

TOWN OF SEABROOK

SELECTMEN'S MEETING

JANUARY 16, 2007

Present: Cora E. Stockbridge 9:00AM
Richard A. McCann
Robert S. Moore
Fred Welch
Attorney J. Joseph McKittrick

Chairman Stockbridge opened the meeting at 9:00AM.

PUBLIC HEARING - \$462K BOND

Mr. Welch read the public notice and the warrant article into the record.

MOTION: Richard A. McCann To approve the article.
Second: Robert S. Moore
Unanimous

PUBLIC HEARING - \$12,500,000 PETITION ARTICLE

Mr. Welch read the public notice, the warrant article and the letter from counsel regarding the legality of the article into the record.

Mr. Grafmeyer spoke to this article. He said their legal counsel differs with town counsel. He commented the TIF will not increase taxes and there will be additional incremental taxes to the town. Mr. Grafmeyer said the improvements would benefit the center as well as the problems currently existing today and there would be no liability to the town.

Mr. Grafmeyer said if there is no project there would be no additional taxes to the town except for the base amount. He said after looking at target base centers in NH the safety and calls for service are very minimal. He is only looking for the taxpayers to be able to vote on this and to let them educate the voters.

Brendan Kelly said he signed the petition because he believes in the petition process. He said the \$12.5 million means nothing without the figures to do the construction. Mr. Grafmeyer responded and said the 12.5 million includes the bridge, Route 107, Route 1 and Provident Way.

Paula Wood commented that without the TIF there is no mall, which means no taxes to the town. She said they have already called for service and there is no building on the property, she disagrees with the amount of the service calls.

Mr. Grafmeyer explained to Charlie Keenan the incremental taxes used to pay off the TIF and the rest to the town. Mr. Keenan said if the numbers don't work for the developer they should not be the developer.

Mr. McCann commented there is a 20% cushion on the taxes but the board couldn't use at their discretion, as there are safety concerns and purchases to be made to provide service. He said they would need to acquire the land and would it be covered by the 12.5 million. Mr. Grafmeyer said it would.

Mr. Steve Strnisha, consultant for DDR said the TIF would allow the public and private sector to work together to improve the area. He said 16 communities have done this and it has worked well.

Angel Jean asked the board if there is no project does it alter their feelings toward the TIF. Mr. Moore responded and said there is nothing stopping DDR from coming forward with a smaller project and there would be no TIF.

Attorney McKittrick said he does not believe the public funds could be used to acquire the land. He also believes the 2 petition articles are not sufficient enough and he is very confident with his opinion.

Fire chief, Jeff Brown asked who pays the legal fees if it goes to Concord. Attorney McKittrick said in NH each party pays their own court costs.

Mrs. Wood asked Mr. Welch to explain the advisory board that goes along with the TIF district. Mr. Welch said the largest property owner has one seat on the board (in this case being DDR) and the board of selectmen appoints the other 2 positions. Mr. Welch read the statute into the record.

Everett Weare, state representative believes TIF districts were developed for communities with financial difficulties. Seabrook is not one of those communities.

Mr. Welch said the length of the bond is based entirely on the amount of the bond. He asked why is there no language for state or federal funds to be applied for. Mr. Grafmeyer said he would need his attorney to respond to the question. He does understand there are wetlands along I-95 and he would need to obtain permits. Mr. Welch said the board would need to be part of the spending of funds by DDR.

Charlie Keenan is still concerned with the money. He said it would be our tax money if we didn't float bond.

Mr. Strnisha said the developer comes to town with existing issues and the project adds to it, he said this is where the developer and the public work together to resolve. He said the developer guarantees the bond so the taxpayers don't have to pay it should something happen. Mr. Moore asked if they could back the bond why not just pay for the project. Mr. Strnisha said that is the risk the developer makes. Mr. Moore said there is additional cost for administrator and office space. Mr. Strnisha those are things they need to work on together.

Mr. McCann said there is no sales tax in NH and eventually we could be forced into a sales tax or income tax. Have they taken this into account? Mr. Grafmeyer said the typical tenants have said that is not an underlying factor for them to bring their business here.

Mrs. Wood said when the department heads bring their budgets to the budget committee they have concrete figures and still today DDR does not have concrete figures but they would like us to support their article, this is why she is not supporting the article. Mr. Grafmeyer said he can provide information today and the work will not exceed 12.5 million. He said if it does exceed the article the bond does not move forward and neither does the project.

Mrs. Lillian Knowles asked if anyone has looked into the tax equalization. Mr. Strnisha said he would follow up on it. Mrs. Knowles said a payment has to be made to the county and WHS. Mr. Strnisha said they would need to work together to talk about the costs so the town does not have to pay.

Mr. Welch commented on the no excess tax revenue and that we do not regulate it so therefore we could not spend it. He said over 30-years we would be paying back \$25 million.

Chief Brown said the industry average for off-site improvements is 7-10%. Mr. Grafmeyer said it is a lower percentage for larger projects and there is no industry standard. He said any business coming into the town would have the same issues he is facing.

Mr. McCann said the planning board has had special meetings to work with DDR. He thinks it might be a bit premature, as they

do not have the paperwork and time to review. Mr. Grafmeyer said he has requested 5 months ago to meet with board and he was
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turned down. Mrs. Stockbridge said the board did receive the request but felt it was not copestetic to the town and had no interest.

Angel Jean asked if the town had any bonds currently. Mr. Welch said we do not. He said in the history of bonds only one has passed. Mr. Welch said it would cost \$600-700 thousand per year to pay the bond back.

MOTION: Richard A. McCann To not recommend the
Second: Robert S. Moore article.
Unanimous

MOTION: Richard A. McCann To close the public
Second: Robert S. Moore hearing at 10:30AM.
Unanimous

Meeting adjourned at 10:30AM.
Minutes taken by Kelly J. O'Connor

Approved and endorsed:

Robert S. Moore, Clerk

Date: _____