

## **AGENDA**

### **SPECIAL MEETING BOARD OF MAYOR AND ALDERMEN (PUBLIC HEARING – TAX INCENTIVE)**

**August 5, 2008**

**6:00 PM  
Aldermanic Chambers  
City Hall (3rd Floor)**

1. Mayor Guinta calls the meeting to order.
2. Mayor Guinta calls for the Pledge of Allegiance.  
A moment of silent prayer is observed.
3. The Clerk calls the roll.
4. Mayor Guinta advises that the purpose of the special meeting is to hear those wishing to speak on a Community Revitalization Tax Relief Incentive Application pursuant to RSA 79-E for property located at 790-796 Elm Street (Map 153, Lot 17&18) in the City of Manchester; that anyone wishing to speak must first step to the nearest microphone when recognized and recite his/her name and address in a clear, loud voice for the record; that each person will be given only one opportunity to speak; and any questions must be directed to the Chair.
5. Mayor Guinta requests that Jay Minkarah, Economic Development Director, make a presentation.
6. Mayor Guinta calls for those wishing to speak.
7. Mayor Guinta advises that all wishing to speak having been heard, the testimony presented will be taken under advisement with reports to be made to the Board of Mayor and Aldermen at a later date.
8. Mayor Guinta advises that this being a special meeting of the Board, no further business can be presented and a motion to adjourn would be in order.

# Memo

**To:** Board of Mayor and Alderman

**From:** Glen Ohlund

**CC:** Jay Minkarah

**Date:** 7/11/2008

**Re:** Community Revitalization Tax Relief Incentive Application (RSA 79-E)  
790-796 Elm Street (aka Map 153, Lots 17 & 18)

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The Economic Development Office is in receipt of our third application for the Community Revitalization Tax Relief Incentive a/k/a RSA 79-E. This memo and copy of the application will serve as the basis for the public hearing required by RSA 79-E. We would anticipate that the Public Hearing to coincide with the August Meeting of the full Board of Mayor and Alderman slated for Tuesday August 5<sup>th</sup>. In order for that hearing to occur, we are seeking a telephone poll (vote) of the Board of Mayor and Alderman to schedule the requisite Public Hearing.

## **Background-**

The two story building, built in 1918, at the corner of Merrimack and Elm Streets included the landmark Merrimack Restaurant until recently, other retail and service businesses have occupied the balance of the first floor over the years and upper floor consisted "Class C" office space and an apartment in fair condition. In late Spring 2008, a group of local investors purchased the property with plans for major improvements. The ownership includes David and Donald Eaton, Max Pruna, and Francis Fernbando.

The City received the application for tax relief under RSA 79-E on June 30<sup>th</sup>, 2008.

RSA 79E establishes a set of criteria required to grant this Tax Relief Incentive as follows:

## **Property is within a designated Downtown or Central Business District area and consistent with Master Plan or other development regulations-**

Attachment "A" is a City GIS map showing subject property to be located in the CBD (Central Business District) Zoning area. One of the four zoning districts the City of Manchester adopted for RSA 79-E. The other applicable areas are the Millyard District (AMX) and two Downtown R-3 Zones which include the Amoskeag Housing. All of the uses proposed by applicant are consistent with those outlined for the Central Business District as permitted uses in the 2001 Zoning Ordinance. Additionally, this project meets the City's Master Plan economic development objectives to "Evaluate the city's older commercial and industrial areas for their potential to be creatively rehabilitated and reused" and further supports efforts to "strengthen the Central Business District" also outlined in the 1993 Master Plan.

**Proposed rehabilitation qualifies as substantial-**

The subject property was assessed in 2007 at \$755,200. The applicant's proposal calls for rehabilitation costs of \$406,165 (not incl. developer's fees) which equal nearly 54% of the assessed value. This significantly exceeds the threshold of 15% of assessed value or \$75,000 (whichever is less) required by the statute.

**There is public benefit in granting the Tax Relief-**

MEDO finds that the application meets a number of the public benefit requirements under RSA 79-E. The applicant plans to attract a restaurant and two additional retail tenants on the first floor. The upper floors would be improved office space that will enhance the economic vitality in Downtown Manchester. New office tenants will have the potential to create additional daytime purchasing power that can be captured by Downtown retailers and restaurants.

MEDO further finds that the work to be conducted on the exterior façade and addition of windows on the West Merrimack Street side of the building will create a more inviting and valuable property. Interior improvements will total nearly 2/3 of the total rehabilitation costs and are considered a requirement for the successful operation and cash flow of the subject property. The applicant has not requested additional tax period benefits for rehabilitating a historic structure, nor has he followed the US Secretary of Interior's Standards for Rehabilitation.

The rehabilitation of this building will physically enhance the Downtown area in which it is located, as it is a very visible from Elm Street. As important a landmark as the Merrimack Restaurant is, there has been a significant amount of deferred maintenance and updating to bring the property to standards of many of the surrounding properties.

Based on this report, comments from the applicant, and results of the Public Hearing, the Board of Mayor and Alderman is required to render a decision granting or denying the requested tax relief, and if so, establishing a tax relief period based on the following:

- 1) public benefit is established
- 2) a covenant under RSA 79-E:8 is established, protecting the public benefits of the project. RSA 79-E states that the covenant be coextensive with the period of tax relief and may be in effect for up to twice the period of tax relief
- 3) the Board of Mayor and Alderman finds the proposed use(s) consistent with the Master Plan or development regulations

MEDO respectfully recommends that the Board of Mayor and Alderman grant this RSA 79-E request for a period of five (5) years and authorize Staff to complete the necessary covenants and recordings required by this statute.

MEDO staff looks forward to discussing this application in August

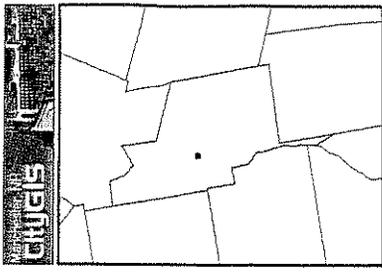
The original application is included in this memo.

Respectfully,

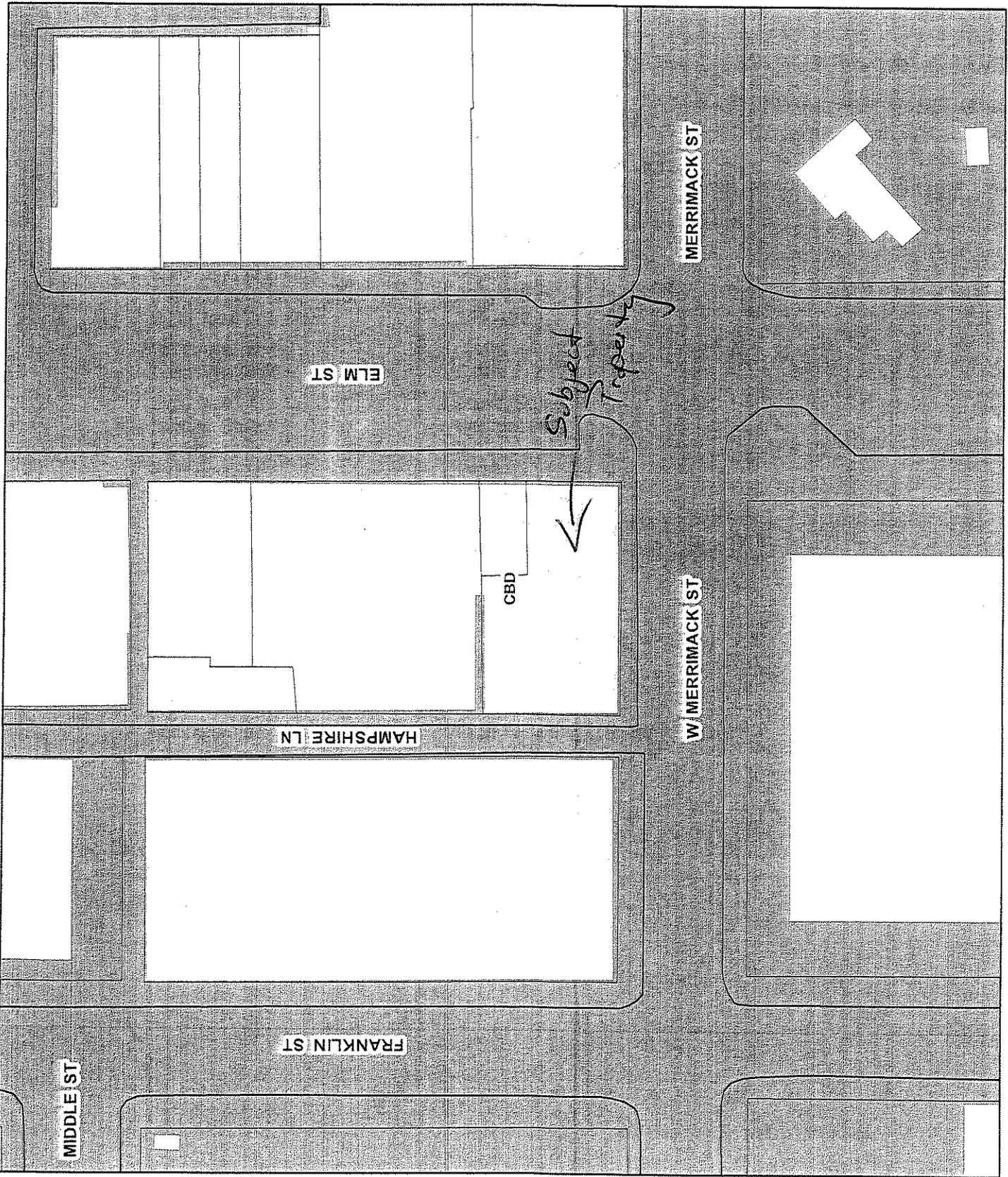
Glen Ohlund

[gohlund@manchesternh.gov](mailto:gohlund@manchesternh.gov)

624-6505 x 4103



Area Map Showing Extent Of Map At Left



**Legend**

Parcel	Water (Fwd)
Building	River
Driveway	Wet Area
Deck	Stream
Foundation	Wet Area
Other Building	Wet Area
Pool Above Ground	Wet Area
Pool Below Ground	Wet Area
Tank	Wet Area
Power	Wet Area
Railroad	Wet Area

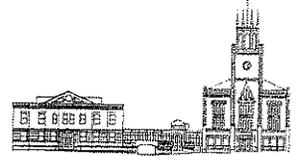
**DISCLAIMER**

The information appearing on this map is for the convenience of the user and is not an official public record of the City of Manchester, NH (the "City"). This map is not survey-quality. All boundaries, easements, areas, measurements, rights-of-way, etc. appearing on this map should only be considered approximations, and as such have no official or legal value. The City makes no warranties, expressed or implied, regarding the accuracy, completeness, reliability, or suitability of this information. The City assumes no liability whatsoever associated with the use or misuse of this information. The official public records from which this information was compiled are kept in the offices of various City, County, and State government agencies and departments, and are available for inspection and copying during normal business hours. By using this map, you agree to these terms and conditions.



# CITY OF MANCHESTER

## Economic Development Office



### Community Revitalization Tax Relief Incentive Application

<p>Building Name (if any)</p> <p>Building Address 790 Elm Street 796 Elm Street</p>	<p>Owner Name(s) 788 Elm Street LLC</p> <p>Applicant Name(s) (if different from owner)</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">1. Max Pruna</td> <td style="width: 50%;">3. Donald Eaton</td> </tr> <tr> <td>2. Francis Fernando</td> <td>4. Dave Eaton</td> </tr> </table>	1. Max Pruna	3. Donald Eaton	2. Francis Fernando	4. Dave Eaton
1. Max Pruna	3. Donald Eaton				
2. Francis Fernando	4. Dave Eaton				
<p>Owner Address (es) 788 Elm Street LLC C/O Eaton Partners 814 Elm Street Suite 500 Manchester NH 03101</p> <p>Phone #: 603 – 626-1964</p>	<p>Applicant Address (if different from owner)</p> <p>Applicant 1: 1341 River Road Manchester NH 03104 Applicant 2: 243 Campbell Street Phone #1 : 603-626-6787 Phone # 2:603-860-6240 Email address: <a href="mailto:prunamax@aol.com">prunamax@aol.com</a> Email address: <a href="mailto:francis.fernando@totalsolutionspm.com">francis.fernando@totalsolutionspm.com</a></p>				
<p>Map # for 790 Elm St: 0153 Map # for 796 Elm St: 0153 Lot # for 790 Elm St: 0017 Lot # for 796 Elm St: 0018</p>	<p>Book #: 7989</p> <p>Page #: 1050</p>				
<p>Year Built: 1918</p> <p>Square Footage of Building: 11,800 sq ft 1st Floor: Restaurant &amp; 2 Retail Stores 2nd Floor: Office Space</p>	<p>Is the building eligible or listed on the State or National Register of Historic Places or located in a Local, State, or Federal Historic District? Yes ___ No <u>X</u></p> <p>provide historic district name if applicable)</p>				
<p>Existing Uses (describe number of units by type and size ) Merrimack Restaurant – 4,100 sq ft Juice Store – 858 sq ft Vacant – 928 sq ft 2nd Floor Vacant Offices</p> <p>Proposed Uses (describe number of units by type and size) New Restaurant – 4100 sq ft    New Office Space 2<sup>nd</sup> floor Retail Store – 858 sq ft Retail Store – 928 sq ft</p>	<p>Is there a change of use associated with this project? ___ Yes <u>X</u> No If so, please describe:</p> <p>Has an abatement application been filed or awarded on this property within the past year? Yes ___ No <u>X</u></p>				
<p>Will the project include new residential units? ___ Yes <u>X</u> No</p> <p>If yes, please describe:</p>	<p>Will the project include new affordable residential units? ___ Yes <u>X</u> No</p> <p>If yes, please describe:</p>				

**Note:** Application must be accompanied by a \$50 Application Fee made payable to "City of Manchester"

**Will any state or federal grants or funds be used in this project? If so, describe and detail any terms of repayment** (if applicable)

Yes, HUD Section 108 Financing (application submitted)  
20 Year Loan

**Describe the work to be done and estimated cost:** please attach additional sheets if necessary and any written construction estimates: **See attachment**

Structural: See attachment	\$
Electrical: See attachment	\$
Plumbing/Heating: See attachment	\$
Mechanical: See attachment	\$
Other: See attachment	\$
<b>Total:</b> Note: To qualify for this tax relief incentive, the costs of the project must be at least 15% of the pre-rehabilitation assessed value or \$75,000, whichever is less.	\$

Please attach any plot plans, building plans, sketches, renderings or photographs that would help explain this application.

**APPROVAL BY A MAJORITY OF MAYOR AND ALDERMEN REQUIRED**

I have read and understand the Community Revitalization Tax Relief Incentive RSA Ordinance (see following pages) 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.

  
Applicant: (signed)

Max Pruna  
(name printed)

06/25/08  
Date

  
Applicant: (signed)

Francis Fernando  
(name printed)

06/25/08  
Date

Expected project start: August – September 2008 Expected project completion: June 2009

Construction Cost Summary  
 NHB&R June 2 Budget

2nd Floor Size	5,700 Sq Ft		General Size	11,760	
<u>Category</u>	<u>Cost \$</u>	<u>Cost PSF</u>	<u>Category</u>	<u>Cost \$</u>	<u>Cost PSF</u>
Demolition	24,060	4.22	Design Services	<del>8,200</del>	0.70
Framing	22,000	3.86	Permits	4,000	0.34
Electrical	37,700	6.61	Structural	3,200	0.27
Plumbing	22,000	3.86	Ext Windows/Doors	33,890	2.88
HVAC	48,400	8.49	Electrical Code	14,000	1.19
Insulation	14,000	2.46	Exterior Facade	40,800	3.47
Drywall	19,575	3.43	HVAC Allocation	10,000	0.85
Cabinetry	5,950	1.04	Not Included		
Interior Doors	13,500	2.37	Env Remediation		
Flooring/Tile	36,790	6.45	Sprinkler		
Paint	18,000	3.16	Signage		
Ceilings	26,100	4.58			
Specialties	4,000	0.70			
Subtotal	<u>292,075</u>	<u>51.24</u>	Subtotal	<u>114,090</u>	<u>9.70</u>
7% Overhead	20,445	3.59	Overhead	7,986	0.68
5% Profit	14,604	2.56	Profit	<u>5,705</u>	<u>0.49</u>
Total	<u>327,124</u>	<u>57.39</u>	Total	<u>127,781</u>	<u>10.87</u>
Subtotal Project	406,165				
Subtotal Overhead	28,432				
Subtotal Profit	<u>20,308</u>				
Project Total	<u>454,905</u>				

REVISION	NO.	DATE	DESCRIPTION

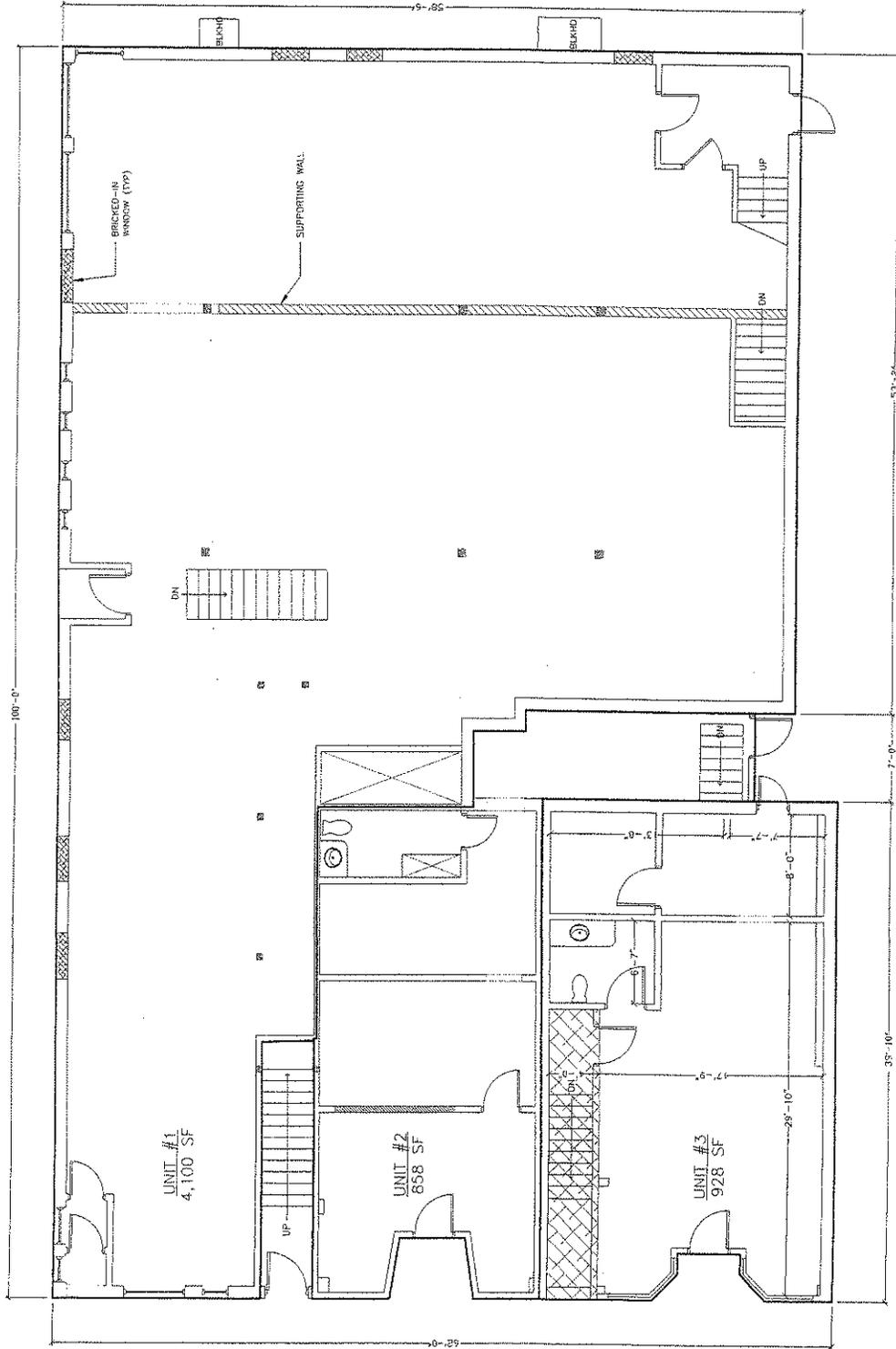
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THE COMPANY.  
DO NOT SCALE DRAWINGS. USE  
DIMENSIONS SHOWN ON DRAWING.  
ALL DIMENSIONS ON SITE.

GENERAL NOTES:

**FIRST FLOOR**

PROJECT: MERRIMACK & MIL  
DESIGN BY: BRADLEY J. BAY  
CHECKED BY: S. BARRON  
SCALE: 1/4" = 1'-0"  
DATE PLOTTED: 06/18/2008

A-1.2



LOCATION OF COLUMN  
ON SECOND FLOOR

1 FIRST FLOOR PLAN  
1/4" = 1'-0"

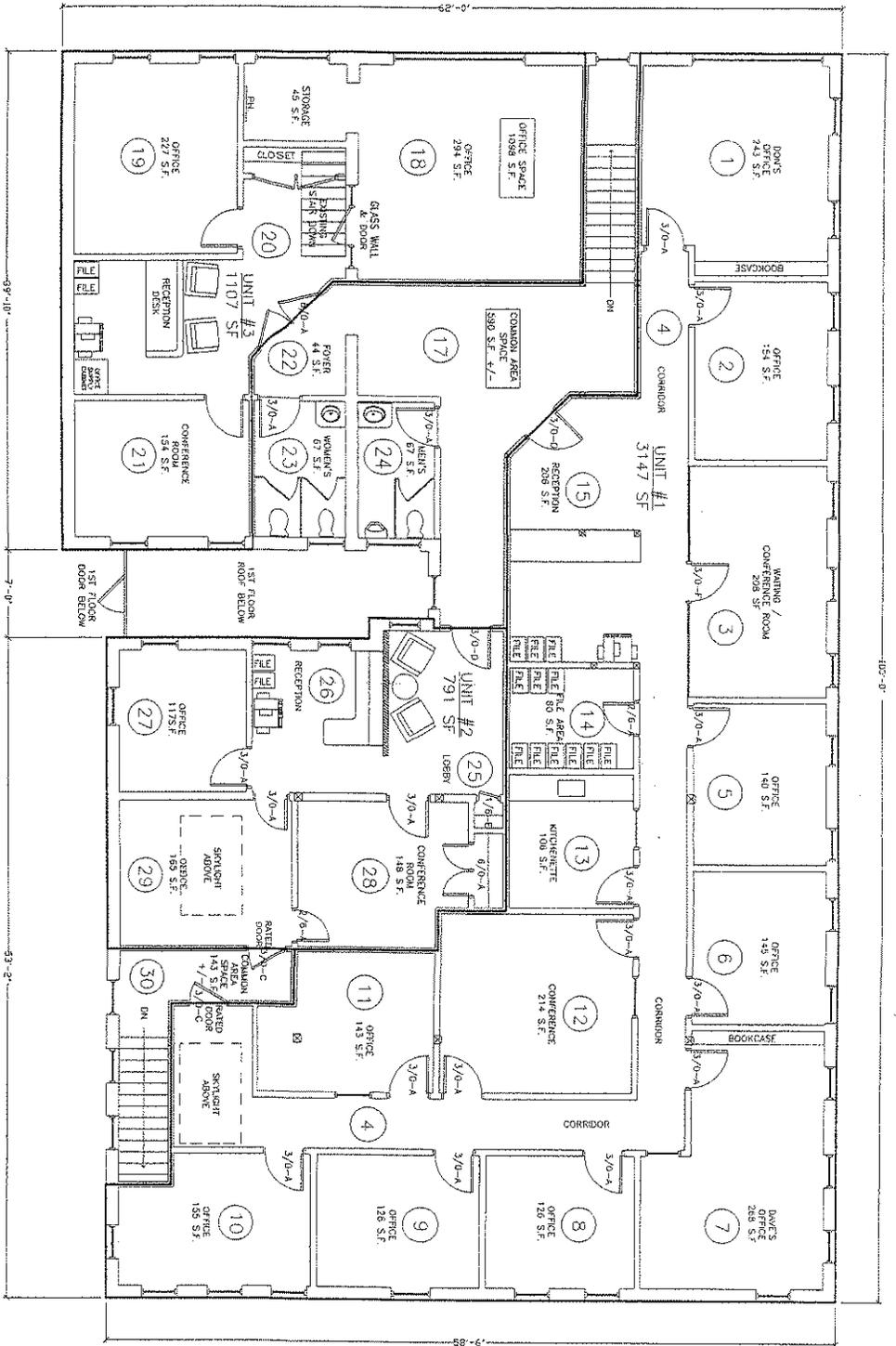
CONSTRUCTION REPORT

SECOND FLOOR POOR SCHEDULE

W/HT	HGHT	QUANTITY	MARKET	MODEL	HARDWARE
3/0-A	7/0	15	FELD-WEN	COMMERCIAL CONTINENTAL	SARGENT TO LINE
2/0-A	7/0	2	FELD-WEN	COMMERCIAL CONTINENTAL	SARGENT TO LINE
3/0-B	7/0	2	FELD-WEN	COMMERCIAL CONTINENTAL	SARGENT TO LINE
3/0-C	7/0	2	FELD-WEN	COMMERCIAL CONTINENTAL	SARGENT TO LINE
3/0-D	7/0	2	FELD-WEN	COMMERCIAL CONTINENTAL	SARGENT TO LINE
1/0-A	7/0	1	FELD-WEN	COMMERCIAL CONTINENTAL	SARGENT TO LINE
6/0-A	7/0	1	FELD-WEN	COMMERCIAL CONTINENTAL	SARGENT TO LINE
3/0-F	7/0	1	FELD-WEN	COMMERCIAL CONTINENTAL	SARGENT TO LINE

1 SECOND FLOOR PLAN  
1/4" = 1'-0"

CONSTRUCTION NORTH



**NB**  
& Remodelers  
INCORPORATED  
1101 191st ROAD  
HOBOKEN, NJ 07030  
(201) 944-8666

REVISIONS

NO.	DATE	DESCRIPTION

CONTRACTOR SHALL BE RESPONSIBLE FOR ALL ROOMS ASSIGNED TO THEM IN THE SCHEDULES AND FOR THE MATERIALS AND FINISHES TO BE USED IN THE WORK. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING WORK AND FOR THE PROTECTION OF ALL UTILITIES AND SERVICES ON SITE.

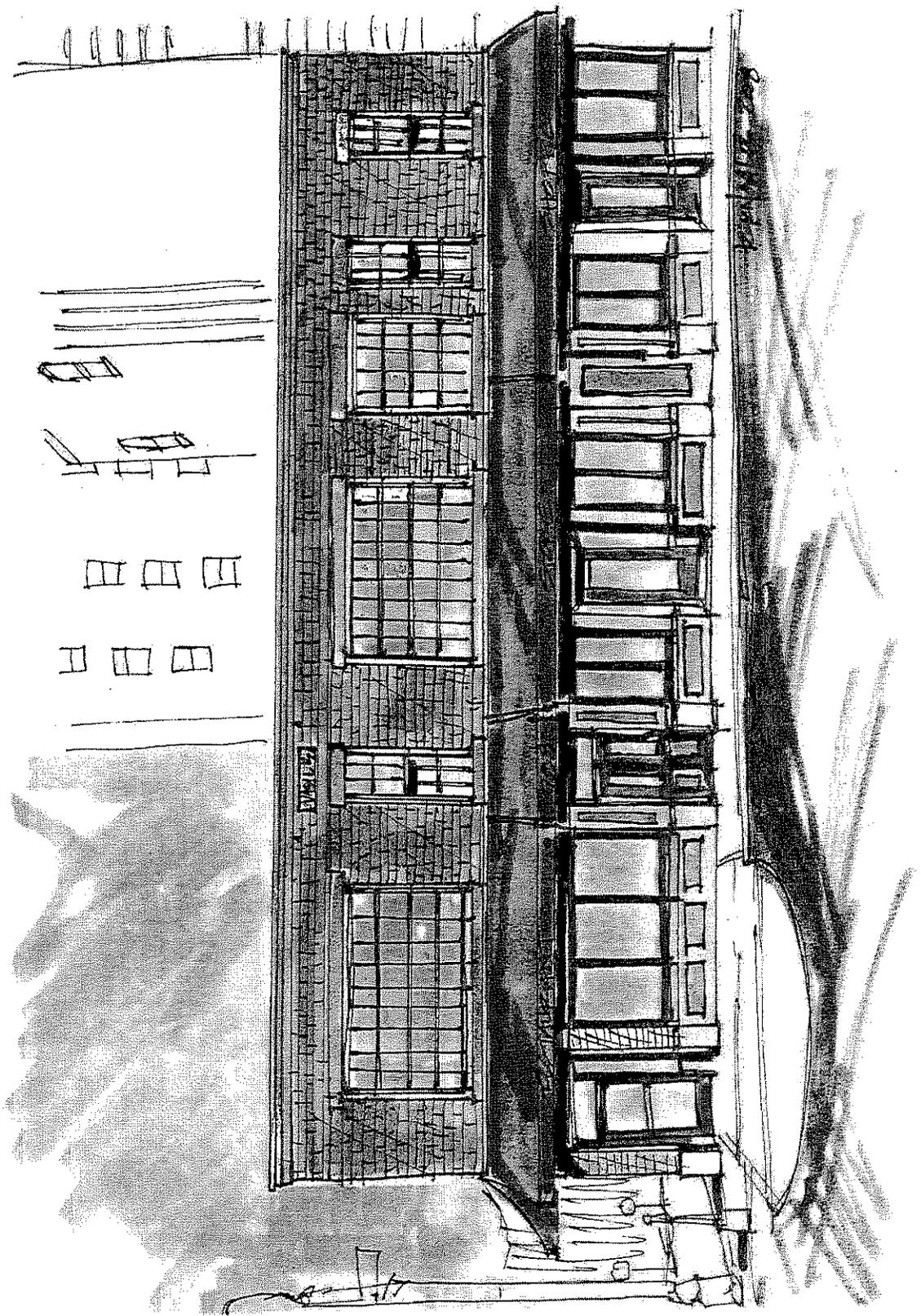
GENERAL NOTES

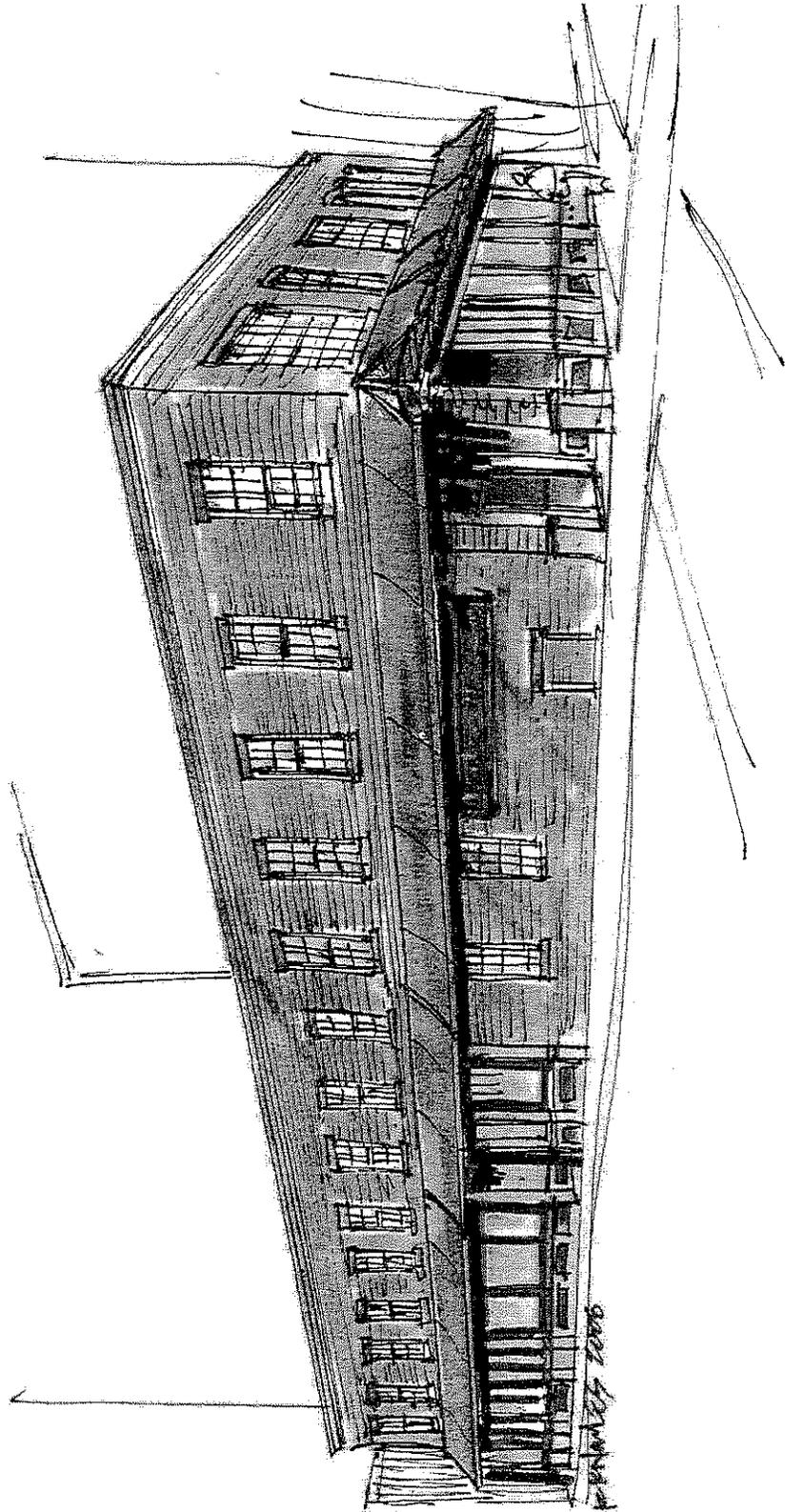
NO.	DESCRIPTION

SECOND FLOOR

A-1.3

48





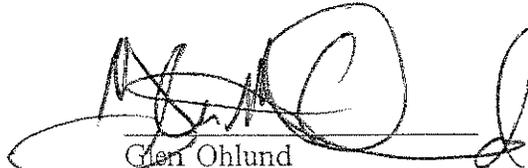
Manchester Economic  
Development Office

One City Hall Plaza  
Manchester, NH 03101  
TEL: 603.624.6505  
FAX: 603.624.6308

[www.YourManchesterNH.com](http://www.YourManchesterNH.com)

Received \$50.00 from Francis Fernando, Application fee, RSA 79E.

June 30, 2008



Glen Ohlund

Manchester Economic Development Office