever like Rivier is generally doing that might be necessary? Your nine months seems like a pretty aggressive remediation opportunity and I just want to make sure you're confident that you won't be kicking up any soil or creating any unnecessary hardship for residents that are living there.

Bernard Plante

Sure. We can address all those matters as we progressive, and they're all very addressable, and we've given them thought.

Alderman Lopez

Okay. I'd also want to acknowledge what was said earlier about my helping coordinate outreach efforts. It was really Public Health, and Nashua Police, and a lot of the nonprofits that were doing the work. I was just kind of facilitating making sure we had permission to go on the property and engage with people. That site is not good. I know affordable housing is sort of synonymous in a lot of people's minds with low income housing and workforce housing. That site wouldn't qualify for most workforce housing because of where it's located, can't have workers in immediate proximity to it, and for low income housing, you don't want to leave them out in the middle of the woods, or isolated, or on a parkway that goes only two destinations - one end and the other. You need bus infrastructure, you need walkability, and things like that.

I think that while this offers a great opportunity for paying for the remediation of the site, and addressing Nashua's longer term strategic housing needs, I think we should be open minded when it comes to how is the affordable housing, or as it's called the "Housing Trust Fund", actually going to be sustained by this rather than looking at a target right in front of us and saying, okay, well, we should probably put something right there whether it's a good idea or not. I think the flexibility of saying okay well we would pay per unit into the Housing Trust Fund is probably a smarter idea,

especially as director Cummings has mentioned where it would work with the Housing Redevelopment Authority. They're the ones who've taken on the primary role of affordable low income and workforce housing in the Nashua area. The Housing Redevelopment Authority knows more about this than we do as elected officials. I think having them be identified as formal partners in this is a very smart move. So I appreciate all of those features of this and I look forward to attending future conversations with residents and neighbors.

Bernard Plante

Thank you.

Alderman Moran

Thank you, Madam President. My questions are more for the Directors. Maybe Director Cummings at first or...? One - I want to echo the concerns of Alderwoman Kelly regarding affordable housing. When you did the math on when we would break even with the taxes Director Cummings, did you factor in the \$300,000 or so that we're forgiving in taxes for the property?

Tim Cummings, Administrative Services/Economic Development Director

No. What you're talking about in this slide is going to be just future revenue projections off of the taxes. That does not - it's treated separately. So there's the million dollars if you will that is owed to us right now in the back taxes. That's just on the books that would need to get cleared away.

Alderman Moran

What the entire \$1 million?

Tim Cummings, Administrative Services/Economic Development Director

The entire \$1 million would need to be cleared away. That would unlock the potential to be able to generate the \$2.5 million in the stabilization year that we're talking about the approximate \$2.5 million.

Alderman Moran

Yes I hear - I'm just trying to figure out what the upfront costs for the city to be before we reached the goal of payback.

The second question I have if we're taking money out of the Housing Trust Fund, how much is there?

Tim Cummings, Administrative Services/Economic Development Director

So I want to clarify something. So I just said a million dollars in back taxes. To be clear, I am counting principle and interest. So the principle is just around \$250,000 - \$300,000. The interest is on top of that which gets it to the million dollars. I just aggregate it and say a million dollars because that's what's technically owed to us but I do want to be clear that's the combined principle and interest.

Alderman Moran

Thank you. How much is in the Housing Trust Fund right now? I'm sorry, may I?

President Wilshire

Yes.

Alderman Moran

How much is in the Housing Trust Fund right not?

Tim Cummings, Administrative Services/Economic Development Director

Just over \$10 million.

Alderman Moran

And so we could potentially take \$2 million out to help pay for the remediation.

Tim Cummings, Administrative Services/Economic Development Director

And then put 2.3 back in.

Alderman Moran

Back in over a period of how long?

Tim Cummings, Administrative Services/Economic Development Director

Depends on how fast those condos sell but when we write the loan agreement, there will be a structured timeframe where we amortize and say we'll get a payback schedule. Five years approximately we would get paid back.

Alderman Moran

Maybe two more questions if that's okay?

President Wilshire

Sure.

Alderman Moran

Has there been any thought to this sale piece, the condo piece, instead of maybe getting the 37 per units maybe it goes towards a first time homebuyers down payment or some other kind of strategic incentive to get more affordable - I'm sorry - 80% threshold of medium income into those actual condos versus just taking the \$37,000 and putting it back in the trust fund?

Tim Cummings, Administrative Services/Economic Development Director

That could be absolutely one of the programs. That's absolutely within the purview of the Housing Trust Fund if that was a program that got developed and you want to use those funds in that way. I wouldn't foresee a problem with that. I would want to do it in conjunction with the Housing Authority because of their partnership with us in this but I think we could probably structure a program.

Alderman Moran

The last question. Could Director Sullivan explain the lease restrictions in a little bit better detail? I'm sure we all understand it but for the people at home.

Matt Sullivan, Community Development Director

Alderman Moran I think you're referring to the deed restrictions. Is that correct? Yes so the buildings will actually be their own units if you will. So on the rental side of the project where the affordable units will be required, each of the buildings will be restricted in a way such that affordable units to a certain number have to be provided within each of those buildings in perpetuity or for a 99 year period rather.

Alderman Moran

Now I remember. We've had this conversation before. If you can remind me, those apartments at some point become condos and they want to sell them will we lose those 20 percent?

Matt Sullivan, Community Development Director

You did ask this question before. I'm going to try to answer consistently. So any amendment to the form of the development would require, in this case particularly, an amendment to likely the development agreement and several other measures that the Board of Aldermen will be voting on through its process. My answer in a prior conversation

was a little bit different contexts. In that case, the site plan review approval is required from the Planning Board and any modifications to move a rental unit to an owner occupied unit would require an amendment through the Planning Board. With this particular development, there are several other I would say security pieces in place. That kind of change would require several votes from elected officials in order to change that.

Alderman Moran

Thank you. Thank you, Madam President.

President Wilshire

You're welcome.

Alderman Klee

Thank you, Madam President. First off, I want to say a number of years back Mr. Plante had given the presentation on the secant. I hope that in future presentations that you will share that with the rest of the Board because it was quite interesting to see exactly how those are going, to see how the pylons went, and so on. I know at that time we had multiple options and so on. I also did the walkthrough when you did that presentation. My concern at that point was how close the - for lack of a better word - the waste in the pools, the lagoons were to the waterway. You talked about creating that walkway. Is that going to be on existing land or is it going to be like a cantilever. I heard that it was to help with the 500 year.

Bernard Plante

Right. So two things. I mentioned that on top of the secant piles will be erected some cast in place concrete walls to accommodate the Fimbel landfill material. Along the river, that wall will be about six feet tall. Between that wall and the river exists a sewer line that's maintained by the city. The city goes in there often as we do for testing and other things. It's kind of a rough roadway running through there. That roadway will be converted to a recreational path that can be used for servicing the site from the city siphon but also for recreational purposes.

As the 500 year floodplain, the fact that that wall is six feet high raises the whole containment area out of the 500 year floodplain.

Alderman Klee

Okay. Thank you. I have a couple of follow ups. Thank you very much. I remembered that the land that's abutting this is city land. I remember discussions about being able to access into the city land as well as - now I may be saying this wrong. Again, the common area, your play area is that only accessible to the residents that live within that area or you're going to make that to the public?

Bernard Plante

There's some area that will be restricted to residents and there will be some area that will be open to the public as well.

Alderman Klee

Perfect. Thank you very much. I guess that answers that question.

The other comment I want to make is about Mr. Geisinger. I worked on another project. We were on opposite sides of the wall for that project but I have to say for the Board members here, I did go and look at a number of his properties. I was quite taken by them. He does mean what he says, and he says what he means, and he was very forthright in the last time that I had to I worked with him. So I believe that he is a man of his word.

Lloyd Geisinger

Well thank you.

Alderman Klee

And I do want to say that these do look very attractive and so on. When you talked about the development, and this might be just getting into too much detail here, you talked about those front units and then parking behind it. So those front units, they're not connected obviously to the other - they're almost like a one floor type of building. Is that correct?

Lloyd Geisinger

Yes. Yes, that's exactly right. They're their own being. They have their own front door. They would have direct access to the garage behind so that for those people you pull into the garage, you have a parking space by your rear door that gets you into the kitchen or wherever it might be. So it's a little hard because a pointer doesn't work on the TV screen but if I could point, I would show you that in the very middle of the building is the primary entrance that has a hallway that takes you back to the elevator that's behind those entry units. We'll make actual building plans available in addition to that and then I think it will become very clear. But the short answer is those homes that are on the street level have direct doorways into them and they have their own parking space in the garage behind them.

Alderman Klee

Okay, just a quick follow up on that. So those parking spaces we see in the front are more like just visitors. That's not the main residence parking is that correct?

Lloyd Geisinger

Well there are 35 parking spaces that fit underneath each of these buildings. There are 51 units in the building. So we need more parking. What we're doing is we're reducing the amount of surface parking and reducing the amount of impervious cover by putting the parking spaces within the building but we need more spaces than just those.

Alderman Klee

Thank you very much and thank you for coming forward with this. It looks lovely. Thank you.

Alderman Sullivan

Thank you, Madam President. I appreciate the presentation and I applaud the vision.

Lloyd Geisinger

Thank you.

Alderman Sullivan

My question is more around the city process. So either Mr. Cummings or Mr. Sullivan. In addition to the legislation that's coming before us in coming weeks, you mentioned before the things that got my attention, just so you know, waving a million dollars in taxes got my attention. Also, a complicated financing plan got my attention but I would assume that this still needs to go to the Planning Board, the Zoning Board. Can you give us an idea of the timing around that?

Matt Sullivan, Community Development Director

I'll take it. Yes, Alderman Sullivan. I'll speak to only that element though and sort of remove it from the aldermanic process if that's okay. At this point in time, we do not believe that this project will need to go to the Zoning Board strictly for zoning relief in the form of a variance. We do believe that some wetland permitting or buffer impacts may need to go to the Zoning Board. That process we estimate to take and the Conservation Commission, we estimate that will take about two months in time to go through the ZBA and the Conservation Commission process. The Planning Board is a bit of an unknown, quite frankly, with a project of this size and scope. We're hoping that many of the issues that the Planning Board will be sensitive to will actually be ironed out as part of the preliminary conversations with this Board, and as part of the stakeholder meetings, and the neighborhood as well. I estimate the Planning Board process will take anywhere from two months to four months provided that the plan is developed enough for the Board's consideration.

Alderman Sullivan

Thank you. Does the legislation that we work on and approve, does that come before that or does that come after that?

Matt Sullivan, Community Development Director

So that's a great question. There are a few pieces on either end. Some pieces will come precedent. I'll give you an example of that. The rezoning legislation - the two components of rezoning that were discussed this evening will come precedent to the Planning Board's consideration. I will note, however, they'll have a referral role as part of those pieces of legislation should they as Land Use Code amendments, so they'll ultimately go to the Planning Board. The site plan review application I just referred to will then happen but there are some pieces that will happen subsequent to the Planning Board process, most likely in the form of maintenance agreements and the like that will need to happen later.

Alderman Sullivan

Okay, thank you.

Alderman Comeau

Yes, thank you Madam President. I just had a brief musing. I don't think that it's going to actually be a question that will need to be answered but, you know, over the course of this presentation, I just have to say I'm pretty excited. It's a very good presentation. Very well done. As far as developing the site, I think that it's a great thing for the city. The partnership that was described, I think is something that will work really well for us. Basically if you bear it down to three basic options, we've got a partnership to develop it, leave it as is, which is not a great option, or the city foots the bill themselves to clean the site up, which, you know, obviously I'd much rather see somebody else write those checks than in the city. So I think giving the concession of lightening the load as far as the inclusionary zoning goes is a reasonable concession given the costs that, you know, the private sector is willing to incur to clean up the site.

I do support the inclusionary zoning ordinance and the intent behind it. But like has been mentioned, this is a unique piece of property. So as far as allowing them some easement off of that ordinance in exchange for the money that they're going to put up to clean up the site which otherwise would probably just stay a polluted pool for another 50 years, I think that's a concession that we should be willing to make. I think this is a great project and I'm excited to see it move forward. Thank you, Madam President.

President Wilshire

You're welcome.

Alderwoman Kelly

Thank you. My question is for Director Cummings, maybe Director Sullivan. You mentioned, and this was a new development for me possibly using \$2 million from the Trust Fund to help support is that the remediation piece?

Tim Cummings, Administrative Services/Economic Development Director

Yes. I was just was thinking back to the slides. So the \$2 million that I referenced that would be a loan. It would be put towards the remediation in terms of the phasing. A lot of this is how you structure the deal and we have to get to a certain point before actually you can finance or get a bank to loan. So we're unique in the sense that we're not a traditional lender so we can advance those funds earlier on. So that's what that \$2 million as a city loan one it shows you but then what we know is we will actually get paid back when we actually transition to the redevelopment phase of the project or the housing construction phase of the project. We'll use those units that get constructed to pay back the \$2 million loan that is made. That's separate and apart from and I want to be clear about this.

So the \$2 million dollars is a loan. The redevelopment bond if you will, you could look at that as more like a grant. So I just want to be clear about that. So that \$2.5 million that's coming in, we're not going to get paid back for that. That is going to not be borne onto the Nashua taxpayer because of the unique structure that we created with the Housing Authority because we're going to basically capture the future tax dollars that we'll be generating off of the housing project to be able to pay back this \$2.5 million. I went a little bit beyond your question but I want to clarify the role that the city would be playing in two unique ways.

Alderwoman Kelly

If I could follow up Madam President.

President Wilshire

Yes.

Alderwoman Kelly

Okay, thank you. I think I understand. I know it's preliminary. I know that the Housing Trust Fund hasn't even met yet but what I'm hearing you say is that \$2 million if you took it out would get paid back to the Trust Fund...

Tim Cummings, Administrative Services/Economic Development Director

Correct.

Alderwoman Kelly

...on top of the \$2.3 million that they're paying in lieu of...

Tim Cummings, Administrative Services/Economic Development Director

Correct.

Alderwoman Kelly

So we're not going - I was thinking that was going to become null.

Tim Cummings, Administrative Services/Economic Development Director

No. That's in addition to.

Alderwoman Kelly

Okay, thank you.

Tim Cummings, Administrative Services/Economic Development Director

Great, great question.

Alderwoman Kelly

Thank you.

Alderman Klee

Thank you, Madam President. Back to the inclusionary zoning or inclusionary housing slide you had. One of the notes, it talked about in lieu payments for sale adjustments from \$75,000 per unit to \$37,500 per unit. But you said \$37,000. So are they paying in lieu of \$37,500 or \$37,000?

Tim Cummings, Administrative Services/Economic Development Director

I think what that is referencing is to be as transparent as possible and to be as technically accurate as possible, the report and that study that helped us develop the policy that we have here referenced the idea that when it was a condominium, the payment in lieu fee, we should kind of anticipate around \$75,000. Now that was a snapshot in time when that model was done by RK. That was back before construction costs went the way they did. That was back before the Federal Reserve upped the interest rates and the lending terms changed like the way they did. So what we did was, and this is something that Director Sullivan alluded to, to have a comfort level to kind of, you know, accept that \$37,000 figure. We re-vetted that with RK. So RKG re-looked at the analysis and they thought that that was, you know, an acceptable approach at this time.

Alderman Klee

Okay, thank you very much. I just have one more question. It's probably to the developers. I remember Mr. Plante when we had a number of meetings. The community in the neighborhood was very concerned about all of that traffic that will be going through there. The traffic will be pushed out to the Veterans Parkway and not through into Intervale and Fairmount.

Bernie Plante

That's correct. The only access to Fairmount will be for an emergency access for the project which the Fire Marshal required. It will be subject to gates and bars. So there'll be no access through Fairmount Heights are little Florida.

Alderman Klee

Thank you very much. I appreciate that.

President Wilshire

So I just want to add my two cents to this. I met with Mr. Plante and Mr. Geisinger I don't know 6, 8, 10 months ago. I shared the concerns that Alderwoman Kelly had about the affordable piece. I think that what they did was really amazing. There's only been a few other financing things that I've been through on this Board. One of them was the Pennichuck acquisition. The other one was the Performing Arts Center as far as creativity but I give you kudos for including the Housing Authority as a partner in this. I think that really sold me. I did express to Bernie and Lloyd that my concern was the affordability piece. So kudos to whoever came up with all this creativity. I really appreciate it.

I guess that's all I have. I want to thank you all for coming in this evening. It was a great presentation and we look forward to having you back at some point.

Lloyd Geisinger

Thank you very much.

President Wilshire

Thank you.

ADJOURNMENT

MOTION BY ALDERMAN O'BRIEN THAT THE JANUARY 10, 2023, SPECIAL MEETING OF THE BOARD OF ALDERMEN BE ADJOURNED

Alderman Jette

I just wanted the record to reflect the fact that Alderman Lopez and I came late but we were here for most of the presentation.

President Wilshire

Yeah, I think you came in at 6:48 or right after we started. Thank you for that.

MOTION CARRIED

The meeting was declared adjourned at 8:30 p.m.

Attest: Daniel Healey, City Clerk